



January 23, 2024

Mr. Earkiel Eaton, President
Steelworkers, USW, AFL-CIO
Local 593
425 Military Road
Buffalo, NY 14207

Case Number: 110-6026810()
LM Number: 022228

Dear Mr. Eaton:

This office has recently completed an audit of USW Local 593 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, Financial Secretary Miguel Rivera, and Treasurer John Bardak on January 19, 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 593's fiscal year ended 2022 records revealed the following recordkeeping violations:

1. General Reimbursed Expenses

Local 593 did not retain adequate documentation for reimbursed expenses incurred by Financial Secretary Miguel Rivera totaling approximately \$2,677. This reimbursed expense was for airfare purchased on Southwest Airlines for travel to Las Vegas for a national convention, and the expense failed to be accompanied by a sufficient receipt.

As noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. The president and treasurer of your union, who are required to sign you union's LM report, are responsible for properly maintaining union records.

2. Lost Wages

Local 593 did not retain adequate documentation for lost wage reimbursement payments to union officers totaling at least \$17,400. 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 593 maintains a lost-time voucher which includes a summary of lost wages incurred by the individual, the date of loss, the number of hours, and applicable rate of pay. However, the officers did not sufficiently identify the union business conducted on each day.

During the exit interview, I identified the type of information and documentation that the local must maintain for lost wages and other officer expenses. I provided a compliance tip sheet, *Union Lost Time Payments*, that contained a sample of an expense voucher Local 593 may use to satisfy this requirement.

3. Receipt Dates not Recorded

Entries in Local 593's Excel journal reflect the date the union deposited money, but not the date money was received. Union receipts records must show the date of receipt. The date of receipt is required to verify, explain, or clarify amounts required to be reported in Statement B (Receipts and Disbursements) of the LM-3. The LM-3 instructions for Statement B state that the labor organization must record receipts when it actually receives money and disbursements when it actually pays out money. Failure to record the date money was received could result in the union reporting some receipts for a different year than when it actually received them.

4. Lack of Authorization

Local 593 did not maintain records to verify that the stipend amounts reported 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 amounts authorized by the entity or individual in the union with the

authority to establish the officers' stipends.

Based on your assurance that Local 593 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Other Issue

Expense Policy

As I discussed during the exit interview with you, Financial Secretary Miguel Rivera and Treasurer John Bardak, the audit revealed that Local 593 does not have a clear policy regarding the types of expenses personnel may claim for reimbursement. OLMS recommends that unions adopt written guidelines concerning such matters.

I want to extend my personal appreciation to USW Local 593 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,

A solid black rectangular box redacting the signature of the investigator.

Investigator