



August 23, 2023

Mr. Steve Butler, President
Steelworkers LU 201M
PO Box 612
Waxahachie, TX 75165

Case Number: 420-6026635()
LM Number: 060457

Dear Mr. Butler:

This office has recently completed an audit of Steelworkers LU 201M 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 Alisha Cleveland, and Financial Secretary Hector Roble on August 15, 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 Steelworkers LU 201M's 2022 records revealed the following recordkeeping violations:

1. Lost Wages

Steelworkers LU 201M did not retain adequate documentation for lost wage reimbursement payments to union officers and stewards totaling at least \$5,514.09. 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 Steelworkers LU201M did not meet the requirements for lost time disbursement made prior to September 2022.

During the exit interview, I provided a compliance tip sheet, *Union Lost Time Payments*, that contained a sample of an expense voucher Steelworkers LU 201M 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. Missing Receipts and Vouchers

Steelworkers LU 201M failed to maintain supporting documents such as receipts and vouchers for a majority of disbursements from January 1, 2022 through September 30, 2022 totaling \$16,552.54.

3. General Reimbursed Officer Expenses

The union did not retain adequate documentation for reimbursed expenses incurred by President Steve Butler, Financial Secretary Hector Robles, Vice President Randy May, and Treasurer Alisha Cleveland totaling at least \$2,769.72.

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.

The proper maintenance of union records is the personal responsibility of the individuals who are required to file Steelworkers LU 201M 2022's LM report. You should be aware that under the provisions of Section 209(a) of the LMRDA and Section 3571 of Title 18 of the U.S. Code, willful failure to maintain records can result in a fine of up to \$100,000 or imprisonment for not more than one year, or both. Under the provisions of Section 209(c) of the LMRDA and Section 3571 of Title 18 of the U.S. Code, willful destruction or falsification of records can result in a fine of up to \$100,000 or imprisonment for not more than one year, or both. The penalties provided in Section 209(c) and Section 3571 of Title 18 apply to any person who caused the violations, not just the individuals who are responsible for filing the union's LM report.

I want to extend my personal appreciation to Steelworkers LU 201M 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: Ms. Alisha Cleveland, Treasurer
Mr. Hector Roble, Financial Secretary
Mr. Randall May, Vice President
Mr. Scotty Graham, Trustee
Mr. Chris Allen, Trustee
Mr. Tim Huneke, Trustee
Mr. Kendrick McKissic, Steward
Mr. Darius Johnson, Steward
Mr. John Murray, Steward