



May 20, 2020

Mr. Alonzo Ramey, President  
USW Local 935  
8008 N Pinewood Dr.  
Pine Bluff, AR 71603

Case Number: 420-6017786 [REDACTED]  
LM Number: 048165

Dear Mr. Ramey:

This office has recently completed an audit of USW Local 935 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 Recording Secretary Donald Darrough on March 30, 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 Branch 935's 2018 records revealed the following recordkeeping violations:

1. Failure to Maintain Records

During the audit, President Alonzo Ramey advised the local maintains only three years of records. The LMRDA requires that the records used to file reports with the OLMS must be maintained for a minimum of five (5) years after a report is filed.

These records must provide in sufficient detail the necessary basic information and date to verify, explain, and clarify the reports filed with OLMS.

## 2. Reimbursed Travel Expenses

Local 935 failed to maintain supporting documentation for \$5,379.06 in reimbursements to President Alonzo Ramey, Treasurer LaShaun Scott, and Vice President Nolan Martin for mileage, per diem, airfare, and food. During the audit period, the local sent officers to Officer Training in June 2018 and the Women of Steel Conference in September 2018.

As noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. 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.

## 3. Lost Wages

Local 935 did not retain adequate supporting documentation for lost wage reimbursement payments to all union officers totaling \$10,373.34. 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 Local 935, retained only email requests for time off from the employer for union business.

During the exit interview, I provided a compliance tip sheet, *Union Lost Time Payments*, which contained a sample of an expense voucher Local 935 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.

As noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. 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.

## 4. Meeting Minutes not Recorded

Local 935 did not meet a quorum for membership meetings. However, informal executive board meetings were held, but minutes were not kept. Minutes of all membership or executive board meetings must report whether or not a quorum was met, and any disbursement authorizations made at those meetings.

Based on your assurance that Local 935 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 935 for the fiscal year ended December 31, 2018, was deficient in the following areas:

#### 1. Disbursements for Benefits

During the audit period, the local paid for long term disability insurance for some members. Amounts are received from members through check off and the local pays to the insurance company monthly. A review of the 2018 LM-3 revealed the disbursements for insurance was not properly reported in Item 50 Benefits. It appears Local 935 reported these payments in Item 54 Other Disbursements.

#### 2. Disbursements to Officers

Local 935 did not include reimbursements to officers for expenses, such as bills, supplies, and travel, totaling at least \$5,379.06 in Item 24 (All Officers and Disbursements to Officers), Column E (Allowances and Other Disbursements). It appears the union erroneously reported these payments in Column D (Gross Salary).

The union must report most direct disbursements to Local 935 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 (Office and Administrative Expense).

#### 3. 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 935 amended its constitution and bylaws in 1997, but did not file a copy with its LM report for that year.

Local 935 has filed an amended Form LM-3 for the fiscal year ended December 31, 2018. I want to extend my personal appreciation to USW Local 935 for the cooperation and courtesy extended during this compliance audit. I strongly recommend that you make sure this letter and the

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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,

[REDACTED]

Investigator

cc: Nolan Martin, Vice President  
LaShaun Scott, Treasurer  
Donald Darrough, Recording Secretary