



September 16, 2011

Stephen Six, Financial Secretary
Steelworkers Local 25
15319 Mt. Olive Rd.
Rockbridge, OH 43149

Case Number: |||||
LM Number: 016921

Dear Stephen Six:

This office has recently completed an audit of Steelworkers Local 25 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 on July 7, 2011, 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 25 for the fiscal year ended December 31, 2010, was deficient in the following areas:

1. Cash Reconciliation

It appears that the cash figures reported in Item 25 are not the cash figures according to the union's books after reconciliation to the bank statements. The instructions for Item 25 state that the union should obtain account balances from its books as reconciled to the balances shown on bank statements.

The 2010 beginning cash balance for the union checking account was reported as \$8,286.43, but was actually \$7,104.15. The 2010 ending cash balance for the union checking was reported as \$9,891.40, but was actually \$8,036.71

On the 2010 LM-3 report, the total ending cash balance was reported to be \$48,827, which represents a bank statement balance. A reconciled union book balance of \$48,037 should have been reported as the ending cash balance (item 25B) on the 2010 LM-3 report and will be the adjusted beginning cash balance (item 25A) for the 2011 LM-3 report.

2. Classification of Disbursements

Interest received in 2010 was erroneously reported under item 42, "Sale of Fixed Assets" instead of under item 41, "Interest and Dividends." Employer tax expenses were included in item 54, "Other Disbursements" instead of being reported under item 48, "Office and Administrative Expenses." Professional fees paid out in 2010 were reported under item 54, "Other Disbursements" instead of under item 49, "Professional Fees."

I am not requiring that Local 25 file an amended LM report for 2010 to correct the deficient items, but Local 25 has agreed to properly report the deficient items on all future reports it files with OLMS.

Other Issues

The union owns fixed assets such as office equipment and a computer. A value for these assets should be established and reported on the LM-3 report under Fixed Assets (item 29). An accurate inventory of these assets should be made a part of the union record.

I want to extend my personal appreciation to Steelworkers Local 25 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: Dave Anderson, President