

**U.S. Department of Labor**

Employment Standards Administration  
Office of Labor-Management Standards  
Cincinnati District Office  
36 East Seventh Street  
Room 2550  
Cincinnati, OH 45202  
(513) 684-6840 Fax:(513) 684-6845



April 3, 2007

Ms. Imogene Jordan, Financial Secretary  
Steelworkers Local 14300  
14 Nealie Lane  
Hinkle, KY 40953

LM File Number: 014-816

Case Number: [REDACTED]

Dear Ms. Jordan:

This office has recently completed an audit of Steelworkers Local 14300 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 Investigators [REDACTED] discussed during the exit interview with you, President Ben Suttles, and Vice President Gary Smith on March 1, 2007, 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 recordkeeping requirements. Section 206 requires, among other things, that adequate records be maintained for at least 5 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 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 note can be written on it providing the additional information. An exception may be made only in those cases where 1) other equally descriptive documentation has been maintained, and 2) there is evidence of actual oversight and control over disbursements.

In the case of receipts, the date, amount, purpose, and source of all money received by the union must be recorded in at least one union record. Bank records must also be retained for all accounts.

The audit of Local 14300's 2006 records revealed the following recordkeeping violations:

Union officers and employees failed to maintain adequate documentation for lodging expenses that were directly paid by the union. The date, amount, and business purpose of every expense must be recorded on at least one union record. In addition, the names of individuals present for meal expenses and the locations (names of restaurants) where meal expenses were incurred must be recorded. Additionally, adequate documentation was not retained for arbitrator fees that occurred during the audit period.

Some vouchers submitted by union personnel for lost wages do not identify the union business conducted that required lost wages be incurred. The lost wage claims must identify each date lost wages were incurred, the number of hours lost on each date, the applicable rate of pay, and a description of the union business conducted.

Adequate documentation was not retained for a large t-shirt purchase that occurred during the audit year. Officers had stated that the vendor had provided Local 14300 with a receipt; however, the receipt could not be located during the time of the audit. Local 14300 failed to maintain an inventory of the t-shirts which were purchased and given away. Records must be maintained that account for all union property.

Local 14300 failed to retain an annual savings account statement issued by Union National Bank, listing accrued interest and transaction history of the account.

As agreed, provided that Local 14300 maintains adequate documentation in the future, no enforcement action will be taken regarding these violations.

I strongly urge Local 14300 to adopt clear guidelines regarding what types of lost time expenses union members may be reimbursed for when time is lost from each employer. Our office can provide guidance to you regarding the requirements of the law as they would pertain to any policies your union might adopt. If written guidelines are adopted in the near future, I would appreciate it if you would provide a copy to this office.

During the audit, Investigators [REDACTED] advised you that authorization for specific salary amounts paid to union officers could not be found in union records. I

Ms. Imogene Jordan  
April 3, 2007  
Page 3 of 3

recommend that Local 14300 document the authorized salary amounts in its bylaws or record them in meeting minutes or some other internal document (following discussion in the appropriate membership and/or executive board meeting). When the authorized salary amounts have been recorded in union records, I would appreciate it if you would forward a copy of the record documenting the authorization to me at the above address.

I want to extend my personal appreciation to Steelworkers Local 14300 for the cooperation and courtesy extended to Investigators [REDACTED] during this compliance audit. I strongly recommend that you pass on to future officers this letter and the compliance assistance materials provided to you. If we can provide any additional assistance, please do not hesitate to call.

Sincerely,

Lesta A. Chandler  
District Director

cc: President Ben Suttles