



September 24, 2015

Doug Volkman, Treasurer
USW Local 1020
240 Russell St.
Conneaut, OH 44030

Case Number: 350-6005640()
LM Number: 509404

Dear Doug Volkman:

This office has recently completed an audit of USW Local 1020 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 22, 2015, 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 1020's 2014 records revealed the following recordkeeping violation:

Disposition of Property

Gift cards were purchased as gifts for members. Though the approval and the receipt of the purchase were found in the union record, a more complete accounting of the disposition of the gift cards is required.

The union needs to maintain a record that tracks not only the purchase, but reconciles the number of cards purchased with the number of cards distributed to members; and accounts for any excess cards being maintained by the union. Local 1020 has agreed to maintain adequate records of the disposition of gifts in the future.

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 1090 for the fiscal year ended December 31, 2014, was deficient in that:

1. Payments to Officers

Payments to the chief steward were not reported in item 24 on the LM-3 report. Any member who is elected and considered a member of the executive board should be reported by name as an officer.

The union will correct this on future LM-3 reports. No further action is required.

2. 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 1020 amended its constitution and bylaws in 2013, but did not file a copy with its LM report for that year.

Local1020 has now filed a copy of its constitution and bylaws.

I want to extend my personal appreciation to USW Local 1020 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: Bill Enstrom, President