U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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May 31, 2007

Mr. Glen Gerhart, President
Steel Workers AFL-CIO
Local 9455
1 King Street
Pottstown, PA 19426

LM File Number 542-064
Case Number: [redacted]

Dear Mr. Gerhart:

This office has recently completed an audit of Steel Workers Local 9455 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 Financial Secretary Ronald Neskie, Matthew Herndon and yourself on May 4, 2007, 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 Violation

Title II of the LMRDA established certain reporting and recordkeeping requirements. Section 206 requires, among other things, that adequate records be maintained 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 good 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 resolution, but also documentation showing the nature of the union business requiring the disbursements, 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 recording 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 9455's 2005 records revealed the following recordkeeping violation:

General Reimbursed Expenses

Local 9455 did not retain adequate documentation for reimbursed expense incurred by President Glen Gerhart totaling at least $344.40. For example on February 11, 2005 and September 9, 2005 a total of five days per diem were paid to Gerhart without a detailed explanation for the payment on the vouchers. Similarly, Treasurer Matthew Herndon received $185.79 in expenses during the year for a 2nd step grievance meeting and preparing for a meeting with the company. However, there was no explanation on the vouchers as to the specifics for the company meeting and the 2nd step grievance meeting.

Based on your assurance that Local 9455 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violation.

Reporting Violation

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 9455 amended it constitution and bylaws in 2006, but did not file a copy with its LM report for that year.

Local 2006 has now filed a copy of its constitution and bylaws.

I want to extend my personal appreciation to Steel Workers Local 9455 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,

[redacted]
Investigator

cc: Ronald Neskie, Financial Secretary