



February 29, 2024

Mr. Frank Copanic, Financial Secretary
USW Local 9401
17 West Liberty Street
Struthers, OH 44471-1963

Case Number: 350-6027663()
LM Number: 540656

Dear Mr. Copanic:

This office has recently completed an audit of USW Local 9401 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 President Johnie Washington, Recording Secretary Michael Hedrich, and Treasurer Tony Micco on February 1, 2024, 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 9401's 2022 records revealed the following recordkeeping violations:

1. General Reimbursed Expenses

United Steelworkers Local 9401 did not retain adequate documentation for reimbursed expenses incurred by union officers and employees totaling at least \$2,600. For example,

Local 9401 wrote three checks to USW District 1, which included Check [REDACTED] for \$1,200, Check [REDACTED] for \$450, and Check [REDACTED] for \$350. Local 9401 maintained no supporting documentation for these expenses or vouchers maintained. District 1 Staff Representative William Enstrom provided detailed information on these checks and the costs. In addition, the union paid a fee for the Ohio AFL-CIO, with Check [REDACTED] for \$600.00 disbursed for this expense. Ohio AFL-CIO provided supporting documentation for this fee.

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.

2. Lost Wages

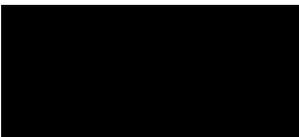
Local 9401 did not retain adequate documentation for lost wage reimbursement payments to union officers and employees throughout the fiscal year ending December 31, 2022. The union must maintain records in support of lost wage claims that identify each date lost wages were incurred, the number of hours lost on each date, the applicable rate of pay, and a description of the union business conducted. The OLMS audit found that Local 9401 maintained the USW Salary, Lost Time, and Expense Voucher, however, the voucher did not have the correct dates, hours and payment calculations.

During the exit interview, I provided a compliance tip sheet, Union Lost Time Payments, that contains a sample of an expense voucher Local 9401 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.

Based on your assurance that Local 9401 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 USW Local 9401 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,



Senior Investigator

cc: Mr. Johnie Washington, President