



January 12, 2024

Mr. Richard Brooks, President  
United Steelworkers (USW) Local 13-2001  
311 South Highway 146  
Baytown, TX 77520

Case Number: 420-6027959( )  
LM Number: 059661

Dear Mr. Brooks:

This office has recently completed an audit of USW Local 13-2001 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 January 10, 2024, 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 13-2001's 2022 records revealed the following recordkeeping violation:

#### Credit Card Expenses

Local 13-2001 did not retain adequate documentation for credit card expenses totaling at least \$5,468.28. For example, the union failed to maintain receipts for the January and June 2022 credit card statements.

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.

Based on your assurance that Local 13-2001 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

#### Reporting Violations

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-2 filed by Local 13-2001 for the fiscal year ended December 31, 2022, was deficient in the following areas:

1. Disbursements to Officers

Local 13-2001 did not properly report some monthly allowances and reimbursements to officers totaling at least \$5,492 in Schedule 11 (All Officers and Disbursements to Officers). It appears that the local erroneously reported these payments in in Schedule 11, Column G and Schedules 15 through 19.

The union must report in Column F of Schedules 11 and 12 (Disbursements for Official Business) direct disbursements to officers and employees for reimbursement of expenses they incurred while conducting union business. In addition, the union must report in Column F of Schedules 11 and 12 indirect disbursements made to another party (such as a credit card company) for business expenses union personnel incur. However, the union must report in Schedules 15 through 19 indirect disbursements for business expenses union personnel incur for transportation by public carrier (such as an airline) and for temporary lodging expenses while traveling on union business. The union must report in Column G (Other Disbursements) of Schedules 11 and 12 any direct or indirect disbursements to union personnel for expenses not necessary for conducting union business.

2. Failure to Report an Officer

Local 13-2001 failed to report Vice President-Laboratory Juan Trujillo in Schedule 11. All officers must be reported in Schedule 11 regardless of compensation amounts during the reporting period.

3. Dues Reporting

Local 13-2001 did not correctly report the members' monthly dues rate as \$96.87.

I am not requiring that Local 13-2001 file an amended LM report for 2022 to correct the deficient items, but Local 13-2001 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to USW Local 13-2001 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,



Senior Investigator