



September 26, 2014

Mr. George Walsh, Financial Secretary  
Steelworkers, AFL-CIO  
Local 04-3609  
120 Yeager Drive  
Cheektowaga, NY 14225

Case Number: 110-1209268( )  
LM Number: 040-503

Dear Mr. Walsh:

This office has recently completed an audit of Steelworkers, Local 3609 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 President Cindy Marlow and you on September 24, 2014, 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 3609's 2013 records revealed the following recordkeeping violation:

#### Reimbursed Auto Expenses

Union officers who received reimbursement for business use of their personal vehicles did not retain adequate documentation to support payments to them on a few occasions during 2013.

The union must maintain records which identify the dates of travel, locations traveled to and from, and number of miles driven. The record must also show the business purpose of each use of a personal vehicle for business travel by an officer or employee who was reimbursed for mileage expenses. The audit found that not all locations traveled to and from were properly recorded on the associated voucher.

Based on your assurance that Local 3609 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

#### Reporting Violation

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-4) filed by Local 3609 for the fiscal year ended December 31, 2013, was deficient in the following area:

#### Payments to Officers and Employees

Local 3609 did not report in Item 18 the total payments to officers and employees during the reporting period. The union appears to have reported all salary and lost time wages paid to officers and employees; however the union failed to report all additional payments including allowances and reimbursed expenses.

I am not requiring that Local 3609 file an amended LM report for 2013 to correct the deficient item, but Local 3609 has agreed to properly report the deficient item on all future reports it files with OLMS.

I want to extend my personal appreciation to Steelworkers, Local 3609 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,

  
Supervisory Investigator

cc: Ms. Cindy Marlow, President