



November 16, 2016

Mr. Rocelius Custard, President  
Steelworkers AFL-CIO Local 9287  
Post Office Box 19934  
Birmingham, AL 35209

Case Number: 410-6003026 [REDACTED]  
LM Number: 533807

Dear Mr. Custard:

This office has recently completed an audit of Steelworkers AFL-CIO Local 9287 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 International Auditor Tom Kutlus on November 7, 2016, 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 9287's 2015 records revealed the following recordkeeping violations:

#### 1. General Reimbursed and Credit Card Expenses

Local 9287 did not retain adequate documentation for mileage and reimbursed expenses incurred by President Rocelius Custard and Union Members [REDACTED]

██████████ totaling at least \$1,944.29. For example, Custard received mileage reimbursement for travel expenses, but the local failed to document the disbursement information and purpose in a general ledger or disbursement journal. Additionally, there was no purpose for the mileage indicated on the expense vouchers.

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. Failure to Record Receipts

Local 9287 did not record in its dues receipts from employer dues check off checks that were direct deposited into its checking account by the international union. For example, Local 9287 failed to retain a cash journal detailing its deposit information. Union receipts records must include an adequate identification of all money the union receives. The records should show the date and amount received, and the source of the money.

The proper maintenance of union records is the personal responsibility of the individuals who are required to file Local 9287's LM report. You should be aware that under the provisions of Section 209(a) of the LMRDA and Section 3571 of Title 18 of the U.S. Code, willful failure to maintain records can result in a fine of up to \$100,000 or imprisonment for not more than one year, or both. Under the provisions of Section 209(c) of the LMRDA and Section 3571 of Title 18 of the U.S. Code, willful destruction or falsification of records can result in a fine of up to \$100,000 or imprisonment for not more than one year, or both. The penalties provided in Section 209(c) and Section 3571 of Title 18 apply to any person who caused the violations, not just the individuals who are responsible for filing the union's LM report.

I want to extend my personal appreciation to the international auditors of Steelworkers AFL-CIO for their 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 via mail are passed on to future officers. If we can provide any additional assistance, please do not hesitate to call.

Sincerely,

██████████  
Investigator

cc: Mr. Tom Kutlus, International Auditor