



June 8, 2023

Cassandra Clum, President
United Steelworkers Local 1-576
4725 Firetower Rd.
Sugar Grove, OH 43155

Case Number: 350-6026097()
LM Number: 022316

Dear Mrs. Clum:

This office has recently completed an audit of United Steelworkers Local 1-576 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 Financial Secretary Troy Clum on June 1, 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

1. Failure to Record Receipts

Local 1-576 did not record in its receipts records some employer dues checkoff checks totaling at least \$10,000. For example, there was no retained supporting documentation for dues deposits during the months of January, February, August, and October. 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.

2. Failure to Record Disbursements

Local 1-576 did not record some disbursements in the union books totaling at least \$712.93. For example, the books were missing a check dated February 8, 2022 for the U.S. Treasury for \$232.50. Union disbursement records must include an adequate identification of all money the union disburses. The records should show the date and amount.

3. Lack of Salary Authorization

Local 1-576 did not maintain records to verify that the salaries reported in Item 24 (All Officer and Disbursements to Officers) of the LM-3 were the authorized amount and therefore correctly reported. The union must keep a record, such as meeting minutes, to show the

current salary authorized by the entity or individual in the union with the authority to establish salaries. The records provided did not include any approved dollar amount for officer salaries.

4. Information not Recorded for Executive Board Decisions

During the audit, you advised OLMS that the executive board authorized some disbursements through informal discussion instead of holding executive board meetings. Local 1-576 does not record minutes for executive board decisions. Minutes of all membership or executive board meetings must report any disbursement authorization made at those meetings.

Based on your assurance that Local 1-576 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 1-576 for the fiscal year ended December 31, 2022, was deficient in the following areas:

1. 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 1-576 amended its constitution and bylaws in December 2022, but did not file a copy with its LM report for that year.

2. Accounts Payable

The audit disclosed an error in Local 1-576's LM report for fiscal year ending December 31, 2022. The report erroneously lists the union having accounts payable in the sum of \$39,529 (BOY) and \$23,915 (EOY), when the local has none for the audit year.

I am not requiring that Local 1-576 file an amended LM report for 2022 to correct the deficient items, but Local 1-576 has agreed to properly report the deficient items on all future reports it files with OLMS. As agreed, Local 1-576 will file a copy of its current constitution and bylaws with OLMS as soon as possible but not later than June 15, 2023.

I want to extend my personal appreciation to United Steelworkers Local 1-576 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: Troy Clum, Financial Secretary