

U.S. Department of Labor

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Office of Labor-Management Standards
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August 4, 2009

Ms. Sandra Cummings, Financial Secretary
United Auto Workers of America
Local 913
3114 Hayes Avenue
Sandusky, Ohio 44199

LM File Number 039-726
Case Number: [REDACTED]

Dear Ms. Cummings:

This office has recently completed an audit of UAW Local 913 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, President Doug Preston, and Office Manager Barbara Lipstraw on May 28, 2009, 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 913's 2008 records revealed the following recordkeeping violations:

1. Credit Card Expenses

Local 913 did not retain adequate documentation for credit card expenses incurred by union officers totaling at least \$290.00. For example, there was a charge of \$72.89 for union meeting refreshments from Kroger and a \$216.88 charge from Lowe's for supplies for the union hall, which were not supported by any receipts.

As previously noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. The president and financial secretary of your union, who are required to sign your union's LM report, are responsible for properly maintaining union records.

2. Pink Ladies Receipts

Several local members formed a group called the "Pink Ladies" who hold fundraisers to support breast cancer research. Although the proceeds from these fundraisers are deposited into the local's account, there is no accounting for the money when it is initially collected. The local needs to establish a system such as ticket selling to account for the collected funds.

Based on your assurance that Local 913 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Reporting Violation - 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. Although Local 913 amended its bylaws in 2005, the local did not file a copy with its LM report for that year. This violation has been resolved because you provided a copy of your current constitution during the audit.

Other Issue - Computer Vouchers

Local 913 Office Manager Barbara Lipstraw enters all expenses into the Roberts software, and the system generates a voucher for the expenses. She compares the computer-generated vouchers against the bills and discards the vouchers. We recommended that these computer-generated vouchers be maintained by the union along with the original invoice or receipt.

I want to extend my personal appreciation to UAW Local 913 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: Doug Preston, President