



June 12, 2020

Mr. Jimmy Wood, Treasurer/Financial Officer
Steelworkers, AFL-CIO Local 13-936
3547 HWY. 83 North
Monticello, AR 71655

Case Number: 420-6017785
LM Number: 028002

Dear Mr. Wood:

This office has recently completed an audit of Steelworkers, AFL-CIO Local 13-936 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 29, 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 13-936's 2018 records revealed the following recordkeeping violations:

1. Lack of Salary Authorization

Steelworkers Local 13-936 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 13-936 did not retain adequate documentation for at least 17 lost wage reimbursement payments to union officers totaling at least \$12,804. 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 13-936 frequently failed to include the purpose and specific date wages were lost, and the membership meeting minutes did not contain discussion and/or approval for lost wage claims.

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 13-936 met and voted in officers' quarterly salaries and will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Reporting Violation

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 13-936 for fiscal year ended December 31, 2018, was deficient in that Local 13-936's beginning balance was incorrect.

Incorrect Beginning Balance

Steelworkers Local 13-936 reported an incorrect beginning balance in Item 25 Column A. The union should use the correct beginning balance in Column A, which is the ending balance in Column B of the prior fiscal year's report, or provide an explanation in Item 56 Additional Information.

Local 13-936 must file an amended Form LM-3 for fiscal year ended December 31, 2018, to correct the deficiency. The report must be filed electronically using the Electronic Forms System (EFS) available at the OLMS website at www.olms.dol.gov. The amended Form LM-3 must be filed no later than June 30, 2020. Before filing, review the report thoroughly to be sure it is complete and accurate.

Mr. Jimmy Wood

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I want to extend my personal appreciation to Steelworkers Local 13-936 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

cc: President Bill Murphy
Vice President Anthony Wilcox
Recording Secretary Robert Allen