

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Dallas District Office
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Dallas, TX 75202
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March 30, 2005

United Steelworkers of America
LU-7893
5500 S. 28th Street
Fort Smith, AR 72901

Re: Case No. 420-13311 (77)

Dear Michael Plumbtree:

This office has recently completed an audit of LU-7893 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 Michael Plumbtree, President on March 21, 2005, 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.

Title II of the LMRDA establishes certain reporting and record keeping requirements. Section 206 requires, among other things, that adequate records be maintained 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, all records used or received in the course of union business must be retained. This includes, in the case of disbursements, not only the retention of original bills, invoices, receipts, and vouchers, but also adequate additional documentation, if necessary, showing the nature of the union business requiring the disbursement, the goods or services received, and the identity of the recipients of the goods or services.

The following record keeping violations were revealed during the audit of Local 7893s 2003 records:

Receipts Records:

No ledger to record savings account information was prepared. Unable to compare deposits, withdrawals and actual balance of Certificate of Deposit, savings and PAC accounts.

Missing January through June of check stubs for FYE 2003. Unable to compare and match disbursements recorded on Financial Secretary Check Book against checks issued.

Meeting Minutes:

Last entry on the meeting minute's ledger was recorded as August 2003. Unable to compare decisions made on disbursements, travel of officers, bank withdrawals and other miscellaneous, as recorded on the Financial Secretary Check Book.

LM-3 Item 25(A) Cash on Hand:

Start of reporting period cash on hand did not match what the Financial Secretary Check Book reported for the same period, FYE 2003.

As agreed, provided that Local 7893 maintain adequate documentation for its disbursements in the future, no additional enforcement action will be taken regarding this violation.

The LM-3 report for FYE 2003 was delinquent when it was submitted to OLMS on April 15, 2004. Mr. Plumbtree, President of the Local was also advised that the LM-3 report for FYE 2004 would be delinquent if submitted after March 31, 2005.

I strongly urge Local 7893 to adopt clear guidelines regarding the recording of deposits and withdrawals between the checking and savings accounts. **Our office is certainly available to provide guidance to you regarding the requirements of the law as they would pertain to any policies your union might adopt.** If written guidelines are adopted in the near future, I would appreciate it if you would provide a copy to this office.

I strongly recommend that you make sure that this letter and the compliance assistance materials that were provided to you are passed on to yours and Mr. John Potts's successors at whatever time you may leave office.

I want to thank Bea Benne, Office Manager and John Potts, Financial Secretary for their cooperation and courtesy during this compliance audit. If we can be of any assistance in the future, please do not hesitate to contact me or any other representative of our office.

I want to extend my personal appreciation for you and your entire staff's cooperation and courtesy during this compliance audit. If we can be of any assistance in the future, please do not hesitate to call.

Sincerely,

7(c)
Investigator

cc:

