

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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August 28, 2009

Mr. James Sanderson, President
Steelworkers AFL-CIO
Local Union 7898
P.O. Box 777
Georgetown, SC 29440

Re: Case No. [REDACTED]

Dear President Sanderson:

This office has recently completed an audit of Steelworkers Local 7898 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, as Amended (LMRDA). As discussed during the exit interview with you and Treasurer, Barry Howard, on August 20, 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.

The CAP disclosed Reporting Violations.

Reporting Violations

The CAP 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 Steelworkers Local 7898 for fiscal year ending December 31, 2008, was deficient in the following areas:

1. Item 24, Column A ((All Officers and Disbursements to Officers -Allowances and Other Disbursements)

The names of the Trustee officers and the total amounts of payments were not reported in item 24. Each person who held office in the labor organization during the reporting period must be reported, whether or not any salary or other disbursements were made to them.

2. Item 24, Column E (All Officers and Disbursements to Officers -Allowances and Other Disbursements)

Local 7898 failed to include some reimbursements to officers. Such payments appear to have been erroneously reported in the amount reported in item 48 (Office and Administrative Expense) or item 54 (Other Disbursements).

All direct disbursements to officers and some indirect disbursements made on behalf of its officers must be reported 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. An "indirect disbursement" to an officer is a payment to another party (including credit card companies) 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). Even if the officer does not receive an official salary from the local, allowances paid to the officer along with the disbursements mentioned above must be accurately reported.

I am not requiring that Local 7898 file an amended LM report for 2008 to correct the deficient items, but as agreed, Local 7898 will properly report the deficient items on all future reports filed with this agency.

I want to extend my personal appreciation to Steelworkers Local 7898 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: Barry Howard, Treasurer