

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
517 E. Wisconsin Ave., Room 737
Milwaukee, WI 53202-4604
(414) 297-1501 / FAX: (414) 297-1685



June 24, 2005

Betty Lou Peterson, Treasurer
Steelworkers AFL-CIO
W 768 Dixon Dr.
Burlington, WI 53105

Dear Mrs. Peterson:

This office has recently completed an audit of Local 892 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, Mrs. Tetting and Mrs. Mueller on June 24, 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.

Reporting Violations

The CAP disclosed a violation of LMRDA section 201(b), because Local 892 did not report the purchase of two computers in item 52 on the Labor Organization Annual Report (Form LM-3) filed by Local 892 for fiscal year ending December 31, 2003. In 2003, Local 892 purchased one computer for \$ 1,392.39 and reimbursed Vice President Brenda Maccaux \$1,407.57 for her purchase of another computer. Item 52 must include disbursements for all fixed assets purchased by your organization as well as reimbursements to officers for purchases of fixed assets. An explanation noting that Vice President Maccaux was reimbursed \$1,408 for the purchase of a computer for the union must also be included in Item 56, Additional Information. The LM-3 instructions include additional information on the reporting of the purchase of fixed assets and investments.

Record Keeping Violations

Title II of the LMRDA establishes certain reporting and record keeping requirements. Section 205 requires, among other things, that adequate records be maintained. Records must 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. Additional documentation may be necessary in order to explain 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 audit revealed that the lost time vouchers for check 1860 to Ed Meizin, dated August 24, 2003, and for check 1892 to Betty Peterson, dated Nov. 26, 2003 are missing. In addition, union officers did not record the date and/or purpose of some lost wage claims on records submitted for such expenses. Records that identify the date, number of hours lost, rate of pay, and business purpose (reason) for all lost wages must be retained.

I am requiring that Local 892 file an amended LM-3 report for 2003 to correct the deficient items. A list of other reporting errors discussed during the exit interview is enclosed. As discussed, the amended report is due by July 15, 2005.

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

Sincerely,

JCC

Investigator

Enclosure: LM-3 error summary, blank LM-3 report, and LM-3 report instructions.

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