

U.S. Department of Labor

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September 14, 2009

Mr. Bob Woodside, Treasurer
United Steelworkers of America
LU 10-9509
2290 Garretts Road
Ford City, PA 16226

LM File Number 543-477
Case Number: [REDACTED]

Dear Mr. Woodside:

This office has recently completed an audit of United Steelworkers LU 10-9509 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 and Financial Secretary Joe Petrola on September 11, 2009, 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 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 10-9509's 2008 records revealed the following recordkeeping violations:

1. General Reimbursed Expenses

Local 10-9509 did not retain adequate documentation for reimbursed expenses incurred by union officers and employees totaling at least \$122.84. For example, [REDACTED] was reimbursed for stamps and office supplies with check number 1113 dated May 24, 2008. He submitted a voucher for \$101.63 and there were no receipts attached totaling \$66.28.

The union must retain original documentation and not photocopies. For example, [REDACTED] purchased flash drives totaling \$48.36. For reimbursement, he submitted a photocopy of his receipt when he should have submitted an original receipt.

As previously 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. Deposit slips

As we discussed at the exit interview, there were no detailed listings for the cash and checks that were deposited into the local's bank account. In the future, the local will maintain duplicate deposit slips, bank deposit slips, and attach a detailed listing of the checks and cash included in the deposit.

Based on your assurance that Local 10-9509 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Reporting Violation

The audit 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 LM-3 filed by Local 10-9509 for fiscal year ending December 31, 2008, was deficient in the following area:

Disbursements to Officers

Local 10-9509 did not include some reimbursements to officers totaling at least \$1,652.00, in the amounts reported Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments in Items 48 (Office and Administrative Expenses) and 54 (Other Disbursements). For example, officers were directly reimbursed by the local for supplies, postage, and photocopies. These items were not listed as an allowance in Item 24.

The union must report most direct disbursements to Local 10-9509 officers and some indirect disbursements made on behalf of its officers in Item 24. A "direct disbursement" to an officer is a payment made to an officer in the form of cash, property, goods, services, or other things of value. See the instructions for Item 24 for a discussion of certain direct disbursements to officers that do not have to be reported in Item 24. An "indirect disbursement" to an officer is a payment to another party (including a credit card company) for cash, property, goods, services, or other things of value received by or on behalf of an officer. However, indirect disbursements for temporary lodging (such as a union check issued to a hotel) or for transportation by a public carrier (such as an airline) for an officer traveling on union business should be reported in Item 48 (Office and Administrative Expense).

I am not requiring that Local 10-9509 file an amended LM report for 2008 to correct the deficient items, but Local 10-9509 has agreed to properly report the deficient items on all future reports it files with OLMS.

Other Issue

Dues Collection

As I discussed during the exit interview with you and Mr. Petrola, the audit revealed that Local 10-9509 dues collection practices by the stewards are inconsistent. OLMS recommends uniformity with dues collection: all stewards need to have receipt books completed in detail; all "tally sheets" of dues collected should have a subtotal for cash and a subtotal for checks with a grand total of both. It is recommended that your staff representative again become involved with the dues collection process.

I want to extend my personal appreciation to United Steelworkers LU 10-9509 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: Financial Secretary Joe Petrola
William Biblis, Staff Representative