



June 8, 2018

Mr. Walter Cooper, Treasurer
Steelworkers LU 13-1532
[REDACTED]

Case Number: 420-6013146 [REDACTED]
LM Number: 510280

Dear Mr. Cooper:

This office has recently completed an audit of Steelworkers LU 13-1532 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 Vice President Tommy Jacobs, and Treasurer Kelvan Brown on May 25, 2018, 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 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 LU 13-1532's 2017 records revealed the following recordkeeping violation:

Supporting Documents for Donations

The union failed to maintain supporting documents for donations totaling at least \$3,000.00 to [REDACTED], McGehee City Baseball, [REDACTED], and McGehee Food Pantry. The union must record in at least one record the date, amount donated, and recipient of each donation made.

The union has agreed to maintain the proper records for all donations made.

Reporting Violation

The audit disclosed a violation of LMRDA Section 201(b), which requires labor organizations to file annual financial reports accurately disclosing their financial condition and operations. The Labor Organization Annual Report (Form LM-3) filed by LU 13-1532 for the fiscal year ended December 31, 2017, was deficient in the following area:

Disbursements to Officers (LM-3)

LU 13-1532 did not include some reimbursements to Walter Cooper totaling at least \$2,885.58 in the amounts reported in Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments in Item 48.

The union must report most direct disbursements to LU 13-1532 officers and some indirect disbursements made on behalf of its officers in Item 24. A "direct disbursement" to an officer is a payment made to an officer in the form of cash, property, goods, services, or other things of value. See the instructions for Item 24 for a discussion of certain direct disbursements to officers that do not have to be reported in Item 24. An "indirect disbursement" to an officer is a payment to another party (including a credit card company) for cash, property, goods, services, or other things of value received by or on behalf of an officer. However, indirect disbursements for temporary lodging (such as a union check issued to a hotel) or for transportation by a public carrier (such as an airline) for an officer traveling on union business should be reported in Item 48 (Office and Administrative Expense).

LU 13-1532 has now filed an emended report to correct the deficient item.

I want to extend my personal appreciation to Steelworkers LU 13-1532 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: Mr. Kelvan Brown, Treasurer
Mr. Tommy Jacobs, Vice President
Mr. Arron Patterson, Recording Secretary
Mr. Robert Chatman, President