

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Boston District Office
Room E365
JFK Federal Building
Boston, MA 02203
(617) 624-6690 Fax:(617) 624-6606



March 28, 2008

Mr. Daniel Lyne, President
United Steelworkers Local 04-09432
16 Cabot Circle
Plymouth, MA 02360

LM File Number: 541-508

Case Number: [REDACTED]

Dear Mr. Lyne:

This office has recently completed an audit of United Steelworkers Local 04-09432 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 on March 27, 2008, 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 adequate records be maintained for at least 5 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 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 note can be written on it providing the additional information. In the case of receipts, the date, amount, purpose, and source of all money received by the union must be recorded in at least one union record. Bank records must also be retained for all amounts.

The audit of United Steelworkers Local 04-09432's 2006 records revealed the following recordkeeping violations:

1. Expenses

The local failed to maintain adequate documentation for meal disbursements. Meal receipts did not note the union purpose for the meals. The names of the individuals partaking of the meals were not

noted on the receipts. The date, amount, and business purpose of every expense must be recorded on at least one union record. In addition, the names of individuals present for meal expenses and the locations (names of restaurants) where meal expenses were incurred must be recorded.

2. Lost Wages

Union officers failed to record the date and/or purpose of some lost wage claims. While the local maintained lost wage invoices from the employer, the invoices did not sufficiently describe the date each 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. Records must be maintained that identify the date, number of hours lost, rate of pay, and the specific union purpose for all lost wages.

As agreed, provided that United Steelworkers Local 04-09432 maintains adequate documentation as discussed above in the future, no additional enforcement action will be taken regarding the violations.

Reporting Violations

The CAP disclosed a violation of LMRDA Section 201(b) which requires labor organizations to file annual financial reports accurately disclosing their financial condition and operations. The Labor Organization Annual Report Form LM-3 filed by United Steelworkers 04-09432 for fiscal year 12-31-2006 was deficient in the following areas:

1. LM-3 Item 24 All Officers and Disbursements To Officers

United Steelworkers Local 04-09432 failed to report lost wages paid to the local's officers in Item 24 (D) Gross Salary. Lost wages totaling \$6,141 appear to have been erroneously reported in Item 54 (Other Disbursements).

2. LM-3 Item 46 (To Employees)

United Steelworkers Local 04-09432 failed to report lost wages and reimbursements paid to union members conducting union business in Item 46 (To Employees). These payments totalling approximately \$1,655 appear to have been erroneously reported in Item 54 (Other Disbursements).

3. LM-3 Item 54 (Other Disbursements)

United Steelworkers Local 04-09432 did not accurately report other disbursements. The local erroneously reported a \$40,000 transfer as a disbursement. The local also reported lost wages and expense reimbursements to officers and employees in other disbursements when those disbursements should have been reported in Item 45 (To Officers) and Item 46 (To Employees).

4. LM-3 Item 25 B (Cash End of Reporting Period)

United Steelworkers Local 04-09432 inaccurately reported the end of reporting period cash as \$80,033. The local's actual ending cash is \$120,033. While the reported ending cash of \$80,333 reconciles with reported receipts minus disbursements for the fiscal year, it is not an accurate reflection of the local's cash assets at the end of the reporting period. The local erroneously reported \$40,000 as a disbursement when it was actually a transfer to open a new account.

United Steelworkers Local 04-09432 must file an amended Form LM-3 for fiscal year ending December 31, 2006 to correct the deficient items discussed above. I provided the local's officers a blank form and instruction guide during the exit interview. The amended LM-3 should be submitted to this office at the above address as soon as possible, but not later than April 22, 2008. Before filing, review the report thoroughly to be sure it is complete, accurate, and signed properly with original signatures.

I want to extend my personal appreciation to United Steelworkers Local 04-09432 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,

Mark Letizi
District Director

cc: Mr. Kevin Murphy, Financial-Secretary
Mr. Paul Baszkiewicz, Treasurer