



August 19, 2020

Ms. Karen Kirkpatrick, Financial Secretary
United Steelworkers Local Union 13-259M
2106 Montrose St.
Waco, TX 76705

Case Number: 420-6018316 [REDACTED]
LM Number: 045768

Dear Ms. Kirkpatrick:

This office has recently completed an audit of United Steelworkers Local Union 13-259M 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, President Jeremiah Simmons, and Recording Secretary Angela Crain on August 13, 2020, the following problems were disclosed during the CAP. The matter listed below is 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 13-259M's 2019 records revealed the following recordkeeping violations:

1) Lost Wages

Local 13-259M did not retain adequate documentation for lost wage reimbursement payments to union officers and shop stewards 38 different times, totaling at least \$20,047.56, for what Financial Secretary Kirkpatrick identified as

disbursements for lost wages. 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.

During the exit interview, I provided a compliance tip sheet, *Union Lost Time Payments*, that contained a sample of an expense voucher Local 13-259M 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.

2) Information not Recorded in Meeting Minutes

Membership meeting minutes revealed that officers and shop stewards were authorized to attend meetings, trainings, conferences, and leadership courses. However, there wasn't sufficient information recorded in the minutes to reflect the specific dates, costs, etc. For example, Local 13-259M President Jeremiah Simmons was compensated lost wages on six different occasions for grievance preparation and negotiations, whereas membership meeting minutes revealed that Local 13-259M only mentioned twice to pay lost wages to Simmons. On one occasion, a purpose was not included.

Minutes of all membership meetings must report any disbursement authorizations made at those meetings.

Based on your assurance that Local 13-259M will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

I want to extend my personal appreciation to United Steelworkers Local Union 13-259M 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. Jeremiah Simmons, President
Mr. Saul Valdez, Vice President
Ms. Angela Crain, Recording Secretary