



August 23, 2016

Ruth Gardner, Financial Secretary
United Steelworkers Local Union 1-525-S
1115 E. Bogart Road
Sandusky, Ohio 44870

Case Number: 350-6006998 [REDACTED]
LM Number: 066580

Dear Ms. Gardner:

This office has recently completed an audit of [REDACTED] 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 President Phyliss Andrews on July 26, 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 1-525-S's 2014 and 2015 records revealed the following recordkeeping violation:

1. General Reimbursed Expenses

Local 1-525-S did not retain adequate documentation for reimbursed expenses incurred by Local 1-525-S members [REDACTED] and [REDACTED] and Local 1-525-S Recording Secretary [REDACTED] and [REDACTED] totaling at least \$1,967. For example, [REDACTED] and [REDACTED] attended the USW International Convention and were reimbursed for lodging and travel expenses. In addition, USW 1-525-S Recording Secretary [REDACTED] purchased supplies for the union. No records were maintained to support these payments.

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 1-525-S will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violation.

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 filed by Local 1-525-S for the fiscal year ended December 31, 2013, was deficient in the following area:

1. Failure to file LM Reports

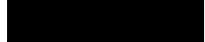
Local 1-525-S was delinquent in filing the LM-4 Reports for fiscal years ending December 31, 2014 and December 31, 2015. The president and the financial secretary or corresponding principal officers of your union are required to file an annual financial report with the Office of Labor-Management Standards (OLMS) within 90 days after the end of the union's fiscal year. Federal law provides civil and criminal penalties for any person who fails to file a required report.

Local 1-525-S indicated they would submit the LM-4 reports within the 90 days after the end of the fiscal year. In addition, the union submitted reports for fiscal years ending December 31, 2014 and December 31, 2015 on July 26, 2016.

I want to extend my personal appreciation 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: Phyliss Andrews, President