



August 23, 2016

Ms. Gail O'Guinn, Financial Secretary
United Steelworkers
Local 607L
45 Jessie Street
Magnolia, AR 71753

Case Number: 420-6007008
LM Number: 021689

Dear Ms. O'Guinn:

This office has recently completed an audit of United Steelworkers Local 607L 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, President Talmadge Patterson, Vice President Larry Clayton, Recording Secretary Brenda Alexander, Rep Sandra Sherman, on July 14, 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 Violation

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 607L records revealed the following recordkeeping violation:

Lack of Salary Authorization

Local 607L did not maintain adequate documentation to verify that the salaries reported in

Item 24 (All Officer and Disbursements to Officers) on the Form LM-3 Labor Organization Annual Report was the authorized amount and therefore was correctly reported. The union must keep a record, such as minutes, to show the current salary authorized by the entity or individual in the union with the authority to establish salaries.

Based on your recent submission of the monthly membership meeting minutes, revealing that the membership met on June 2, 2016 and approved officer's salaries and allowances, and your assurance that Steelworkers Local 607L 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 Form LM-3 filed by Local 607L for the fiscal year ended December 31, 2015, was deficient in the following areas:

1. Professional Fees

Local 607L erroneously reported \$6,368 on line Item 49 (Professional Fees). The correct amount for professional fees for fiscal year ending December 31, 2015 was \$25.00.

2. Cash at End of Reporting Period

Local 607L erroneously reported \$9,182 on line Item 25B (Cash End of Reporting Period). The correct amount that should have been reported for the end of the fiscal year ending December 31, 2015 is \$10,054.

In as much as you as you have submitted an amended report on August 22, 2016 correcting the above-cited deficiencies, no further enforcement actions will be taken at this time.

I want to extend my personal appreciation to United Steelworkers Local 607L 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. Talmadge Patterson, President