

U.S. Department of Labor

Office of Labor-Management Standards
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September 9, 2009

Mr. Gregory Straus, Financial Secretary
United Steelworkers of America, AFL-CIO Local 1870 Local 1870
6967 Backus Drive
Alexandria, Kentucky 41076

Case Number: [REDACTED]
LM File Number: 028-294

Dear Mr. Straus:

This office has recently completed an audit of Steelworkers Local 1870 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, Treasurer Mark Roseberry, and President Raymond Rogg on September 4, 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 Violation

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 1870's 2008 records revealed the following recordkeeping violations:

1. General Expenses

Local 1870 did not retain adequate documentation for expenses for catering services provided during the September 2008 Labor Day picnic in the amount of \$800.00.

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. Failure to Record Receipts

Local 1870 did not record in its receipts records a checking account deposit made in December 2008 for the Christmas Fund in the amount of \$1,000.00. Union receipts records must include an adequate identification of all money the union receives. The records should show the date and amount received, and the source of the money.

Based on your assurance that Local 1870 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violation.

I want to extend my personal appreciation to Steelworkers Local 1870 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

Mr. Gregory Straus
September 9, 2009
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cc: Mark Roseberry, Treasurer
Raymond Rogg, President