

**U.S. Department of Labor**

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August 12, 2009

Mr. Kurt Randorf, President  
Steelworkers Local 2-150  
24251 Endeavor Road.  
Tomah, WI 54660

LM File Number: 012-623  
Case Number: [REDACTED]

Dear Mr. Randorf:

This office has recently completed an audit of Steelworkers Local 2-150 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 Financial Secretary-Treasurer Terri Hayward on August 10, 2009, 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.

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 Local 2-150 for fiscal year ending December 31, 2008, was deficient in the following areas:

1. Fund Transfers

During the audit period, Local 2-150 transferred \$1,867 from the general fund checking account to the savings account. Ms. Hayward confirmed that she reported the receipt of money into the savings as a receipt in Item 43 (Other Receipts) as well as a disbursement of money from the checking in Item 54 (Other Disbursements).

The purpose of Statement B (Receipts and Disbursements) is to report the flow of cash in and out of your organization during the reporting period. Transfers between

separate bank accounts do not represent the flow of cash in and out of your organization and should not be reported as receipts and disbursements of your organization.

## 2. Disbursements to Officers

The audit revealed that Steve Whitsett, Bruce Clark, and David Hurd served as trustees during 2008 but did not receive any compensation or reimbursed expense payments from the local. The trustees' names are not reported 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. Trustees of Local 2-150 sit on the executive board and therefore are considered to be constitutional officers under 3(n) of Section 402 of the LMRDA.

In addition, some indirect disbursements to officers (who are identified on the report) totaling more than \$800 were not reported next to their names in Item 24. For example, Unit Chairperson Dan Hundt and Unit Secretary Cindy Sauer received payments from their employer, LaCrosse Footwear, while working on union business. Local 2-150 reimbursed LaCrosse Footwear for those wages. The payments from Local 2-150 to the company are considered indirect disbursements to officers and must be included in the amounts reported in Item 24. These payments appear to have been incorrectly reported in Item 54 (Other Disbursements).

The union must report most direct disbursements to Local 2-150 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).

## 3. Failure to File By-laws

The audit disclosed a violation of LMRDA Section 201(a), which requires that a union submit a copy of its revised constitution and bylaws with its LM report when

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it makes changes to its constitution or bylaws. Local 2-150 amended its constitution and bylaws in 1999, but did not file a copy with its LM report for that year.

Local 2-150 has now filed a copy of its constitution and bylaws.

I am not requiring that Local 2-150 file an amended LM report for 2008 to correct the deficient items, but Local 2-150 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to Steelworkers Local 2-150 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: Terri Hayward, Financial Secretary-Treasurer  
Brent Wisner, Vice President