



June 12, 2020

Mr. Jeff Gaddis, President  
Steelworkers, AFL-CIO  
Local 13-202  
118 Stanford St.  
Tyler, TX 75701-7907

Case Number: 420-6017949  
LM Number: 041416

Dear Mr. Gaddis:

This office has recently completed an audit of Steelworkers Local 13-202 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 Financial Secretary Wathina G. Duncan on June 2, 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 Steelworkers Local 13-202's 2019 records revealed the following recordkeeping violations:

1. Lack of Salary Authorization

Steelworkers Local 13-202 did not maintain records to verify that the salaries reported in Item 24 (All Officer and Disbursements to Officers) of the LM-3 was the

authorized amount and therefore was correctly reported. The union must keep a record, such as meeting minutes, to show the current salary authorized by the entity or individual in the union with the authority to establish salaries.

Meeting minutes showing the salaries have been approved should be provided to OLMS.

## 2. Lost Wages

Steelworkers Local 13-202 did not retain adequate documentation for lost wage reimbursement payments to union officers totaling at least \$18,000. 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 OLMS audit found that Steelworkers Local 13-202 did not identify the date wages were lost and the number of hours lost on each date on the lost wage vouchers.

During the exit interview, I provided complete details of the additional information and documentation that the local must maintain for lost wages and other officer expenses.

Based on your assurance that Steelworkers Local 13-202 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

### Other Issues

#### 1. Signatories on Checking Account # [REDACTED] at Southside Bank

The audit revealed that former officer Fred Marshall's name was still listed as a signatory on Steelworkers Local 13-202's checking account at Southside Bank.

#### 2. Signatories on Savings Account # [REDACTED] at McMurrey Federal Credit Union

The audit revealed Financial Secretary Wathina Duncan is the only signatory on Steelworkers Local 13-202's savings account at McMurrey Federal Credit Union.

The requirement for current officers and more than one officer to be listed as signatories on union financial accounts is an effective internal control of union funds. OLMS recommends that Steelworkers Local 13-202 review these procedures to improve internal control of union funds, and update the signatories with each bank.

I want to extend my personal appreciation to Steelworkers Local 13-202 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 box used to redact the signature of the investigator.

Investigator

cc: Vice President Michael D. Smith  
Financial Secretary Wathina G. Duncan  
Recording Secretary Monica Davis  
Trustee Anthony Thomas