



November 22, 2023

Mr. James Savala, President
Steelworkers Local 9014
P.O. Box 3008
Bridgeton, MO 63044

Case Number: 510-6027521()
LM Number: 513623

Dear Mr. Savala:

This office has recently completed an audit of Steelworkers Local 9014 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 on November 9, 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.

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.

Recordkeeping Violations

The audit of Local 9014's 2022 records revealed the following recordkeeping violations:

1. General Reimbursed Expenses

Local 9014 did not retain adequate documentation for reimbursed mobile phone expenses incurred by union officers totaling at least \$1,150. For example, you and Vice President Ronald King did not provide any monthly mobile phone provider bills.

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. Meal Expenses

Local 9014 did not require officers and employees to submit itemized receipts for meal expenses totaling at least \$250. 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.

Local 9014's records of meal expenses did not always include written explanations of union business conducted and/or the names and titles of the persons incurring the restaurant charges. For example, there were 17 occasions when union officers were reimbursed for meals at restaurants totaling at least \$1,165.05 but did not record the full name and title or written explanations of the official union business conducted. 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. In addition, on two occasions, meal receipts totaling \$209.38, did not include the name/address of the restaurant where the meals were purchased. The records retained must identify the names of the restaurants where the officers or employees incurred meal expenses.

The officers understand that Local 9014 must maintain original itemized receipts provided by restaurants to officers and employees. In the future, itemized receipts will be maintained as part of the Local's records. In addition, the officers understand that Local 9014 must include written explanations of union business conducted and the names and titles of the persons incurring the restaurant charges.

3. Information not Recorded in Meeting Minutes

During the audit, you advised OLMS that union expenses are authorized and approved during quarterly executive board meetings and membership meetings which are held in March, June, September, and December. The union did not hold an executive board or membership meeting in December 2022. Therefore, the union did not record approval/authorization of the Christmas party in meeting minutes prior to December 2022 or in January 2023, that contain a reference to the authorization and approval of expenses relating to the union's Christmas party totaling at least \$17,923.64. Minutes of all membership or executive board meetings must report any disbursement authorizations made at those meetings.

4. Lack of Salary Authorization

Local 9014 did not maintain records to verify that the salaries reported in Item 24 (All Officer and Disbursements to Officers) of the LM-3 were the authorized amount and therefore were correctly reported. Meeting minutes only recorded approval to "continue the higher LG [Labor Grade] 8 pay" for you and Chief Steward Ronald King. 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 9014 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Reporting Violation

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 Steelworkers Local 9014 for the fiscal year ended December 31, 2022, was deficient in the following areas:

1. Disbursements to Officers

Local 9014 did not include gross salary payments to Vice President Ronald King totaling at least \$21,078.03, in the amounts reported in Item 24(D) (Gross Salary (before taxes and other deductions)). In addition, Local 9014 did not include allowances and other disbursements to Mr. King totaling at least \$929.01 in the amounts reported in Item 24(E) (Allowances and Other Disbursements).

Local 9014 did not include some reimbursements to officers totaling at least \$1,061.50, in the amounts reported in Item 24(E) (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments in Item 48 (Office and Administrative Expenses).

The union must report most direct disbursements to Local 9014 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).

Local 9014 must file an amended Form LM-3 for the fiscal year ended December 31, 2022, to correct the deficient items discussed above. The report must be filed electronically using the Electronic Forms System (EFS) available at the OLMS website at www.olms.dol.gov. The amended Form LM-3 must be filed no later than December 15, 2023. Before filing, review the report thoroughly to be sure it is complete and accurate.

Other Issue

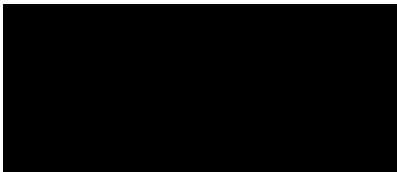
1. Salary Discrepancy

The audit revealed some discrepancies concerning salary payments to you. The audit revealed that during the audit year, you received additional salary payments totaling

\$2,085.50. During the exit interview, you advised that salary overpayment was an oversight, and you would reimburse the union in five monthly payments. OLMS recommends that Local 9014 review its payroll and disbursement procedures to improve internal control of union funds. When repayment is made to Local 9014, I would appreciate it if you would provide evidence of that payment to me.

I want to extend my personal appreciation to Steelworkers Local 9014 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