



April 27, 2020

Mr. Scott Calmes, President  
Steelworkers, AFL-CIO Local 148  
[REDACTED]

Case Number: 320-6017271 [REDACTED]  
LM Number: 042330

Dear Mr. Calmes:

This office has recently completed an audit of Steelworkers Local 148 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, Treasurer Rodney Dietzen, and Corresponding Secretary Scott Elliott on April 23, 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.

#### 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 148's 2018 records revealed the following recordkeeping violations:

1. Disbursements to Vendors

Local 148 did not retain adequate documentation for disbursements to vendors totaling at least \$136 in 2018. Specifically, adequate supporting documentation was not retained for a \$136.42 charge made with the union's debit card at Krueger True Value on September 14,

2018 for union hall supplies. In support of this expense, Local 148 only retained a bank statement, which is not sufficient.

As noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. These receipts are necessary to determine if such disbursements are for union business purposes and to sufficiently fulfill the recordkeeping requirement of LMRDA Section 206. 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. Lost Wages

Local 148 did not retain adequate documentation for lost wage reimbursement payments to Mr. Dietzen, Mr. Elliott, Financial Secretary Gary Neubert, and Trustees Anthony Garvey and Sandra Yowell totaling at least \$1,054 during the year. The union must maintain records in support of lost wage claims that identify each date lost wages were incurred, the number of hours lost on each date, the applicable rate of pay, and a description of the union business conducted. The audit found that the union retained vouchers for lost wage reimbursements, but in some instances the vouchers were not sufficient because Mr. Dietzen, Mr. Elliott, Mr. Neubert, Mr. Garvey, and Ms. Yowell did not always identify the actual date the lost wages were incurred or adequately describe the union business conducted.

Following the exit interview, I provided a compliance tip sheet, *Union Lost Time Payments*, that contained a sample of an expense voucher Local 148 may use to satisfy this requirement. The sample identifies the type of information and documentation that the local must maintain for lost wages and other officer expenses.

Based on your assurance that Local 148 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 148 for the fiscal year ended December 31, 2018, was deficient in the following areas:

#### 1. Disbursements to Officers

Local 148 did not include disbursements to you, Mr. Dietzen, and Mr. Elliott totaling at least \$2,720 in the amounts reported in Item 24 (All Officers and Disbursements to Officers), Column D (Gross Salary). Local 148's disbursement records indicate that you, Mr. Dietzen, and Mr. Elliott received gross salary (including lost time) of \$15,063; however, the amount reported in Column D of Item 24 for you, Mr. Dietzen, and Mr.

Elliott was \$12,343. It appears that this discrepancy was due to the union erroneously reporting lost time payments to these officers in Item 48 (Office and Administrative Expenses) or Item 54 (Other Disbursements).

Additionally, Local 148 did not include some reimbursements to Mr. Dietzen and Mr. Elliott totaling at least \$462 in the amounts reported in Item 24, Column E (Allowances and Other Disbursements). Local 148's disbursement records indicate that Mr. Dietzen and Mr. Elliott received reimbursed expenses totaling \$604; however, the total amount reported in Column E of Item 24 for Mr. Dietzen and Mr. Elliott was \$142. It appears that Local 148 erroneously reported the reimbursements to Mr. Dietzen and Mr. Elliott in Item 48 or Item 54.

The union must report most direct disbursements to Local 148 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.

## 2. Failure to File Bylaws

The audit disclosed a violation of LMRDA Section 201(a), which requires that a union submit a copy of its revised constitution and bylaws with its LM report when it makes changes to its constitution or bylaws. Local 148 amended its constitution and bylaws in 2010, but did not file a copy with its LM report for that year. Local 148 has now filed a copy of its 2010 constitution and bylaws.

## 3. Subsidiary Organization

Local 148 did not report its building corporation, Nicolet Realty Local 148, as a subsidiary organization in Item 10 (Subsidiary Organizations). The name, address, and purpose of each subsidiary organization must be reported in Item 56 (Additional Information). Local 148 also failed to report the assets, liabilities, receipts, and disbursements of its building corporation using one of the two following acceptable methods outlined in Section X of the Form LM-3 instructions: (1) by consolidating the financial information for the subsidiary organization and the labor organization on a single Form LM-3 or (2) by filing, with the labor organization's Form LM-3, the regular annual report of the financial condition and operations of the subsidiary organization, accompanied by a statement signed by an independent public accountant certifying that the financial report presents fairly the financial condition and operations of the subsidiary organization and was prepared in accordance with generally accepted accounting principles.

4. Acquire/Dispose of Property

Item 13 (During the reporting period did your organization acquire or dispose of any assets in any manner other than by purchase or sale?) should have been answered, "Yes," because Local 148 gave away tee-shirts totaling at least \$180 during the year. The union must identify the type and value of any property received or given away in the additional Information section of the LM report along with the identity of the recipient(s) or donor(s) of such property. The union does not have to itemize every recipient of such giveaways by name. The union can describe the recipients by broad categories if appropriate such as "members" or "new retirees." In addition, the union must report the cost, book value, and trade-in allowance for assets that it traded in.

I am not requiring that Local 148 file an amended LM report for 2018 to correct the deficient items, but Local 148 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to Steelworkers Local 148 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. Rodney Dietzen, Treasurer  
Mr. Scott Elliott, Corresponding Secretary