U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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January 29, 2007

Rick Wright, Financial Secretary
Steelworkers AFL-CIO Local 01-7-L
501 Kelly Avenue
Akron, Ohio 44306

Re: Case Number: [redacted]

Dear Mr. Wright :

This office has recently completed an audit of 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 on October 3, 2006, 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.

Title II of the LMRDA establishes certain reporting and recordkeeping requirements. Section 206 requires, among other things, that adequate records be maintained for at least five (5) 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, all records used or received in the course of union business must be retained. This includes, in the case of disbursements, not only the retention of original bills, invoices, receipts and vouchers, but also adequate additional documentation, if necessary, 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 and 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 note can be written on it providing the additional information. An exception may be made only in those cases where, (1) other equally descriptive documentation has been maintained, and (2) there is evidence of actual oversight and control over disbursements. In the case of receipts, the date, amount, purpose and source of all money received by the union must be recorded in at least one union record. Bank records must also be retained for all accounts.

The audit of Local 01-7-L's 2005 records revealed that there was no supporting documentation for expenses incurred by officers and employees, including invoices and receipts. Also, there were no receipts from the usage of the debit card by any card holder. As agreed, provided that Local 01-7-L maintains adequate documentation as discussed above in the future, no additional enforcement action will be taken regarding this violation.

The CAP disclosed a violation of LMRDA Section 201(b), which requires that labor organizations file annual financial reports accurately disclosing their financial condition and operations. The Labor Organization Annual Report (LM-3) filed by Local 01-7-L for fiscal year ending December 31, 2005 was deficient in the following areas:

- Local 01-7-L failed to properly allocate payments to officers and employees in Line 45 and 46, respectively.
- The names of some officers and/or total amounts of payments to them or on their behalf were not reported in Item 24. The local failed to include some reimbursements to officers and employees in Item 24 (All Officers and Disbursements to Officers). All direct disbursements to Local 01-7-L officers and most indirect disbursements made on behalf of its officers must be reported in Item 24. A "direct disbursement" to an officer is a payment made to an officer in the form of cash, property, goods, services or other things of value. An "indirect disbursement" to an officer is a payment to another party (including credit card companies) for cash, property, goods, services or other things of value received by or on behalf of an officer. However, indirect disbursements for temporary lodging (such as union check issued to a hotel) or for transportation by a public carrier (such as an airline) for an officer traveling on union business should be reported in Item 48 (Office and Administrative Expense).

Local 01-7-L has filed an amended Form LM-3 Report for its fiscal year ending December 31, 2005, to the correct the deficient items discussed above. Consequently, no further action is necessary at this time.

The CAP 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 certain constitutional or bylaw changes are made. The details of this requirement are outlined in the instructions for the form. A copy of the Local's most recent bylaws was obtained during the audit, so not further action is necessary at this time.

I want to extend my personal appreciation to 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,

Fred Vaudrin
District Director

cc: Michael O'Connor, President