

U.S. Department of Labor

Office of Labor-Management Standards
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January 25, 2019

Ms. Leslie King, Treasurer
Steelworkers LU 12-1157
PO Box 4965
Tyler, TX 75712

Case Number: 420-601484 [REDACTED]
LM Number: 530880

Dear Ms. King:

This office has recently completed an audit of Steelworkers LU 12-1157 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 and President Tommy Walker on December 20, 2018, 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 Violation

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 Steelworkers LU 12-1157's 2017 records revealed the following recordkeeping violation:

Lack of Salary Authorization

Steelworkers LU 12-1157's 2017 did not maintain records to verify that the salaries reported in Item 24 (All Officer and Disbursements to Officers) of the LM-3 was the authorized amount and therefore was 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 Steelworkers LU 12-557 will establish a salary authorization policy, OLMS will take no further enforcement action at this time regarding the above violations.

Reporting Violation

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 LM-3 filed by United Steelworkers LU 12-1157 for the fiscal year ended December 31, 2017 was deficient in the following area:

Disbursements for Office and Administrative Expenses

Steelworkers LU 12-1157 reported utility and office administrative expenses totaling at least \$5,999.51 to AT&T, Interface, Southern Utilities, Suddenlink, and TXU Energy on Item 54 Other Disbursements. The union also reported disbursements totaling \$2,693.55 for office supplies on Item 54 Other Disbursements. It appears the union erroneously reported those disbursements on Item 54 Other Disbursements and should have been reported on Item 48 Office and Administrative.

Steelworkers LU 12-1157 must file an amended Form LM-3 for the fiscal year ended December 31, 2017, to correct the deficient item discussed above. The report must be filed electronically using the Electronic Forms System (EFS) available at the OLMS website at www.olms.dol.gov. The amended Form LM-3 must be filed no later than February 10, 2019. Before filing, review the report thoroughly to be sure it is complete and accurate.

Other Issue

Credit Card Interest Paid

Steelworkers LU 12-1157 carries a balance on its Visa credit card with Keystone Credit Union. During the audit year, the Steelworkers LU 12-1157 made payments totaling \$1,731.00 to Keystone Credit Union. The union paid a total of \$507.73 in interest due to carrying a balance. It is recommended that the union make larger payments to pay the card off and no longer carry a balance.

I want to extend my personal appreciation to Steelworkers LU 12-1157 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,

[REDACTED]

Investigator

cc: Mr. Tommy Walker, President
[REDACTED] Financial Secretary
Mr. Cameron Dunlap, Recording Secretary
Mr. Roy Montgomery, Financial Advisor