



September 20, 2013

Mr. Marvin Gibson, Treasurer  
Steelworkers Local Union 1-801  
2200 Benden Drive, Suite 2  
Wooster, OH 44667

Case Number: 360-16391 [REDACTED]  
LM Number: 516733

Dear Mr. Gibson:

This office has recently completed an audit of Steelworkers Local Union 1-801 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 on July 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 1-801 2012 records revealed the following recordkeeping violation:

#### General Reimbursed Expenses

Local 1-801 did not retain adequate documentation for expenses incurred by the union totaling at least \$470. For example, no receipts were available for Rodeway Inn for \$110 for a union meeting, Expert T's for \$50 for t-shirts purchase; and Staples for \$180 for office supplies.

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 1-801 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 1-801 for the fiscal year ended December 31, 2012 prior to the audit beginning.

##### 1. Failure to File Bylaws

The audit disclosed a violation of LMRDA Section 201(a), which requires that a union submit a copy of its revised constitution and bylaws with its LM report when it makes changes to its constitution or bylaws. Local 1-801 amended its constitution and bylaws in 2012, but did not file a copy with its LM report for that year. A copy of the bylaws documents were provided on May 17, 2013, therefore, no additional action is required.

##### 2. Cash Disbursements (Line Items 45 through 55)

During fiscal year ending December 31, 2012, it appears that Local 1-801 erroneously reported rent for rooms for membership meetings, gift cards, flowers and bibles for deaths of members/relatives and t-shirts and hats for members in *Item 54, Other Disbursements* rather than in *Item 48, Office and Administrative Expense* and *Item 51, Contributions, Gifts and Grants*, respectively. I provided you with compliance assistance on the completion of the LM-3 report by indicating the type of expenditures that should be recorded for *Items 45-54*. For example, *Item 48, Office and Administrative Expense*, the union should have included expenses such as rental expense for meeting rooms held in Clyde, Ohio. *Item 51, Contributions, Gifts and Grants*, would include the gift cards awarded to members as a door prize during membership meetings, Bikes for Kids and Toys for Tots donations. *Item 52, Purchase of Investments and Fixed Assets*, the union should record expenses such as

office supplies, airline tickets, union publications, and internet access.

I want to extend my personal appreciation to Steelworkers Local Union 1-801 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. Brian Flickinger, President