

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Cincinnati District Office
36 East Seventh Street
Room 2550
Cincinnati, OH 45202
(513) 684-6840 Fax:(513) 684-6845



September 29, 2008

Mr. Todd Kirker, President
Steelworkers Local 498
2219 Oakland Locust Ridge Road
Mt. Orab, OH 45154

LM File Number: 049-830
Case Number: [REDACTED]

Dear Mr. Kirker:

This office has recently completed an audit of Steelworkers Local 498 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 and Treasurer Thomas Kessler on September 18, 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 498's 2007 records revealed the following recordkeeping violations:

1. General Records

Local 498 failed to maintain records that support the general course of union business. For example, Local 498 did not retain multiple receipts to support the local's disbursements. In addition, the local failed to retain the following union records: executive and membership meeting minutes, payroll vouchers, deposit tickets, and two pages of the December 2007 bank statement for the local's checking account.

2. Lost Wages

Local 498 did not retain adequate documentation for the majority of the lost wage reimbursement payments to former President [REDACTED], former Treasurer [REDACTED], and other officers totaling at least \$3,500. 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 498 officers did not identify on the lost wage vouchers the union business conducted. In addition, OLMS found that the claimant paid lost time did not sign the union voucher.

Based on your assurance that Local 498 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

I want to extend my personal appreciation to Steelworkers Local 498 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

cc: Treasurer Thomas Kessler