

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Dallas District Office
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February 23, 2007

Ms. Betty Height, President
Steelworkers Local 895
3626 Marvin D. Love Freeway
Dallas, Texas 75224

Re: Case Number: [REDACTED]

Dear Ms. Height:

This office has recently completed an audit of Steelworkers Local 895 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 Betty Height on February 23, 2007, 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 adequate records be maintained for at least 5 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, all records used or received in the course of union business must be retained. This includes, in the case of disbursements, not only the retention of original bills, invoices, receipts, and vouchers, but also adequate additional documentation, if necessary, 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 note can be written on it providing the additional information. An exception may be made only in those cases where 1) other equally descriptive documentation has been maintained, and 2) there is evidence of actual oversight and control over disbursements.

In the case of receipts, the date, amount, purpose, and source of all money received by the union must be recorded in at least one union record. Bank records must also be retained for all accounts.

The audit of Local 895's 2006 records revealed the following recordkeeping violations:

1) Automobile Records

Union officers who were assigned union-owned and leased automobiles failed to maintain mileage logs documenting the business use of union vehicles. In the case of union-owned and leased vehicles, logs are required to be maintained for each union vehicle documenting the date, number of miles driven, and business purpose of each use. In the case of reimbursed mileage expenses for personal vehicles used for business travel, records must be maintained which identify the date of travel, locations traveled to and from, number of miles driven, and the business purpose of each use.

The LM instructions include specific rules for the reporting of automobile expenses. Operating and maintenance costs for each union owned or leased vehicle must be reported on Item 24 of the LM-3, allocated to the officer or employee to whom each vehicle is assigned.

2) Voided checks

Some checks that were voided and not issued were not retained.

As agreed, provided that Local 895 maintains adequate documentation as discussed above in the future, no additional enforcement action will be taken regarding these violations.

Other Issue

Some lost time vouchers were not signed and approved by the president as required on the "Report of Lost Time and Expenses" form.

Local 895 also agreed that they would obtain the proper signatures on the lost time vouchers prior to making lost time payments.

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I want to extend my personal appreciation to Steelworkers Local 895 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 thick black horizontal bar redacting the signature of the investigator.

Investigator