



February 4, 2013

Mr. Karen Markakis, Financial Secretary
Steelworkers Local Union 4195
227 South Third Street
Steubenville, OH 43952

Case Number: 360-16350 [REDACTED]
LM Number: 014158

Dear Mr. Markakis:

This office has recently completed an audit of Steelworkers Local Union 4195 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 Pizzino on November 13, 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 4195's 2012 records revealed the following recordkeeping violations:

Reimbursed Expenses

Local 4195 did not retain adequate documentation for reimbursed expenses totaling at least \$400.00. For example, President Pizzino purchased lapel pins for members from

Allegheny County Labor Council for \$400.00, there was no supporting documentation other than Local 4195 voucher and check stub.

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 4195 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violation.

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 4195 for the fiscal year ended December 31, 2011, was deficient in that:

Misclassification of Disbursements

Local 4195 misreported expenses in Item 54 – Other Disbursements in the amount of \$1,623.56. The local recorded \$160.05 to the Union Shop for union checks, \$1,063.51 to David Petersen, Esquire for arbitration fees, and \$400.00 to Allegheny County Labor Council for a memorial fund payment. These expenses should have been recorded in Office and Administrative Expense (Item 48), Professional Fees (Item 49) and Contributions, Gifts and Grants (Item 51), respectively.

I am not requiring that Local 4195 file an amended LM report for 2011 to correct the deficient items, but Local 4195 have agreed to properly report the deficient items on all future reports it files with OLMS.

Other Issues

Local Union 4195 donated gift cards to USW Local 1190 for a golf outing in the amount of \$100 and Local 1190 members for assisting with union activities in the amount of \$50 each. Although these expenses were approved in the financial secretary reports and supporting documentation was maintained, I recommend these expenses be recorded in the meeting minutes prior to issuance. In addition, President Pizzino receives \$100 reimbursement monthly towards her cellular phone. I recommend also this expense be reauthorized and recorded in the membership meetings, annually.

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I want to extend my personal appreciation to Steelworkers Local Union 4195 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: Mrs. Joann Pizzino, President