



Sent via email to [REDACTED]

September 26, 2023

Mr. William Dombrowsky, President
Steelworkers Local 1097
91237 Old Mill Town Road
Westport, OR 97016

Case Number: 530-6027192([REDACTED])
LM Number: 070199

Dear Mr. Dombrowsky:

This office has recently completed an audit of Steelworkers Local 1097 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, Treasurer Keith Sloderbeck, and Office Manager Melissa Smith on September 25, 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 1097's 2022 records revealed the following recordkeeping violations:

1. Lost Wages

Local 1097 did not retain adequate documentation for lost wage reimbursement payments to Mr. Sloderbeck totaling at least \$335. The union must maintain records in support of

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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 1097 maintained lost time vouchers, but the hourly wages earned were not always recorded on the voucher.

During the exit interview, I provided a compliance tip sheet, *Union Lost Time Payments*, that contained a sample of an expense voucher Local 1097 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. Disbursements to Officers

Local 1097 did not retain adequate documentation for reimbursed expenses paid to union officers and employees totaling at least \$1,149. For example, Local 1097 failed to retain adequate supporting documentation for a \$1,000 reimbursement made to Ms. Jennifer Byrum on December 1, 2022, included in check [REDACTED], for Adopt a Family. As another example, Local 1097 failed to retain adequate supporting documentation for a \$50 reimbursement made to Mr. Sloderbeck on May 1, 2022, included in check [REDACTED], for license renewal. As another example, Local 1097 failed to retain adequate supporting documentation for a \$40 reimbursement made to you on March 23, 2022, included in check [REDACTED], for parking fees.

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.

3. Reimbursed Auto Expenses

Union officers and employees who received reimbursement for business use of their personal vehicles did not retain adequate documentation to support payments to them totaling at least \$1,177 during 2022. The union must maintain records which identify the dates of travel, locations traveled to and from, and number of miles driven. The record must also show the business purpose of each use of a personal vehicle for business travel by an officer or employee who was reimbursed for mileage expenses.

Based on your assurance that Local 1097 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 1097 for the fiscal year ended December 31, 2022, was deficient in the following areas:

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1. Disbursements to Officers

Local 1097 did not include some payments to officers totaling at least \$987 in the amounts reported Item 24 (All Officers and Disbursements to Officers), Column D (Gross Salary).

The union must report most direct disbursements to Local 1097 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. 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 1097 amended its constitution and bylaws in 2021 but did not file a copy with its LM report for that year.

As agreed, Local 1097 will file a copy of its current constitution and bylaws with OLMS as soon as possible but not later than October 9, 2023.

I am not requiring that Local 1097 file an amended LM report for 2022 to correct the deficient items, but Local 1097 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 Local 1097 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. Keith Sloderbeck, Treasurer
Ms. Melissa Smith, Office Manager