



December 7, 2017

Mr. Ronnie Hester, President
Steelworkers, AFL-CIO, Local 171
PO Box 5162
Vancouver, WA 98668

Case Number: 530-6012057 [REDACTED]
LM Number: 006104

Dear Mr. Hester:

This office has recently completed an audit of Steelworkers, AFL-CIO, Local 171 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 Treasurer [REDACTED] 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 171's 2016 records revealed the following recordkeeping violations:

1. General Reimbursed and Credit Card Expenses

Local 171 did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by President Russell Hoffman totaling at least \$53 by check [REDACTED] dated February 25, 2016.

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. Lost Wages

The union failed to maintain records to reflect the membership approved lost time paid to officers, which would include lost time disbursements that did not have a completed voucher to explain the purpose and approval for \$1,318.67 paid to Russell Hoffman by check [REDACTED], dated May 18, 2016; \$622.60 paid to Russell Hoffman by check [REDACTED] dated July 5, 2016; \$607.62 paid to Ronnie Hester by check [REDACTED] dated May 27, 2016; and \$194 paid to Ronnie Hester by check [REDACTED] dated July 26, 2016. Furthermore, the employer records revealed no unpaid union business leave was taken from work to support these lost time disbursements.

3. Information not Recorded in Meeting Minutes

USW Local 171 Bylaws, Article IV states: "The Local meeting is the highest authority of the Local. All officers, the executive board, and all other committees of the Local are accountable to the membership of the Local and are subject to membership approval at local meetings except as may be otherwise provided." For the audit period, the union failed to maintain records to reflect the union membership approved the following disbursements: \$53.00 paid to Russell Hoffman by check [REDACTED], dated February 25, 2016 (check memo noted a jacket); \$622.60 paid to Russell Hoffman by check [REDACTED] dated July 5, 2016; \$607.62 paid to Ronnie Hester by check [REDACTED] dated May 27, 2016; and \$194 paid to Ronnie Hester by check [REDACTED], dated July 26, 2016.

Minutes of all membership meetings must report any disbursement authorizations made at those meetings.

4. Lack of Salary Authorization

Local 171 did not maintain records to verify that the salaries reported in Item 24 (All Officer and Disbursements to Officers) of the LM-3 were the authorized amount and therefore were correctly reported. The union must keep a record, such as meeting minutes, to show the current salary authorized by the entity or individual in the union with the authority to establish salaries.

Based on your assurance that Local 171 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

I want to extend my personal appreciation to Steelworkers, AFL-CIO, Local 171 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,

A solid black rectangular box used to redact the signature of the investigator.

Investigator