



July 10, 2013

Mr. Sheldon Boss, Secretary-Treasurer
Steelworkers AFL-CIO LU 12-219
607 19th Street
Bakersfield, CA 93301

Case Number: 520-13453 [REDACTED]
LM Number: 516370

Dear Mr. Boss:

This office has recently completed an audit of Steelworkers AFL-CIO LU 12-219 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, President Roger Jones, and Secretary/Bookkeeper Rhonda Burke on June 19, 2013, 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 12-219's 2011 records revealed the following recordkeeping violations:

General Reimbursed and Credit Card Expenses

Local 12-219 did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by Sheldon Boss and Roger Jones totaling at least \$3,644.01.

As 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 12-219 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 12-219 for the fiscal year ended December 31, 2011, was deficient in the following areas:

Disbursements to Officers

Local 12-219 did not include some reimbursements to officers totaling at least \$9,602.55 in the amounts reported Item 24 (All Officers and Disbursements to Officers), specifically for Mr. Huhn, and did not report the correct amount of salary for Mr. Huhn in line 11 on item 24. It appears the union erroneously reported these payments in Item 24, and omitted reimbursed expenses for Mr. Boss and Mr. Jones from item 24 and item 45 altogether. The union did not include payroll and reimbursed expenses for Mr. Boss totaling at least \$2,148.75.

Local 12-219 must file an amended Form LM-3 for the fiscal year ended December 31, 2011, to correct the deficient items discussed above. I encourage Local 12-219 to complete, sign, and file its report electronically using the Electronic Forms System (EFS) available at the OLMS website at www.olms.dol.gov. Reporting forms and instructions can be downloaded from the website, if you prefer not to file electronically. The amended Form LM-3 should be filed electronically no later than July 19, 2013 or submitted to this office at the above address by the same date. Before filing, review the report thoroughly to be sure it is complete and accurate. Paper reports must be signed with original signatures.

I want to extend my personal appreciation to Steelworkers AFL-CIO LU 12-219 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: Mr. Roger Jones, President