

U.S. Department of Labor

Office of Labor-Management Standards
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February 10, 2012

Mr. Dave Burskey, Treasurer
Steelworkers Local 2911
2971 West Street
Weirton, WV 26062

Case Number: [REDACTED]
LM Number: 014055

Dear Mr. Burskey:

This office has recently completed an audit of Steelworkers Local 2911 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 bookkeeper Janet Stagnani on January 26, 2012, 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 2911's 2010 records revealed the following recordkeeping violation:

Credit Card Expenses

Local 2911 did not retain adequate documentation for credit card expenses incurred on the union's credit card by bookkeeper Janet Stagnani totaling at least \$200.00. For example,

office supplies purchased from on-line vendors did not have adequate backup documentation maintained in the union records.

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.

Based on your assurance that Local 2911 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) filed by Local 2911 for the fiscal year ended December 31, 2010, was deficient in the following areas:

1. Affiliation or Organization Name

The Steelworkers Independent Union merged with the Steelworkers International Union on March 31, 2007. However, Local 2911 has continued to file its Annual Reports (Form LM-2) as the Steelworkers Independent Union. The union is advised to file its Annual Report under its correct name.

2. Disbursements to Officers and Employees (LM-2)

Local 2911 did not report the names of some officers and the total amounts of payments to them or on their behalf in Item 24 (All Officers and Disbursements to Officers). The union must report in Item 24 all persons who held office during the year, regardless of whether they received any payments from the union.

3. 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 2911 amended its constitution and bylaws in 2007 when it became Local 2911 of the Steelworkers International Union, but did not file a copy with its LM report for that year.

As agreed, Local 2911 will file a copy of its current constitution and bylaws with OLMS as soon as possible but not later than February 17, 2012.

4. Dues Paid by Members

The audit disclosed that your members pay dues of 1.45 percent but your LM-2 reported the current dues rate as 1.3 percent.

5. Donations

The audit disclosed that the membership authorized and the union made charitable donations of \$5,300.00 during the fiscal year ended December 31, 2010. But the union reported zero charitable donations for the fiscal year.

Local 2911 must file an amended Form LM-2 for the fiscal year ended December 31, 2010, to correct the deficient items discussed above. I explained to you the filing procedures and the availability of filing software on the OLMS website (www.olms.dol.gov). The amended Form LM-2 must be electronically filed as soon as possible, but not later than February 17, 2012. Before filing, review the report thoroughly to be sure it is complete and accurate.

Failure to File – Amended LM-1 Report

Local 2911 changed its affiliation and adopted the practices and policies of the United Steelworkers International Union, therefore your union was required to file an amended LM-1 report. Your union's amended LM-1 report was received by our office on February 7, 2012 therefore no further action is necessary.

Other Issues

1. Use of Signature Stamp

During the audit, bookkeeper Janet Stagnani advised that it is Local 2911's practice to sometimes use a signature stamp of President Mark Glyptis' signature on vouchers. OLMS recommended that Local 2911 review these internal control procedures and to consult with the Steelworkers International Union for guidance.

2. Trustee Audits

Your union's bylaws state the trustees should conduct quarterly audits of Local 2911. During the audit it was disclosed that the trustees have refused to conduct quarterly audits. OLMS recommends that Local 2911 reinstitute the required practice of conducting quarterly audits.

3. Charitable Donations

Review of Local 2911 membership meeting minutes disclosed that three \$100 donations were approved by the membership but not paid by the local. The membership meeting minutes reflect the membership's authorization and the local is obligated to follow the

membership's decisions. During the exit interview we discussed that this was a communication error between the officers and the office staff and that it will be corrected in the future.

I want to extend my personal appreciation to Steelworkers Local 2911 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. Mark Glyptis, President
Mr. Dave Lusetti, International Auditor