

U.S. Department of Labor

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September 2, 2008

Mr. Brian Ricks, Financial Secretary
Steelworkers AFL-CIO, Local 12-591
P.O. Box 483
902 5th Street
Anacortes, WA 98221

LM File Number: 019-853

Case Number: [REDACTED]

Dear Mr. Ricks:

This office has recently completed an audit of United Steelworkers, Local 12-591 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 July 18, 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.

Reporting Violations

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 (Form LM-3) filed by Local 12-591 for fiscal year ending December 31, 2007, was deficient in the following areas:

1. Failure to File Bylaws

The audit disclosed a violation of LMRDA Section 201(a), which requires that a union submit a copy of its revised constitution and bylaws with its LM report when it makes changes to its constitution or bylaws. Local 12-591 amended its constitution and bylaws in 1999, but did not file a copy with its LM report for that year. Local 12-591 has now filed a copy of its constitution and bylaws.

2. Failure to Report a Loss of Assets

The audit disclosed that Item 15 on the 2007 fiscal year end LM report was incorrectly completed as "No." Union records indicate that there was a loss of assets in the amount of \$479.10.

According to the LM-3 instructions, when Item 15 is answered "Yes", you must also "describe the loss or shortage in detail in item 56, including such information as the amount of the loss or shortage of funds or a description of what property was lost, how it was lost, and to what extent, if any, there has been an agreement to make restitution of any recovery by means of repayment, fidelity bond, insurance, or other means."

I am not requiring that Local 12-591 file an amended LM report for 2007 to correct the deficient items, but Local 12-591 has agreed to properly report the deficient items on all future reports it filed with OLMS.

I want to extend my personal appreciation to United Steelworkers, Local 12-591 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. Joseph Solomon, President

Letter/Mr. Brian Ricks
September 2, 2008
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