



September 9, 2009

Mr. Tim Brewer, Financial Secretary  
Steelworkers, AFL-CIO Local 266  
155 West Lafayette Street  
Camden, OH 45311

LM File Number: 043-979  
Case Number: [REDACTED]

Dear Mr. Brewer:

This office has recently completed an audit of Steelworkers Local 266 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, President Jimmy Allen and Trustees Orville Allen and Jack Blevins on September 3, 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 266's 2008 records revealed the following recordkeeping violations:

1. Failure to Record Receipts

Local 266 did not always record in its receipts records employer dues checkoff checks totaling at least \$37,182.63. For example, dues checks for June through September, and for November and December, were not recorded in the general ledger. Union receipts 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.

2. Receipt Dates not Recorded

Entries in Local 266's receipts records reflect the date the union deposited money, but not the date money was received. Union receipts records must show the date of receipt. The date of receipt is required to verify, explain, or clarify amounts required to be reported in Statement B (Receipts and Disbursements) of the LM-3. The LM-3 instructions for Statement B state that the labor organization must record receipts when it actually receives money and disbursements when it actually pays out money. Failure to record the date money was received could result in the union reporting some receipts for a different year than when it actually received them.

Based on your assurance that Local 266 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Other Violation

The audit disclosed a violation of LMRDA Section 201(b):

Local 266's Labor Organization Annual Report Form LM-3 for the period ending December 31, 2008 was due April 1, 2009 or 90 days after the end of your organization's fiscal year. Local 266's report was received by the Department of Labor on July 30, 2009.

You have promised to file future reports with the Department of Labor by the due date.

I want to extend my personal appreciation to Steelworkers Local 266 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: President Jimmy Allen