



September 18, 2015

Mr. Mike Boettcher, President
Steelworkers Local 6803
1407 Highway 13 N
Albert Lea, MN 56007

Case Number: 320-6003410()
LM Number: 062605

Dear Mr. Stadheim:

This office has recently completed an audit of Steelworkers Local 6803 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 Treasurer Jeremy O'Sullivan and Financial Secretary Blake Stadheim on June 3, 2015, 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 6803's 2012 and 2013 records revealed the following recordkeeping violations:

1. Disbursements to Vendors and General Reimbursed Expenses

Local 6803 did not retain adequate documentation for reimbursed expenses incurred by former President [REDACTED] totaling at least \$419.84. For example, on February 13, 2013, [REDACTED] was reimbursed for a \$363 expense for an unknown purpose. During the exit interview, Financial Secretary Blake Stadheim stated that he did not know what this expense was for. In support of this expense, Local 6803 only retained a voucher, which is not sufficient because the voucher did not contain an adequate business purpose that fully describes the nature of the union business conducted in support of this expense.

In addition, Local 6803 did not retain adequate documentation for disbursements totaling at least \$713. For example, on February 13, 2013, the union made a disbursement to Nova Software in the amount of \$250. No supporting documentation was maintained for this disbursement.

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.

2. Lack of Salary Authorization

Local 6803 did not maintain records to verify that the salaries reported in Item 24 (All Officer and Disbursements to Officers) of the LM-3 was the authorized amount and therefore was correctly reported. During the Organizational Interview, Financial Secretary Stadheim stated that Local 6803 did not have written policies for officer salaries and lost time until January 2014. Current Local 6803 officers attended an OLMS LMRDA seminar and decided to put these un-written policies in writing. The union must keep a record, such as meeting minutes, to show the current salary authorized by the entity or individual in the union with the authority to establish salaries.

3. Failure to Maintain Cancelled Checks

The audit revealed that on a monthly basis Local 6803 receives a CD-ROM containing images of its cancelled checks from Trades and Labor Credit Union; however, Local 6803 failed to retain these CD-ROMs for the months of June, July, and December 2013. As a general rule, all types of records created or used in the normal course of doing union business must be maintained by the union for five years.

Based on your assurance that Local 6803 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 6803 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. Blake Stadheim, Financial Secretary
Mr. Jeremy O'Sullivan, Treasurer