



March 27, 2017

Mr. Patrick Herman, President  
United Steelworkers Local 14742  
351 Pleasant Street  
Van Wert, OH 45891

Case Number: 350-6009159  
LM Number: 068-198

Dear Mr. Herman:

This office has recently completed an audit of United Steelworkers Local 14742 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, Financial Secretary Vicki Tumbleson, and Treasurer Tony Byer on February 15, 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 14742's 2015 records revealed the following recordkeeping violation:

#### Maintaining Union Hall Rental Records

Local 14742 failed to maintain adequate hall rental documentation for all of the rentals during the audit year December 31, 2015. While record of payments received were maintained in a receipts book, no corresponding rental agreements were available for review.

Rental agreements should be maintained to disclose the renting party's contact information, terms of the rental agreement, and the rental fees charged and received. Additionally, the agreement should document any rental deposits received, and when the rental deposit is refunded after the terms of the rental agreement are met.

Based on your assurance that Local 14742 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

#### 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 14742 for the fiscal year ended December 31, 2015, was deficient in the following area:

#### Dispose of Property

Item 13 (During the reporting period did your organization acquire or dispose of any assets in any manner other than by purchase or sale?) should have been answered, "Yes," because the union gave away Bibles to union family members during the year. The union must identify the type and value of any property received or given away in the additional information section of the LM report along with the identity of the recipient(s) or donor(s) of such property. The union does not have to itemize every recipient of such giveaways by name. The union can describe the recipients by broad categories if appropriate such as "members" or "new retirees."

I am not requiring that Local 14742 file an amended LM report for 2015 to correct the deficient item, but Local 14742 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to United Steelworkers Local 14742 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: Ms. Vicki Tumbleson, Financial Secretary  
Mr. Tony Byer, Treasurer