

U.S. Department of Labor

Office of Labor-Management Standards
Cincinnati District Office
36 E 7th Street, Suite 2550
Cincinnati, OH 45202
(513)684-6840 Fax: (513)684-6845



August 19, 2009

Mr. Tim Allen, Financial Secretary
United Steelworkers of America AFL-CIO Local 530
1336 Tallberry Drive
Cincinnati, Ohio 45230

Case Number: [REDACTED]
LM File Number: 067-318

Dear Mr. Allen:

This office has recently completed an audit of Steelworkers Local 530 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 President Diana Simons on August 18, 2009, 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 530's January 1, 2008 through December 31, 2008 records revealed the following recordkeeping violations:

1. Missing Disbursement and Receipt Records

Local 530 did not retain adequate documentation for a few of the disbursements it made during the audit year. Specifically, the records were missing vendor receipts necessary to support six of the disbursement checks. Additionally, one voided check was not retained by the local.

Local 530 did not retain adequate documentation for all of its income during the audit year. The missing records included direct dues advices, a bank deposit slip, and one deposit record slip.

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. Failure to Adequately Record Receipts

Local 530 did not adequately record information in its records regarding income received during the year. Specifically, the local deposited 13 checks for which there were no corresponding documents showing the source of the income. Union receipt records must include an adequate identification of all money the union receives. The records should show the date and amount received, and the source of the money.

3. Lost Wages

Local 530 did not retain adequate documentation for three of its lost wage reimbursement payments to union officers during the audit year. 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

three of Local 530's vouchers for the audit year did not list a description of the union business conducted.

Based on your assurance that Local 530 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Reporting Violation

The audit disclosed a violation of LMRDA Section 201 which requires labor organizations to file annual financial reports accurately disclosing their financial condition and operations. Although the local is current in filing its LM-3 reports, it was delinquent in filing them from 2004 through 2008. For example, the local's 2008 report was due on March 31, 2009, but was not filed until June 22, 2009.

Based on your assurance that Local 530 will timely file its Labor Organization Annual Report Forms in the future, OLMS will take no further enforcement action at this time regarding the above violation.

Other Issues

1. Duplicate Salary Payment

The audit disclosed that an error was made and an officer was paid his June 2008 salary twice. The officer agreed to repay the union the \$95 duplicate payment and you promised to forward me a copy of a record confirming the repayment.

2. Inadequate Meeting Minutes

The audit disclosed that Local 530 failed to maintain proper minutes for its membership and executive board meetings. You advised me that this matter has already been addressed and appropriate minutes will be maintained by Local 530 in the future.

I want to extend my personal appreciation to Steelworkers Local 530 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,

Mr. Tim Allen
August 19, 2009
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Investigator

cc: Diana Simons, President