

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Cleveland District Office
1240 East Ninth Street
Room 831
Cleveland, OH 44199
(216)357-5455 Fax: (216)357-5425



May 15,2008

Ms. Sharon Vore, Secretary Treasurer
United Steelworkers AFL-CIO
Local Union 5-1263
180 Edgewood Drive
Perrysburg, Ohio 43551

LM File Number 067-586

Case Number: [REDACTED]

Dear Ms. Vore:

This office has recently completed an audit of United Steelworkers Local Union 5-1263 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 and President Sandra Crystal Edwards on May 14,2008, 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 5-1263's 2006 records revealed the following recordkeeping violations:

1. General Disbursements

Local 5-1263 did not retain adequate documentation for general disbursements totaling at least \$39,863. For example, checks disbursed for flowers, donations, rent, taxes, and payments to the accountant, were not properly documented with purchase receipts, invoices, or bills.

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.

2. Lost Wages

Local 5-1263 did not retain adequate documentation for lost wage reimbursement payments to President Sandra Crystal Edwards totaling at least \$728. 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 5-1263 cancelled checks and check stubs maintained by the union did not identify the union business conducted.

During the exit interview, you provided a sample of an expense voucher Local 5-1263 will use to satisfy this requirement.

3. Information not Recorded in Meeting Minutes

The manual section of the USW Constitution provides that the Recording Secretary is responsible for keeping comprehensive meeting minutes, including proceedings of the business and financial transactions of the union, in a book provided by the International Union. During the audit, President Sandra Crystal Edwards advised OLMS that the membership authorized a \$300 donation to [REDACTED]'s family at

the November or December membership meeting. However, the minutes of the meeting do not contain any reference to this donation. Minutes of all membership or executive board meetings must report any disbursement authorizations made at those meetings.

Based on your assurance that Local 5-1263 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 LM-3 filed by Local 5-1263 for fiscal year ending December 31, 2006, was deficient in the following areas:

1. Disbursements to Officers

Local 5-1263 did not include some reimbursements to President Sandra Crystal Edwards totaling at least \$332 in the amounts reported Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments in Items 51 and 54.

Local 5-1263 did not report Doug Edwards as the Guard in Item 24 (All Officers and Disbursements to Officers). The union must report in Item 24 all persons who held office during the year, regardless of whether they received any payments from the union.

The union must report most direct disbursements to Local 5-1263 officers and some indirect disbursements made on behalf of its officers in Item 24. A "direct disbursement" to an officer is a payment made to an officer in the form of cash, property, goods, services, or other things of value. See the instructions for Item 24 for a discussion of certain direct disbursements to officers that do not have to be reported in Item 24. An "indirect disbursement" to an officer is a payment to another party (including a credit card company) for cash, property, goods, services, or other things of value received by or on behalf of an officer. However, indirect disbursements for temporary lodging (such as a union check issued to a hotel) or for transportation by a public carrier (such as an airline) for an officer traveling on union business should be reported in Item 48 (Office and Administrative Expense).

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I am not requiring that Local 5-1263 file **an** amended LM report for 2006 to correct the deficient items, but Local 5-1263 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to United Steelworkers Local Union 5-1263 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