



November 7, 2012

Mr. Nickolas Roberson, Financial Secretary  
Steelworkers AFL-CIO, Local 09-3115S  
4044 East Freedom Circle  
Ooltewah, TN 37363

Case Number: [REDACTED]  
LM Number: 029324

Dear Mr. Roberson:

This office has recently completed an audit of Steelworkers AFL-CIO, Local 09-3115S 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 October 26, 2012, 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 09-3115S's 2011 records revealed the following recordkeeping violations:

1. Information not Recorded in Meeting Minutes

During the audit, Mr. Roberson advised OLMS that Local 09-3115S requires that all disbursements other than standing bills be authorized by the membership. USW By-Laws for Local Unions, dated July 2006, Article V, Section 5 (c) requires that all money paid out by the Local Union from its treasury must be approved by the members at a Local Union

meeting. However, the minutes of the meetings did not contain any reference to disbursements for expenses, travel or lost time. Minutes of all membership or executive board meetings must report any disbursement authorizations made at those meetings.

2. Lack of Salary Authorization

Local 09-3115S did not maintain records to verify that the salaries reported in Item 24 (All Officer and Disbursements to Officers) of the LM-3 was the authorized amount and therefore was correctly reported. The union maintained meeting minutes reflecting the increase of officer salaries, but not the original record of salary. The union must keep a record, such as meeting minutes, to show the current salary authorized by the entity or individual in the union with the authority to establish salaries.

Based on your assurance that Local 09-3115S will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

I want to extend my personal appreciation to Steelworkers AFL-CIO, Local 09-3115S 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,

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[REDACTED]

Investigator