

U.S. Department of Labor

Office of Labor-Management Standards
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January 20, 2010

Ms. Candace Watt-Covington, Financial Secretary
United Auto Workers AFL-CIO
Local 2269
20 Weltergon Drive
Delaware, OH 43015

LM File Number 530-346
Case Number: [REDACTED]

Dear Ms. Watt-Covington:

This office has recently completed an audit of UAW Local 2269 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 you and Bill Lucas on January 13, 2010, 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 2269's 2008 records revealed the following recordkeeping violation:

UAW Local 2269 was missing receipts and invoices for some of its receipts and disbursements. For example, a voucher written out by the union on May 29, 2008 for an officer included the reimbursement of expenses for the officer, but did not contain the receipt for the expenses being reimbursed. The union must maintain itemized receipts provided by merchants and restaurants to officers and employees. These itemized receipts are necessary to determine if such disbursements are for union business purposes and to sufficiently fulfill the recordkeeping requirement of LMRDA Section 206.

As previously noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. Union receipts records must include an adequate identification of all money the union receives. The records should show the date and amount received, and the source of the money. 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.

Based on your assurance that Local 2269 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violation.

Reporting Violations

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 2269 amended its constitution and bylaws in 2006, but did not file a copy with its LM report for that year.

Local 2269 has now filed a copy of its constitution and bylaws.

Other Issues

During the audit, you noted that the local currently has only one officer, Financial Secretary Candace Watt-Covington, who can access its recordkeeping software program. At minimum, the local should have at least two officers who can access its recordkeeping program, as financial checks and balances to one another. OLMS recommends that Local 2269 review its procedures to improve internal control of union funds.

I want to extend my personal appreciation to UAW Local 2269 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: Bill Lucas, President, UAW Local 2269