



January 5, 2023

Mr. Edward Deblois, Controller
Steelworkers, AFL-CIO
Local 75
55 Maynesboro St
Berlin, NH 03570

Case Number: 110-6025367()
LM Number: 041474

Dear Mr. Deblois:

This office has recently completed an audit of Steelworkers Local 75 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 January 4, 2023, 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 75's 2021 records revealed the following recordkeeping violations:

1. Lost Wages

Local 75 did not retain adequate documentation for one lost wage payment to a union officer totaling at least \$592. The union must maintain records in support of lost wage

claims that 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. The OLMS audit found that Local 75 did not identify on the lost wage voucher the number of hours lost on each date and the applicable rate of pay.

During the exit interview, I provided a compliance tip sheet, Union Lost Time Payments, that contained a sample of an expense voucher Local 75 may use to satisfy this requirement. The sample identifies the type of information and documentation that the local must maintain for lost wages and other officer expenses.

2. Failure to Record Receipts

Local 1906 did not record in its receipt records adequate detail about employer dues checkoff checks, electronic receipts, and benefit fund receipts totaling at least \$13,992. For example, receipt records did not indicate the source of money for a \$3,529.59 deposit made in September 2021 and a \$5,925.41 deposit made in October 2021 into the main checking account. The union also did not provide details about the source of funds for some deposits made into the sickness and accident insurance policy account, which totaled at least \$4,480. 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.

Based on your assurance that Local 75 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 75 for the fiscal year ended December 31, 2021 was deficient in the following areas:

1. Cash Reconciliation/Cash Disbursements

It appears that the cash figures reported in Item 25 (Cash) are not the figures according to Local 75's books after reconciliation to the bank statements. The audit revealed the union failed to include all accounts in Item 25, and the reported total disbursements (Item 55) were not the figures according to the union's books. The instructions for Item 25 state that the union should obtain account balances from its books as reconciled to the balances shown on bank statements. The cash figure should include all funds in banks, credit unions, and other financial institutions, such as checking accounts, savings accounts, certificates of deposit, and money market accounts. Similarly, the instructions state under Statement B (Receipts and Disbursements) the labor organization should report all disbursements paid out by the labor organization.

2. Disbursements to Officers/Tax Withholding

Local 75 did not properly report the total amount withheld from officer and employee pay for taxes, payroll deductions or other deductions. The union must report in Item 24, Line 10, the total amount of withheld taxes, payroll deductions, and other deductions. Failure to report payroll withholding in Item 24 resulted in disbursements being over reported for the audit year in Statement B, Item 24, Cash Disbursements to Officers.

The union must report disbursements for the transmittal of withheld taxes, payroll deductions, and other deductions in Item 54 (Other Disbursements). Any portion of withheld taxes or any payroll or other deductions which have not been transmitted at the end of the reporting period are liabilities of your organization and must be reported in Item 35 (Other Liabilities).

3. Benefits Payments

Local 75 did not properly report benefit payments made on behalf of members for a sickness and accident insurance policy in Item 50 (Benefits). It appears that the local erroneously reported these payments in Item 54 (Other Disbursements).

The union must report the total of all direct and indirect benefit disbursements made by your organization in Item 50 (Benefits). Direct benefit disbursements are those made to officers, employees, members, and their beneficiaries from your organization's funds. Indirect benefit disbursements are those made from your organization's funds to a separate and independent entity, such as a trust or insurance company, which in turn and under certain conditions will pay benefits to the covered individuals. An example of an indirect benefit disbursement is the premium on group life insurance.

4. Signatures

Local 75 did not properly complete the signature portion (Items 57-58) of the Form LM-3. The report was only signed by one officer, Controller Edward Deblois.

The completed Form LM-3 which is filed with OLMS must be signed by both the president and treasurer, or corresponding principal officers, of the labor organization. If the duties of the principal executive or principal financial officer are performed by an officer other than the president or treasurer, the report may be signed by the other officer. If the report is signed by an officer other than the president or treasurer, enter the correct title in the title field next to the signature and explain in Item 56 (Additional Information) why the president or treasurer did not sign the report.

Local 75 must file an amended Form LM-3 for the fiscal year ended December 31, 2021, to correct the deficient items discussed above. The report must be filed electronically using the Electronic Forms System (EFS) available at the OLMS website at www.olms.dol.gov. The

Mr. Edward Deblois

January 5, 2023

Page 4 of 4

amended Form LM-3 must be filed no later than January 31, 2022. Before filing, review the report thoroughly to be sure it is complete and accurate.

I want to extend my personal appreciation to Steelworkers Local 75 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. Daniel St. Amant, President