

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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April 4, 2008

Mr. Stephen Armstrong, Secretary-Treasurer
Steelworkers AFL-CIO
Local 11-15312
RT 1, Box 370-4
South Coffeyville, OK 74072

LM File Number 060-880
Case Number: [REDACTED]

Dear Mr. Armstrong:

This office has recently completed an audit of Steelworkers Local 11-15312 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 April 3, 2008, 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 11-15312's 2006 records revealed the following recordkeeping violations:

1. Lack of Salary Authorization

Local 11-15312 did not maintain records to verify that the salaries reported in Item 18 of the LM-4 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.

2. General Reimbursed and Credit Card Expenses

Local 11-15312 did not retain adequate documentation for reimbursed expenses incurred by union officers totaling at least \$749. For example, a check for \$749 was written to reimburse a member for attending union training. No voucher or receipt was maintained for this expenditure.

As previously 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 Local 11-15312 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 Steelworkers Local 11-15312 for the cooperation and courtesy extended during this compliance audit. I strongly recommend that you make sure this letter and the compliance assistance materials

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provided to you are passed on to future officers. If we can provide any additional assistance, please, do not hesitate to call.

Sincerely,



Investigator