



July 9, 2015

Ms. Karen Neff, Financial Secretary
United Autoworkers Local Union 1435
29781 Oregon Road
Perrysburg, Ohio 43551-4527

Case Number: 350-6003290()
LM Number: 064778

Dear Ms. Neff:

This office has recently completed an audit of United Autoworkers Local Union 1435 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 Robert Bickerstaff on June 8, 2015, 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.

Recordkeeping Violations

Title II of the LMRDA establishes certain reporting and recordkeeping requirements. Section 206 requires, among other things, that labor organizations maintain adequate records 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, labor organizations must maintain all records used or received in the course of union business.

For disbursements, this includes not only original bills, invoices, receipts, vouchers, and applicable resolutions, but also documentation showing the nature of the union business requiring the disbursement, the goods or services received, and the identity of the recipient(s) of the goods or services. In most instances, this documentation requirement can be satisfied with a sufficiently descriptive expense receipt or invoice. If an expense receipt is not sufficiently descriptive, a union officer or employee should write a note on it providing the additional information. For money it receives, the labor organization must keep at least one record showing the date, amount, purpose, and source of that money. The labor organization must also retain bank records for all accounts.

The audit of Local 1435's 2014 records revealed the following recordkeeping violations:

1. General Reimbursed Expenses

Local 1435 did not retain adequate documentation for reimbursed expenses incurred by the union for food and entertainment for the 2014 children Christmas Party. Specifically, the union paid for a clown, face painting, and a magician, totaling at least \$920. However, no invoices or receipts for these expenses were maintained.

As noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. The president and treasurer (or corresponding principal officers) of your union, who are required to sign your union's LM report, are responsible for properly maintaining union records.

2. President's Salary

According to the UAW Local 1435 Collective Bargaining Agreement dated June 2012, if President Bickerstaff is paid overtime by the employer, the union will subtract those overtime hours from the 20 hours weekly union time. You contact Bickerstaff either Wednesday or Thursday following the week ending, and he informs Neff of the hours to be paid for union pay. You do not check Bickerstaff's union time against the company's payroll records. The reporting of the union hours is strictly a "good faith" procedure implemented by you and Bickerstaff. However, it was revealed that in some instances when the employer paid overtime to Bickerstaff, the union time was not reduced as required by the bylaws. In addition, Bickerstaff also did not request all time associated to union time during the above period which resulted in Bickerstaff being underpaid 4.6 hours.

You should verify the number of hours paid to President Bickerstaff prior to paying union time to Bickerstaff. The documentation that should be required to pay the union time is Bickerstaff's pay stub from Chrysler for the week the union is issuing payment. You and President Bickerstaff agreed to change procedures to ensure accurate salary payments.

Based on your assurance that Local 1435 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Reporting Violations

The audit disclosed a violation of LMRDA Section 201(b), which requires labor organizations to file annual financial reports accurately disclosing their financial condition and operations. The Labor Organization Annual Report Form LM-2 had not been filed by Local 1435 for the fiscal year ended December 31, 2014, however, the union was deficient in that:

1. Failure to File Bylaws

The audit disclosed a violation of LMRDA Section 201(a), which requires that a union submit a copy of its revised constitution and bylaws with its LM report when it makes changes to its constitution or bylaws. Local 1435 amended its constitution and bylaws in June 2012, but did not file a copy with its LM report for that year. A copy of the bylaws was provided on February 9, 2015, therefore, no additional action is required.

2. Disposition of Property

Local 1435 did not maintain an inventory of t-shirts it purchased, sold, or gave away. UAW 1435 Member [REDACTED] collects monies for union t-shirts and gives the funds to you to deposit and purchase additional t-shirts. However, [REDACTED] does not give the union documentation on who orders the t-shirts. The member completes an order form, and Leary returns this form to the member with the ordered t-shirt. In addition, during the Local Union 1435 monthly retirees luncheons, the union raffled gift cards to the retirees. These expenses were approved in the financial secretary reports and supporting documentation was maintained. However, the union must report the value of any union property on hand at the beginning and end of each year in Item 28 of the LM-2. The union must retain an inventory or similar record of property on hand to verify, clarify, and explain the information that must be reported in Item 28.

The union must record the date and amount received from each sale of union hats, jackets and other items.

I am not requiring that Local 1435 file an amended LM report for 2012 or 2014 to correct the deficient item, but Local 1435 have agreed to properly report the deficient items on all future reports it files with OLMS.

Other Issues

Expense Allowances

Article XII, Finances, J. indicates UAW 1435 Executive Board receives monthly expense allowances which include President-\$100.00 per week expenses, Vice President-\$50.00 per month plus \$20.00 per day expense allowance, for any time the Vice President is acting as President. (The President and Vice – President shall not receive expense allowance for the same day, Recording Secretary-\$40.00 per week, Unit 1 Chairperson-\$200.00 per month, Unit 3 Chairperson-\$40.00 per month, Unit 4 Chairperson-\$40.00 per month, Benefit Representative-\$35.00 per month, Unit 742 Caravan-Knight Chairperson-\$40.00 per month, Web Master-8 hours per month and, Financial Secretary/Treasurer-\$50.00 per week. I recommend that these monthly expense allowances outline specific expenses the allowances are to cover and be approved by the membership once again. This will help ensure that expenses are not paid by the union, which are to be covered by the expense allowance.

I want to extend my personal appreciation to United Autoworkers Local Union 1435 for the cooperation and courtesy extended during this compliance audit. I strongly recommend that you make sure this letter and the compliance assistance materials provided to you are passed on to future officers. If we can provide any additional assistance, please do not hesitate to call.

Sincerely,



Investigator

cc: Mr. Robert Bickerstaff, President