



October 10, 2018

Mr. Darryle Taylor, Financial Secretary
Steelworkers Local 87
Post Office Box 80766
Seattle, WA 98108-0766

Case Number: 530-6010251 [REDACTED]
LM Number: 045779

Dear Mr. Taylor:

This office has recently completed an audit of Steelworkers Local 87 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 27, 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 87's 2017 records revealed the following recordkeeping violations:

1. General Reimbursed Expenses

Local 87 did not retain adequate documentation for reimbursed expenses incurred by union officers totaling at least \$3,537.90. For example, Local 87 officers failed to maintain at least nine receipts, including some for reimbursed hotel and airfare expenses, totaling at least \$3,537.90.

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. Disbursement Dates not Recorded

Check entries in Local 87's disbursements journal reflect the first day of each month rather than the date disbursements were made. The date of disbursement 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 disbursements when it actually pays out money. Failure to record the date money was disbursed could result in the union reporting some disbursements for a different year than when it was actually disbursed.

Based on your assurance that Local 87 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 Local 87 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 large black rectangular redaction box covering the signature of the investigator.

Investigator

cc: Mr. Jon Contreras, President