



August 26, 2013

Mr. Ray Allen, President
Steelworkers AFL-CIO, Local 203A
[REDACTED]

Case Number: 430-10559 [REDACTED]
LM Number: 067740

Dear Mr. Allen:

This office has recently completed an audit of Steelworkers Local 203A, 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 Financial/Secretary Russell Pryor on August 20, 2013, 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 203A's, 2012 records revealed the following recordkeeping violations:

1. Information not Recorded in Meeting Minutes

During the audit President Ray Allen advised OLMS that the membership authorized the purchase of QuickBooks Software for the union laptop in the amount of \$500.00 from Intuit in December 2012. Additionally, he said the membership approved the purchase of a new union laptop in the amount of \$600.00 in December 2012. Article VII, Section 4 of the by laws require all disbursements to be approved by the membership. The minutes of the meetings do not contain any reference to these issues. Minutes of all membership or executive board meetings must report any disbursement authorizations made at those meetings.

2. Lost Wages

Local 203A did not retain adequate documentation for lost wage reimbursement payments to union officers totaling at least \$1,640.56. 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 203A maintained lost time vouchers, however six of the vouchers did not identify the reason for lost time, nature of union business conducted, or approving official signatures.

During the exit interview, I provided a sample of an expense voucher Local 203A may use to satisfy this requirement. The sample identifies the type of information and documentation that the local must maintain for lost wages and other officer expenses

Based on your assurance that Steelworkers Local 203A, 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 203A 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: Mr. Russell Pryor, Financial/Secretary