

U.S. Department of Labor

Office of Labor-Management Standards
Pittsburgh Office
Federal Office Building
1000 Liberty Avenue, Suite 1411
Pittsburgh, PA 15222
(412) 395-6925 Fax: (412) 395-5409



December 5, 2017

Mr. George M. Adams, Treasurer
United Steelworkers, AFL-CIO
Local 1280
Post Office Box 281
Follansbee, WV 26037-0281

Case Number: 140-6011839-
LM Number: 528337

Dear Mr. Adams:

This office has recently completed an audit of United Steelworkers, AFL-CIO, Local 1280, 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 November 17, 2017, 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 1280's 2016 records revealed the following recordkeeping violations:

1. Meal Expenses

Local 1280 did not require officers and employees to submit itemized receipts for meal expenses totaling at least \$120.00. The union must maintain itemized receipts provided by restaurants to officers and employees. These itemized receipts are necessary to determine if such disbursements are for union business purposes and to sufficiently fulfill the recordkeeping requirement of LMRDA Section 206.

Local 1280 records of meal expenses did not always include written explanations of union business conducted or the names and titles of the persons incurring the restaurant charges. For example, on January 19, 2016, payment of \$120.00 was made to Basil's Sports Bar for an executive board meeting and lunch; however no meal receipt was found in union records. Union records of meal expenses must include written explanations of the union business conducted and the full names and titles of all persons who incurred the restaurant charges. Also, the records retained must identify the names of the restaurants where the officers or employees incurred meal expenses.

2. Missing Disbursement Records

Local 1280 did not retain adequate documentation for payments by the union totaling at least \$753.00. For example, union records show a payment of \$753.00 to Brickstreet Insurance on April 7, 2016 for workman's comp insurance; however an invoice from Brickstreet Insurance was not found in union records.

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 1280 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violation.

I want to extend my personal appreciation to Local 1280 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. Forrest Wietfeld, President