



February 23, 2023

Ms. Lisa A. Daniels, Secretary Treasurer
Steelworker, AFL-CIO Local 54M
P.O. Box 4
Port Allegheny, PA 16743

Case Number: 140-6023246()
LM Number: 067991

Dear Ms. Daniels:

This office has recently completed an audit of Steelworker, AFL-CIO Local 54M 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 February 16, 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 54M's 2020 records revealed the following recordkeeping violations:

1. Disposition of Property

Local 54M did not maintain an inventory of gift cards given to union members. For example, during the Christmas season, each union member was given a \$50 gift card. The union maintained the receipts for the purchase of the gift cards; however, they did not

maintain a list containing the names of the gift card recipients. In the case of items given away to members, the union must retain records that identify the date the items were given away and the recipients of those items.

2. General Reimbursed Expenses – Holiday Fund

Local 54M did not retain adequate documentation for reimbursed expenses by union officers totaling at least \$1,210.00. For example, the union made four fund transfers and three cash withdrawals to reimburse expenses incurred by officers for various holiday parties and events. Meeting minutes contained authorization for these events; however, supporting documentation for these disbursements was not maintained.

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 54M 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 LM-3 filed by Local 54M for the fiscal year ended December 31, 2020, was deficient in the following areas:

1) Acquire/Dispose of Property

Item 15, "During the reporting period did your organization acquire or dispose of any goods or property in any manner other than purchase or sale?" should have been answered "Yes," because the union gave away 82 gift cards to members and attendees at the annual Christmas Party totaling \$7,942.50. The union must identify the type and value of any property received or given away in the additional information section of the LM report along with the identity of the recipient(s) or donor(s) of such property. The union does not have to itemize every recipient of such giveaways by name. The union can describe the recipients by broad categories if appropriate such as "members" or "new retirees." In addition, the union must report the cost, book value, and trade-in allowance for assets that it traded in.

2) LM-3 Signature Requirement

Secretary Treasurer Daniels signed the 2020 LM-3 report as both the president and treasurer. 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.

I am not requiring that Local 54M file an amended LM report for 2020 to correct the deficient items, but Local 54M has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to Steelworkers, AFL-CIO Local 54M 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: President Daniel Austin