



May 17, 2017

Mr. Michael Lawlor, Financial Secretary  
Steelworkers Local 6037  
30832 Schwartz Rd  
Westlake, OH 44145

Case Number: 350-6009089 [REDACTED]  
LM Number: 054626

Dear Mr. Lawlor:

This office has recently completed an audit of Steelworkers Local 6037 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 May 9, 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 6037's 2016 records revealed the following recordkeeping violations:

#### Failure to Maintain 50/50 Raffle Records

During the opening interview, you disclosed that Local 6037 sold raffle tickets during the 2016 picnic for a 50/50 raffle and for a gift basket raffle. Local 6037 did not maintain adequate documentation to document the sources of the funds collected from these activities. Records

must be maintained that explain the number of tickets sold, the price of each ticket, the total amount of funds collected and the names of the winners.

Based on your assurance that Local 6037 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 6037 for the fiscal year ended December 31, 2016, was deficient in that:

##### Failure to Report 50/50 Raffle Receipts and Disbursements

Local 6037 failed to report the full amount of the 50/50 raffle receipts collected and awarded. Local 6037 should report all money collected from the 50/50 raffle (not just the half retained by the local) in Item 43 (Other Receipts) and the amount awarded should be reported in Item 54 (Other Disbursements). I suggested that in future raffles you deposit the total amount of the raffle proceeds and write a check to the raffle winner.

I am not requiring that Local 6037 file an amended LM report for 2016 to correct the deficient items, but Local 6037 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to Steelworkers Local 6037 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,



Senior Investigator

cc: Mr. Todd Carroll, President