

**U.S. Department of Labor**

Employment Standards Administration  
Office of Labor-Management Standards  
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January 27, 2009

Mr. Tracy Burdette, Financial Secretary  
Steelworkers AFL-CIO  
Local Union 2342  
2182 Groveport Road  
Columbus, Ohio 43207

LM File Number 011-551  
Case Number: [REDACTED]

Dear Mr. Burdette:

This office has recently completed an audit of Steelworkers Local Union 2342 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 Jeff Harper on January 15, 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.

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 Union 2342's 2007 records revealed the following recordkeeping violations:

#### General Reimbursed and Credit Card Expenses

Local Union 2342 did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by union officers totaling at least \$1,700. For example, invoices were not maintained to support reimbursed expenses paid to Financial Secretary Tracy Burdette to cover furnace and air conditioner repairs totaling \$660. Furthermore, the receipts from credit card charges for lodging and meals for President Jeff Harper were not retained.

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 Union 2342 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 Form LM-3 filed by Local Union 2342 for fiscal year ending December 31, 2007 was deficient in the following areas:

##### 1. Disbursements to Officers

Local Union did not include some reimbursements to officers totaling at least \$1,838.00 in the amounts reported Item 24 (All Officers and Disbursements to

Officers). It appears the union erroneously reported these payments in Item 48 (Office and Administrative Expense).

The union must report most direct disbursements to Local Union 2342 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).

## 2. Fixed Assets

Local Union 2342 did not correctly report the book value at the start and end of the reporting period of all fixed assets, such as land, buildings, and office furniture and equipment owned by your organization. The audit revealed that during 2007, Local Union 2342 own the property and land at 2182 Groveport Road in Columbus, Ohio; however, the union failed to report the book value of \$132,400 in Item 29 (Fixed Assets).

Local Union 2342 must file an amended Form LM-3 for fiscal year ending December 31, 2007, to correct the deficient items discussed above. I provided you with a blank form and instructions, and advised you that the reporting forms and instructions are available on the OLMS website ([www.olms.dol.gov](http://www.olms.dol.gov)). The amended Form LM-3 should be submitted to this office at the above address as soon as possible, but not later than January 30, 2009. Before filing, review the report thoroughly to be sure it is complete, accurate, and signed properly with original signatures.

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I want to extend my personal appreciation to Steelworkers Local Union 2342 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: Jeff Harper, President