



July 11, 2023

Mr. Drew Rice, President
Steelworkers, AFL-CIO, Local 9-108
5560 Jean Ridge Lane
Odenville, AL 35120

Case Number: 410-6025363()
LM Number: 036177

Dear Mr. Rice:

This office has recently completed an audit of Steelworkers, AFL-CIO, Local 9-108 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, Secretary Treasurer Daniel Everson, and Vice President Michael Threatt on July 10, 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 9-108's 2022 records revealed the following recordkeeping violations:

1. Information not Recorded in Meeting Minutes

During the audit, President Rice advised OLMS that the membership authorized a \$1,010.00 payment to H&R Block Tax Services in March and April 2022. The payment was for tax services but there was no reference in the meeting minutes as being approved. Additionally, the union spent \$1,042.76 on union T-Shirts on August 22, 2022, but there was no reference to the approval or membership being made aware of the purchase. A review of the entire 2022 year of minutes did not contain any reference to these issues. Minutes of all membership or executive board meetings must list expenditures as being approved by the membership if not otherwise approved in any other union document.

2. Lost Time

Local 9-108 did not retain adequate documentation for lost wage reimbursement payments to union officers and employees totaling at least \$1,831.80. 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 9-108 maintained lost time vouchers; however, three of the vouchers did not identify the nature of the union business conducted, number of hours lost, rate of pay, or claimant signature.

During the exit interview, I provided a compliance tip sheet, *Union Lost Time Payments*, that contained a sample of an expense voucher Local 9-108 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.

Based on your assurance that Local 9-108 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 violations 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 9-108 for the fiscal year ended December 31, 2022, was deficient in the following areas:

1. Disbursements to Officers

Local 9-108 did not include some reimbursements to officers totaling at least \$2,343.00 in the amounts reported Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments in Item 54 (Other Disbursements).

The union must report most direct disbursements to Local 9-108 officers and some indirect disbursements made on behalf of its officers in Item 24. A "direct disbursement" to an officer is a payment made to an officer in the form of cash, property, goods, services, or other things of value. See the instructions for Item 24 for

a discussion of certain direct disbursements to officers that do not have to be reported in Item 24. An "indirect disbursement" to an officer is a payment to another party (including a credit card company) for cash, property, goods, services, or other things of value received by or on behalf of an officer. However, indirect disbursements for temporary lodging (such as a union check issued to a hotel) or for transportation by a public carrier (such as an airline) for an officer traveling on union business should be reported in Item 48 (Office and Administrative Expense).

2. Signatures on Labor Organization Annual Report (LM)

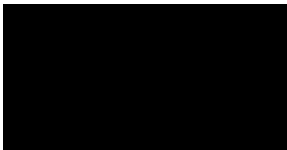
The LM-3 for FYE December 31, 2022, contained only Secretary Treasurer Daniel Everson's signature. Everson had signed as both the President and the Secretary Treasurer in Items 57 and 58 of the report.

The instructions for completing the LM-3 clearly state that two different signatures are required on the report before filing.

Local 9-108 must file an amended Form LM-3 for the fiscal year ended December 31, 2022, 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 amended Form LM-3 must be filed no later than July 10, 2023. Before filing, review the report thoroughly to be sure it is complete and accurate.

I want to extend my personal appreciation to Steelworkers Local 9-108 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,



Senior Investigator

cc: Mr. Daniel Everson, Secretary Treasurer