



September 25, 2014

Ms. Karen Blood, Treasurer
Steelworkers AFL-CIO Local 880
PO Box 256
West Groton, MA 01472-0256

Case Number: 110-6000112()
LM Number: 038747

Dear Ms. Blood:

This office has recently completed an audit of Steelworkers AFL-CIO Local 880 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 Financial Secretary Steven Champagne on July 24, 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 880's 2012 records revealed the following recordkeeping violations:

1. General Reimbursed and Credit Card Expenses

Local 880 did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by Chris Jensen, Keith Eaton, Steven Champagne, Karen Blood, Andy

Nazzarro, Mike Marion, Matt Collins, and Barry Ross totaling at least \$3,781.34. For example, disbursements to Eaton and Champagne for internet expenses, and per diem payments to Nazzarro, Marion and Collins.

Additionally, payments made to non-union officers did not have proper documentation, such as a \$642.80 payment to Heirloom Bibles, and a \$2,767.64 payment to Caesars.

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. Lost Wages

Local 880 did not retain adequate documentation for lost wage reimbursement payments to Keith Eaton, Karen Blood, Steve Champagne, Andy Nazzarro, Mike Marion and Matt Collins, totaling at least \$6,458.20. 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 Local 880 did not provide any documentation to support the lost time payments made to the aforementioned officers.

3. Lack of Salary Authorization

Local 880 did not maintain records to verify that the salaries reported in Item 24 (All Officer and Disbursements to Officers) of the LM-3 was the authorized amount and therefore was correctly reported. The union must keep a record, such as meeting minutes, to show the current salary authorized by the entity or individual in the union with the authority to establish salaries.

Other Issues

Checks not properly signed

During the audit, it was found that checks were inconsistently signed by officers. Your union's bylaws require that all checks be signed by the treasurer, and countersigned by the president or the financial secretary. The two signature requirement is an effective internal control of union funds. Its purpose is to attest to the authenticity of a completed document already signed. OLMS recommends that Local 880 review these procedures to improve internal control of union, and properly sign every check with the required two signatures.

I want to extend my personal appreciation to Steelworkers AFL-CIO Local 880 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,

A solid black rectangular box redacting the signature of the sender.

Investigator

cc: Mr. Michael Marion, President
Mr. Steven Champagne, Financial Secretary