



May 9, 2019

Mr. David Freeman, President
Steelworkers AFL-CIO LU 13-14465
P.O. Box 1933
Gonzales, LA 70707

Case Number: 420-6015014 [REDACTED]
LM Number: 544592

Dear Mr. Freeman:

This office has recently completed an audit of Steelworkers AFL-CIO LU 13-14465 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 yourself, Vice President Joe Rozier, Treasurer Randall Andres, and Financial Secretary Justin King on May 24, 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.

Record Keeping 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 13-14465's 2017 records revealed the following recordkeeping violations:

1. Lost Wages

Local 13-14465 did not retain adequate documentation for lost wage payments to union officers totaling \$387.24. Though the local did annotate on the voucher the officer's name and lost time, the union failed to have adequate documentation listing a detailed account of the work performed, or official copy of the individual's timesheet, that would act to help clarify or explain the lost time. The union must maintain records in support of lost wage claims and expenditures

that identify each date lost wages were incurred, the number of hours lost on each date, the applicable rate of pay, and a description of the union business conducted. The OLMS audit found that Local 13-14465 did not identify the nature of the lost time beyond writing the claim in the memo section of the issued check.

During the exit interview, I provided a compliance tip sheet, Union Lost Time Payments, which contained a sample of an expense voucher Local 13-14465 may use to satisfy this requirement. The sample identifies the type of information and documentation that the local must maintain for lost wages and other officer expenses.

2. Meal Expenses

Local 13-14465 did not require officers and employees to submit itemized receipts for meal expenses totaling at least \$174.18. The union must maintain itemized receipts provided by restaurants to officers and employees. These itemized receipts are necessary to determine if such disbursements are for union business purposes and to sufficiently fulfill the recordkeeping requirement of LMRDA Section 206.

Local 13-14465 records of meal expenses did not always include written explanations of union business conducted or the names and titles of the persons incurring the restaurant charges. For example, check number [REDACTED] to Ronnie Hawkins for \$174.18 did not indicate the union purpose or which officers were in attendance. Union records of meal expenses must include written explanations of the union business conducted and the full names and titles of all persons who incurred the restaurant charges. Also, the records retained must identify the names of the restaurants where the officers or employees incurred meal expenses.

Based on your assurance that Local 13-14465 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 USW LU 13-14465 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]

[REDACTED]

Investigator

cc: Mr. Justin King, Financial Secretary