



August 16, 2023

Ms. Nina Arnold, Financial Secretary  
Steelworkers Local 1148  
239 Merritt Dr  
Texarkana, TX 75501

Case Number: 420-6026152( )  
LM Number: 070785

Dear Ms. Arnold:

This office has recently completed an audit of Steelworkers Local 1148 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 Treasurer Randy Pate and President Chris Lyles on June 21, 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 1148's 2022 records revealed the following recordkeeping violations:

1. Lost Wages

Local 1148 did not retain adequate documentation for lost wage reimbursement payments to Former President Mike Moore totaling at least \$44,843 and Vice-President Chris Lyles totaling at least \$11,880. 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 1148 did not retain Moore and Lyles work schedules verifying hours missed.

2. Failure to Record Disbursements

Local 1148's did not record three disbursements in its cash book totaling \$1,165.66. Check [REDACTED] for \$413.70 to former President Mike Moore was blank in the cash book. The \$500 disbursement to open the strike fund account was not recorded and the disbursement of \$251.96 for the cost of ordering checks on that account was not recorded.

Based on your assurance that Local 1148 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Enclosed is a compliance tip sheet, *Union Lost Time Payments*, that contains a sample of an expense voucher. The sample identifies the type of information and documentation that the local must maintain for lost wages and other officer expenses.

I want to extend my personal appreciation to Steelworkers Local 1148 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,

[REDACTED]  
Senior Investigator

cc: Mr. Chris Lyles, President  
Mr. Randy Pate, Treasurer