



July 7, 2023

Edward Gorby, Financial Secretary
USW Local 1-5644-S
807 Franklin St.
Toronto, OH 43964

Case Number: 350-6026308()
LM Number: 014811

Dear Mr. Gorby:

This office has recently completed an audit of USW Local 1-5644-S 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, President William Yasho, and Treasurer Cynthia Baier on July 6, 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 1-5644-S's 2022 records revealed the following recordkeeping violations:

1. Failure to Maintain Adequate Records of Lost Wages

Local 1-5644-S did not retain adequate documentation for lost wage reimbursement payments to union officers totaling at least \$1,400. 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 1-5644-S did not include the hourly rate of pay for all lost time reimbursements.

During the exit interview, I provided a compliance tip sheet, Union Lost Time Payments, that contained a sample of an expense voucher that Local 1-5644-S 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. Failure to Maintain Expense Documentation

Local 1-5644-S did not retain adequate documentation for some union disbursements. For example, there was no invoice maintained for a disbursement to Jefferson County Cable in November 2022 for \$43.21.

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. Meal Expenses

Local 1-5644-S did not require officers and employees to submit itemized receipts for meal expenses totaling at least \$25.90. The union must maintain itemized receipts provided by restaurants to officers and employees. These itemized receipts are necessary to determine if such disbursements are for union business purposes and to sufficiently fulfill the recordkeeping requirement of LMRDA Section 206.

Union records of meal expenses must include written explanations of the union business conducted and the full names and titles of all persons who incurred the restaurant charges. Also, the records retained must identify the names of the restaurants where the officers or employees incurred meal expenses.

4. Failure to Maintain Executive Board Meeting Minutes

During the course of the compliance audit, it was revealed that Local 1-5644-S does not maintain minutes for executive board meetings. Minutes of all membership or executive board meetings must report any disbursement authorizations and other financial decisions made at those meetings.

I want to extend my personal appreciation to USW Local 1-5644-S 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. William Yasho, President
Ms. Cynthia Baier, Treasurer