

U.S. Department of Labor

Office of Labor-Management Standards
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June 5, 2018

Howard Pickels, President
Steelworkers, AFL-CIO Local 1192
████████████████████
Perry, FL 32348

Case Number: 410-6009709 ██████████
LM Number: 069430

Dear Howard Pickels:

This office has recently completed an audit of Steelworkers, AFL-CIO Local 1192 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 August 22, 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 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 1192's 2017 records revealed the following recordkeeping violations:

1. General Reimbursed and Credit Card Expenses

Local 1192 did not retain adequate documentation for expenses that were billed by CPA Joe Wynn totaling at least \$750. For the months of January, February, April, May, and July 2017, the accountant billing statements were not in the monthly financial folders.

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. Meal Expenses

Local 1192 records of meal expenses did not always include written explanations of union business conducted or the names and titles of the persons incurring the restaurant charges. For example, for the month of March 2017, you and Vice President Daniel Faircloth provided your meal expense receipts, but the receipts did not contain a written explanation for the meal or full names and titles of all persons who incurred the restaurant charges. Union records of meal expenses must include written explanations of the union business conducted and the full names and titles of all persons who incurred the restaurant charges. Also, the records retained must identify the names of the restaurants where the officers or employees incurred meal expenses.

Based on your assurance that Local 1192 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Reporting Violations

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 Local 1192 for the fiscal years ended December 31, 2015 and December 31, 2017, were deficient in that in the following areas:

Disbursements to Officers (LM-3)

Local 1192 did not include all reimbursements to all officers that should have been reported in Item 24(E) (All Officers and Disbursements to Officers) of the Labor Organization Annual Report Form LM-3 filed by Local 1192 for the fiscal year ended December 31, 2017. It appears the union erroneously reported these payments in Item 54, Other Disbursements..

The union must report most direct disbursements to Local 1192 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)

Local 1192 must file an amended Form LM-3 for the fiscal year ending December 31, 2017, to correct the deficient items discussed above. Local 1192 has to complete, sign, and file its report electronically using the Electronic Forms System (EFS) available at the OLMS website at www.olms.dol.gov. Reporting forms and instructions can be downloaded from the website. The amended Form LM-3's should be filed electronically no later than November 16, 2018. Before filing, review the report thoroughly to be sure it is complete and accurate.

I want to extend my personal appreciation to Steelworkers, AFL-CIO Local 1192 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: Shirley Stephens, Secretary-Treasurer