



August 23, 2023

Mr. Dennis Walter, Business Agent/President
United Steelworkers Local 6521
302 E Wopsonnock Ave
Altoona, PA 16601

Case Number: 140-6026061()
LM Number: 061620

Dear Mr. Walter:

This office has recently completed an audit of United Steelworkers Local 6521 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 Fred Schwarze III and yourself on August 18, 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 6521's 2022 records revealed the following recordkeeping violations:

1. General Reimbursed Expenses

Local 6521 did not retain adequate documentation for reimbursed expenses incurred by Dennis Walter totaling at least \$3,729.61. For example, seven vouchers for reimbursement submitted by Walter did not contain original receipts/invoices. The

vouchers only contained a Capital One statement which listed the expenses. While the reimbursed expenses were for approved union business, original or itemized receipts were not retained as supporting documentation.

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.

2. Lack of Salary Authorization

Local 6521 did not maintain records to verify that the salaries reported in Item 24 (All Officer and Disbursements to Officers) of the LM-3 was the authorized amount and therefore was correctly reported. The union must keep a record, such as meeting minutes, to show the current salary authorized by the entity or individual in the union with the authority to establish salaries.

Based on your assurance that Local 6521 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Other Issue

1. During the audit, you advised that officers sometimes sign blank checks. Your union's bylaws require that all checks be signed by the president, treasurer, and financial secretary. The three-signature requirement is an effective internal control of union funds. Its purpose is to attest to the authenticity of a completed document already signed. However, signing a blank check in advance does not attest to the authenticity of a completed check, and negates the purpose of the three-signature requirement. OLMS recommends that Local 6521 review these procedures to improve internal control of union funds.

I want to extend my personal appreciation to United Steelworkers Local 6521 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