



June 12, 2014

Mr. Charles M. Kohut, financial secretary  
Steelworkers, AFL-CIO  
Local Union 1660  
[REDACTED]

Case Number: 140-6001135 [REDACTED]  
LM Number: 016242

Dear Mr. Kohut:

This office has recently completed an audit of Steelworkers, AFL-CIO, Local 1660 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 June 10, 2014, 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 1660's 2013 records revealed the following recordkeeping violations:

1. Credit Card Expenses

Local 1660 did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by union officers totaling at least \$1,641.10. For example, during the

audit year, \$500 was used to purchase food items from D'Onofrio's Food for the union's annual picnic with the union's credit card but supporting documentation was not maintained.

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. Reimbursed Auto Expenses

Local 1660 did not retain adequate documentation for officer travel expenses incurred by union officers. For example, Officers Earl Butterfield, Richard Lockovich and Karen Yanak received reimbursement for business use of their personal vehicles did not retain adequate documentation to support payments to them totaling at least \$484.86 during 2014. The union must maintain records which identify the dates of travel, locations traveled to and from, and number of miles driven. The record must also show the business purpose of each use of a personal vehicle for business travel by an officer or employee who was reimbursed for mileage expenses.

3. Failure to Deposit Receipts

Local 1660 holds a 50/50 raffle at each membership meeting. Half of the proceeds are given to the winner and the other half of the proceeds are deposited into the union's checking account. Local 1660 is improperly depositing their receipts in that the union is only depositing the union's share of the winnings and not the entire amount. The LM report reflects all cash flowing in and out of the organization and therefore netting is not permitted. Netting is the offsetting of receipts against disbursements and reporting only the balance (net) as either a receipt or a disbursement. The union has agreed to discuss their 50/50 raffle procedures at their next membership meeting.

Based on your assurance that Local 1660 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, AFL-CIO Local 1660 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: Ms. Debbie Yanak, President