

U.S. Department of Labor

Office of Labor-Management Standards
Cincinnati-Cleveland District Office
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September 30, 2022

Mr. Paul Meister, Treasurer
Metal Workers Alliance
3850 Union Avenue SE
Minerva, OH 44657

Case Number: 350-6025047()
LM Number: 050134

Dear Mr. Meister:

This office has recently completed an audit of Metal Workers Alliance 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 September 28, 2022, 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 Metal Workers Alliance's 2021 records revealed the following recordkeeping violation:

General Receipts and Disbursement Records

Metal Workers Alliance did not retain adequate documentation for disbursements totaling at least \$400.00. For example, an invoice was missing for a purchase of a retirement gift for member [REDACTED] in November 2020.

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.

Based on your assurance that Metal Workers Alliance 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 Metal Workers Alliance for the fiscal year ended December 31, 2021 was deficient in the following area:

Certificate of Deposit Redemption Improperly Reported

Metal Workers Alliance improperly reported a certificate of deposit it redeemed in August 2021 in the amount of \$83,877.45 under both Item 30(B) and Item 54 on the LM-3 Report for the purpose of balancing the union's cash. While the union redeemed the CD in August 2021, it never actually received the check from the bank for this item until March 2022. For LM reporting purposes, OLMS considers a certificate of deposit to be cash. The purchase or redemption of a certificate of deposit is a transfer of cash from one account to another and, therefore, the local should not report these transactions as receipts or disbursements.

Other Issues

1. Union's Bond Covers Individuals Instead of Officer Positions

As I discussed during the exit interview with you, the audit revealed that Metal Workers Alliance's bond contains the names of the individual officers, as opposed to the officer positions covered, such as President, Vice President and Treasurer. OLMS recommends that your union change its bond to cover the officer positions instead of individuals to prevent any inadvertent lapse of coverage when people assume and/or leave officer positions in the union.

2. Constitution & By-laws List Salaried Officer Positions No Longer in Existence

The audit disclosed that the Constitution & By-laws for Metal Workers Alliance, which were last updated in 2000, list various officer positions, which are no longer extant in the union, and their associated salaries. As you noted, those positions appear to be from a time long before any of the current officers took office, and beyond the memory of anyone currently in the union. It is suggested that your union update its Constitution & By-laws and bring them up to date to eliminate any potential problems and confusion.

I want to extend my personal appreciation to Metal Workers Alliance 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 black rectangular box redacting the signature of the Supervisory Investigator.

Supervisory Investigator

cc: Mr. Scott Gatchel, President