

U.S. Department of Labor

Office of Labor-Management Standards
Chicago District Office
Federal Office Building
230 South Dearborn Street, Suite 774
Chicago, IL 60604
(312) 596-7160 Fax: (312) 596-7174



February 14, 2019

Mr. James Mahoney, Secretary-Treasurer
Steelworkers, AFL-CIO Local 13-500
8180 Lake Ridge Drive
Burr Ridge, IL 60527

Case Number: 310-6014885
LM Number: 540922

Dear Mr. Mahoney:

This office has recently completed an audit of 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 Michael Hendry on January 25, 2019, 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 13-500's 2017 records revealed the following recordkeeping violations:

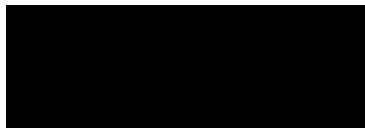
Failure to Keep Bank Statements

The audit confirmed that Local 13-500 failed to maintain all of the bank statements for the audit year ending December 31, 2017. As stated in the LM-4 instructions, officers are responsible for maintaining records which will provide in sufficient detail the information and data necessary to verify the accuracy and completeness of the report. The original bank records that a union receives in the course of business must be retained.

Based on your assurance that Local 13-500 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 Local 13-500 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 large black rectangular redaction box covering the signature of the investigator.A black rectangular redaction box covering the name of the investigator.

Investigator

cc: Mr. Michael Hendry, President