

U.S. Department of Labor

Employment Standards Administration
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April 19, 2005

Mr. Luke Kahler
President, UAW Local 786
2331 E. Market St.
York, PA 17402

Re: C 2

Dear Mr. Kahler:

This office has recently completed an audit of UAW Local 786 under the Compliance Audit Program (CAP) to determine your organization's compliance with the provisions of the Labor-Management Reporting and Disclosure Act of 1959 (LMRDA). As discussed during the exit interview with Luke Kahler on April 15, 2005, the following problems were disclosed during the CAP. The matters listed below are not an exhaustive list of all possible problem areas since the audit conducted was limited in scope.

Title II of the LMRDA establishes certain reporting and record keeping requirements. Section 206 requires, among other things, that adequate records be maintained for at least five years by which each receipt and disbursement of funds, as well as all account balances can be verified, explained, and clarified.

As a general rule, all records used or received in the course of union business must be retained. This includes, in the case of disbursements, not only the retention of original bills, invoices, receipts, and vouchers, but also adequate additional documentation, if necessary, showing the nature of the union business requiring the disbursement, the goods or services received, and the identity of the recipients of the goods or services.

The following record keeping deficiencies were revealed during the audit of Local 786's 2003 records:

- The statements for the Time Deposit Account at Commerce Bank were not maintained.
- The repayments of the loan payable to International were not fully and accurately recorded in the Local's records.

I want to extend my personal appreciation for your and your entire staff's cooperation and courtesy during this compliance audit. If we can be of any assistance in the future, please do not hesitate to call. Additionally, I ask that this information be passed on to any new officers to ensure that the deficiencies continue to be addressed.

Sincerely, /s/ [Signature]
7661

Investigator