

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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April 4, 2008

Mr. Dale Swain, Financial Secretary
Auto Workers AFL-CIO
Local 1930
405 South Park Lane
Dexter, MO 63841

LM File Number 507-142

Case Number: [REDACTED]

Dear Mr. Swain:

This office has recently completed an audit of UAW Local 1930 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 on March 28, 2008, 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 Violation

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 1930's 2006 records revealed the following recordkeeping violation:

Failure to Record Receipts

Local 1930 did not record in its receipts records any transactions from the union's vending machine. You affirmed that you are the only person that has access to the vending machine and that you have never collected any money from it since you took office in 2005. Union receipts records must include an adequate identification of all money the union receives each year. The records should show the date and amount received, and the source of the money.

Based on your assurance that Local 1930 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-3 filed by Local 1930 for fiscal year ending December 31, 2006, was deficient in the following areas:

1. Disbursements to Officers

Local 1930 did not include some reimbursements to officers for expenses in Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments in Item 48 (Office and Administrative Expense). Checks payable to you for petty cash reimbursement must be reported in Item 24.

The union must report most direct disbursements to Local 1930 officers and some indirect disbursements made on behalf of its officers in Item 24. A "direct disbursement" to an officer is a payment made to an officer in the form of cash, property, goods, services, or other things of value. See the instructions for Item 24

for a discussion of certain direct disbursements to officers that do not have to be reported in Item 24. An "indirect disbursement" to an officer is a payment to another party (including a credit card company) for cash, property, goods, services, or other things of value received by or on behalf of an officer. However, indirect disbursements for temporary lodging (such as a union check issued to a hotel) or for transportation by a public carrier (such as an airline) for an officer traveling on union business should be reported in Item 48 (Office and Administrative Expense).

2. Sale of supplies

Local 1930 did not report receipts from the vending machine sales for 2006. The union must report all receipts of your organization other than those reported in Items 38 through 42, including proceeds from sale of supplies, in Item 43 (Other Receipts). Your labor organization's Form LM-3 must report financial information for all funds of your organization.

I am not requiring that Local 1930 file an amended LM-3 report for 2006 to correct the deficient items, but Local 1930 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to UAW Local 1930 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: Scotty Buie, President