



February 6, 2020

Mr. Paul Trammell, President
Steelworkers AFL-CIO Local 09-12943
243 E. Charlemont Ave.
Kingsport, TN 37660

Case Number: 410-6017326
LM Number: 048137

Dear Mr. Trammell:

This office has recently completed an audit of Steelworkers AFL-CIO Local 09-12943 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 Treasurer Randall Prillaman on January 9, 2020, 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.

Other Violation

The audit disclosed the following other violation:

Inadequate Bonding

The audit revealed a violation of LMRDA Section 502 (Bonding), which requires that union officers and employees be bonded for no less than 10 percent of the total funds those individuals or their predecessors handled during the preceding fiscal year.

Local 09-12943's officers and employees are currently bonded for \$10,000, but they must be bonded for at least \$15,798.25. Local 09-12943 should obtain adequate bonding coverage for its officers and employees immediately. Please provide proof of bonding coverage to this office as soon as possible, but not later than **February 28, 2020**.

Other Issues

1. **Expense Policy**

As I discussed during the exit interview with Local 09-12943, the audit revealed that Local 09-12943 does not have a written policy documented in its local bylaws regarding "other time" paid to union officers for union business conducted during non-scheduled work hours, in addition to the pay rate of \$15 per hour for "other time." The local has been advised by its parent body to discontinue other time payments at the rate of \$15 per hour until the other time policy has been approved for inclusion in the local's bylaws by the parent body. OLMS recommends that unions adopt written guidelines concerning such matters to include in its local bylaws. The other time pay rate has been addressed and

documented in the local's meeting minutes.

2. Use of Debit Card

The audit revealed that Local 09-12943 permits officers to use a debit card to pay for travel expenses and union supplies. The international union has a written guideline against the usage of a debit to pay for travel and other union expenses. The parent body advised that checks should be used for all union expenses for documentation purposes.

I want to extend my personal appreciation to Steelworkers AFL-CIO Local 12943 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 redaction box covering the signature of the investigator.

Investigator