



September 26, 2014

Mr. Seamus Hoban, Financial Secretary  
United Steelworkers Local Union 1-966



Case Number: 350-6001209( [REDACTED]  
LM Number: 513277

Dear Mr. Hoban:

This office has recently completed an audit of United Steelworkers Local Union 1-966 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 September 19, 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.

#### Reporting 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 1-966's 2013 records revealed the following recordkeeping violation:

1. General Reimbursed and Debit Card Expenses

Local 1-966 did not retain adequate documentation for reimbursed expenses and debit card expenses incurred by President Martorana and Financial Secretary Seamus Hoban totaling at least \$2,100. For example, the union did not have supporting documentation to support the president's expenses for mileage, tolls, parking for a trip taken in May 2013 to Pittsburgh and expenses paid for retirement dinner for a USW 1-966 member. Local 1-966 financial secretary utilized the union's debit card for expenses for software for payroll, office supplies and taxes; however, no documentation was maintained.

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.

2. Lack of Salary Authorization

Local 1-966 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 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 1-966 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 1-966 for the fiscal year ended December 31, 2013, was deficient in that:

### Cash Reconciliation

It appears that the cash figures reported in Item 25 (Cash) are not the figures according to Local 1-966's books after reconciliation to the bank statements. The instructions for Item 25 state that the union should obtain account balances from its books as reconciled to the balances shown on bank statements. In addition, it appeared the union miscategorized disbursements in Item 54 (Other Disbursements) that should have been categorized in other line items on the report. These expenses should be categorized on the proper line item of the LM-3 form.

Local 1-966 must file an amended Form LM-3 for the fiscal year ended December 31, 2013, to correct the deficient items discussed above. I encourage Local 1-966 to complete, sign, and file its report electronically using the Electronic Forms System (EFS) available at the OLMS website at [www.olms.dol.gov](http://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 October 19, 2014 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.

### Other Issues

Two signatures on USW 1-966 vouchers

All USW 1-966 vouchers did not contain signatures of payee and Financial Secretary Hoban. OLMS recommends two signatures on the vouchers to ensure financial integrity of the union's funds.

I want to extend my personal appreciation to United Steelworkers Local Union 1-966 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. Andrew Martorana, President