



June 1, 2020

Ms. Kristy Hooker, Treasurer
Steelworkers Local 809
[REDACTED]

Case Number: 310-6013281 [REDACTED]
LM Number: 042263

Dear Ms. Hooker:

This office has recently completed an audit of Steelworkers Local 809 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 May 26, 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 809's 2017 records revealed the following recordkeeping violation:

Local 809 did not retain adequate supporting documentation for at least two disbursements totaling approximately \$1,675.00. For example, the union spent \$750.00 on 10 watches for retired members but did not maintain a record of the recipients' names. In addition, the union purchased \$925.00 of food at a supermarket for donation to a local food pantry, but did not record the name of the food pantry that received the grocery donation.

As noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements and maintain records that identify the names of the recipient(s) of any goods or services. 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.

Based on your assurance that Local 809 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violation.

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 809 for the fiscal year ended December 31, 2017, was deficient in the following area:

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 the union gave away t-shirts, watches, and other items totaling more than \$5,227.00 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 809 file an amended LM report for 2017 to correct the deficient item, but Local 809 has agreed to properly report the deficient item on all future reports it files with OLMS.

I want to extend my personal appreciation to Steelworkers Local 809 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. Jeffrey Hooker, President