

U.S. Department of Labor

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May 7, 2019

Mr. William Kutscher, Financial Secretary
Steelworkers, AFL-CIO
Local 1557
322 State Street
Clairton, PA 15025-1914

Case Number: 140-6015459 [REDACTED]
LM Number: 028-233

Dear Mr. Kutscher:

This office has recently completed an audit of Steelworkers, AFL-CIO, Local 1557 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, President Don Furko and Treasurer Bo Waddell, on April 26, 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.

Reporting 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 1557's 2018 records revealed the following recordkeeping violations:

1. Credit Card Expenses

Local 1557 did not retain adequate documentation for credit card expenses made at Sam's Club totaling \$2,959.47. For example, although the union maintained the monthly Sam's Club credit card statements, the union did not maintain all original, itemized receipts for each credit card charge. In May of the audit year, the local began maintaining all itemized receipts and has agreed to continue this practice.

As noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. The president and treasurer (or corresponding principal officers) of your union, who are required to sign your union's LM report, are responsible for properly maintaining union records.

2. Lost Wages

Local 1557 did not retain adequate documentation for lost wage reimbursement payments to officers totaling at least \$2,604.40. The union must maintain records in support of lost wage claims 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 1557 was maintaining lost wage vouchers but on numerous occasions the voucher did not identify the union business conducted. Local 1557 agreed to ensure future vouchers contain the necessary information.

During the exit interview, I provided a compliance tip sheet, *Union Lost Time Payments*, that contained a sample of an expense voucher Local 1557 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.

Based on your assurance that Local 1557 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 Steelworkers, AFL-CIO, Local 1557 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: Mr. Don Furko, President
Bo Waddell, Treasurer