



[REDACTED]

December 1, 2016

Mr. Kirk Crawford, President
United Steelworkers Local 1015-L
25 Lane 650AC Snow Lake
Fremont, IN 46737

Case Number: 310-6007519(77)
LM Number: 509189

Dear Mr. Crawford:

This office has recently completed an audit of United Steelworkers Local 1015-L 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 Financial Secretary Jennifer Rogers and Treasurer Cindy Petersen on August 25, 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.

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 1015-L for the fiscal year ended December 31, 2015, was deficient in the following areas:

1. Disbursements to Officers

Local 1015-L did not report the names of some officers and the total amounts of payments to them or on their behalf in Item 24 (All Officers and Disbursements to Officers). For example, the Local failed to include the names of inner guard [REDACTED] outer guard [REDACTED], and incorrectly reported [REDACTED] as a guard instead of his elected position of guide. The union must report in Item 24 all persons who held office during the year, regardless of whether they received any payments from the union.

The union must report most direct disbursements to Local 1015-L officers and some indirect disbursements made on behalf of its officers in Item 24. A "direct disbursement" to an officer is a payment made to an officer in the form of cash, property, goods, services, or other things of value. See the instructions for Item 24 for a discussion of certain direct disbursements to officers that do not have to be reported in Item 24. An "indirect disbursement" to an officer is a payment to another party (including a credit card company) for cash, property, goods, services, or other things of value received by or on behalf of an officer. However, indirect disbursements for temporary lodging (such as a union check

issued to a hotel) or for transportation by a public carrier (such as an airline) for an officer traveling on union business should be reported in Item 48 (Office and Administrative Expenses).

2. Loans

Local 1015-L failed to properly report a loan of \$8,700 obtained from the United Steelworkers International union in February of 2015. It appears that the loan was erroneously reported in Item 54 (Other Disbursements). The loan should have been reported in Item 33 (Loans Obtained).

Per the Item 33 (Loans Obtained) LM-3 report instructions, Columns (C) and (D), respectively, the total amount of all loans owed by your organization at the start and end of the reporting period, including those represented by notes should be completed. Do not include loans secured by mortgages or similar liens on real property (land or buildings) which must be reported in Item 34 (Mortgages Payable).

3. Office and Administrative Expenses

Local 1015-L failed to properly report the payment of back taxes, late fees and penalties levied by the United States Internal Revenue Service (IRS) as well as the Internal Revenue Service of the State of Indiana totaling at least \$9,259.57. Local 1015-L erroneously reported these payments in Item 54 (Other Disbursements) instead of Item 48 (Office and Administrative Expenses).

Local 1015-L should have reported in Item 48 all taxes assessed against and paid by your organization, including your organization's FICA taxes as an employer. Do not include disbursements for the transmittal of taxes withheld from the salaries of officers and employees which must be reported in Item 54 (Other Disbursements).

Other Issues

1. Missing 2013 Records

In discussions related to the fiscal year 2015 payments made to the IRS, it was disclosed that Local 1015-L failed to maintain adequate records for its fiscal year ending December 31, 2013.

You explained that you and other current Local 1015-L officers were told by the previous administration that aside from executive board and membership meetings along with the union hall sign-in book all of the local's financial records for all of 2013 were lost during the Local's last office move in July or August 2013. This included all vouchers, third party invoices and documentation for lost wage reimbursements.

At the completion of the exit interview, I provided a compliance tip sheet, *Union Lost Time Payments*, that contains a sample of an expense voucher Local 1015-L may use to satisfy this requirement. The sample identifies the type of information and documentation that the local must maintain for lost wages and other officer expenses.

The proper maintenance of union records is the personal responsibility of the individuals who are required to file Local 1015-L'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 United Steelworkers Local 1015-L 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