

**U.S. Department of Labor**

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December 18, 2008

Mr. Gary Glass, President  
Steelworkers AFL-CIO  
Local 200L  
227 E. South Street  
St. Marys, Ohio 45885

LM File Number 006-751

Case Number: [REDACTED]

Dear Mr. Glass:

This office has recently completed an audit of Local 200L 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 Mark Kuenning, Treasurer Jack Danaher, and Office Secretary Lori Yahl on July 11, 2008, 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 200L's 2007 records revealed the following recordkeeping violations:

1. General Reimbursed and Credit Card Expenses

Local 200L did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by Office Secretary Lori Yahl totaling at least \$6,307.00. For example, several hotel expenses for officers' travel were charged to her personal credit card. Only the credit card statements were provided for documentation of these expenses.

As previously 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 200L's records of meal expenses did not always include written explanations of union business conducted or the names and titles of the persons incurring the restaurant charges. For example, meal receipts submitted by President Gary Glass did not include the attendees. Union records of meal expenses must include written explanations of the union business conducted and the full names and titles of all persons attending the function. Also, the records retained must identify the names of the restaurants where the officers or employees incurred meal expenses.

Based on your assurance that Local 200L 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 200L for fiscal year ending December 31, 2007, was deficient in the following areas:

1. Disposal of Property

Item 15 (During the reporting period did your organization acquire or dispose of any assets in any manner other than by purchase or sale?) should have been answered, "Yes," because the union gave away t-shirt and hats during the audit year. The union must identify the type and value of any property received or given away in the additional information section of the LM report along with the identity of the recipient(s) or donor(s) of such property. The union does not have to itemize every recipient of such giveaways by name. The union can describe the recipients by broad categories if appropriate such as "members" or "new retirees."

2. Disbursements to Officers and Employees

Local 200L did not include reimbursements for hotel expenses to Office Secretary Lori Yahl totaling at least \$6,523.00 in Schedule 12 (Disbursements to Employees). The hotel expenses, which were incurred by Local 200L's officers, were charged to Yahl's credit card because she originally set up the reservations. It appears that the local erroneously reported these payments in 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.

3. Failure to File Bylaws

The audit disclosed a violation of LMRDA Section 201(a), which requires that a union submit a copy of its revised constitution and bylaws with its LM report when it makes changes to its constitution or bylaws. Local 200L amended its constitution and bylaws in 2002, but did not file a copy with its LM report for that year. Local 200L has now filed a copy of its 2002 constitution and bylaws.

An amended 2007 Form LM-2 Report was received on July 15, 2008 to correct the deficient items discussed above.

Other Issues

The audit disclosed a potential issue with Section 202 of the LMRDA, which requires labor organization officers and employees to file annual Labor Organization Officer and Employee Report Form (LM-30) for certain transactions engaged in by labor organization officers.

Each two-week pay period, Local 200L receives 105 hours of lost time credits from the employer. These hours are considered a "union leave" or "no-docking" payment arrangement with the employer. Under a union leave policy, the employer continues the pay and benefits of an individual who works full time for a union. Under a no-docking policy, the employer permits individuals to devote portions of their workday or workweek to union business, with no loss of pay. Such payments are received as an employee of the labor organization and must be reported by Local 200L's officers using Form LM-30, unless they totaled 250 or fewer hours during the fiscal year and were paid pursuant to a bona fide collective bargaining agreement.

Please find enclosed a blank Form LM-30 and instructions. Additional information for Form LM-30 requirements can be accessed online at [www.dol.gov/esa/olms](http://www.dol.gov/esa/olms).

I want to extend my personal appreciation to Local 200L 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,

Brian A. Pifer  
District Director

Enclosures

cc: Mark Kuenning, Financial Secretary