



February 17, 2016

Mr. Russell Roy, President
United Steelworkers Local 16031
172 Longfellow Street
Providence, RI 02907

Case Number: 110-6005668
LM Number: 010-419

Dear Mr. Roy:

This office has recently completed an audit of United Steelworkers Local 16031 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 February 16, 2016, 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 United Steelworkers Local 16031's 2014 records revealed the following recordkeeping violations:

1. General Expenses

Local 16031 did not retain adequate documentation for general expenses incurred by the union totaling at least \$5,187.64. The local retained no validating documents for payments

made to AAA for professional fees, contributions to the Institute for Labor Research Studies, and gift certificates to restaurants for the union's Unit Chairs at Christmas.

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. Lost Wages

Local 16031 did not retain adequate documentation for lost wage reimbursement payments to officers/employees in 37 instances. The union must maintain records in support of lost wage claims that identify each date 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. The OLMS audit found that Local 16031 had, but did not use, lost wage vouchers to document lost wages for the financial secretary and trustees in 36 instances. In one other instance, a lost wage voucher was retained for a trustee conducting union business but the voucher did not meet the requirement—for example:the voucher did not document the date of the lost wages, the hourly rate of pay, and the union business conducted.

3. Reimbursed Auto Expenses

Union officers who received reimbursement for business use of their personal vehicles did not retain adequate documentation to support payments to them totaling at least \$5,303.23. during 2014. The union must maintain records which identify the dates of travel, locations traveled to and from, and number of miles driven. The record must also show the business purpose of each use of a personal vehicle for business travel by an officer or employee who was reimbursed for mileage expenses.

Based on your assurance that Local 16031 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

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 LM-3 filed by United Steelworkers Local 16031 for fiscal year ending December 31, 2014, was deficient in the following areas:

Disbursements to Officers

Local 16031 did not include some disbursements/reimbursements made to officers totaling at least \$4,694 in the amounts reported in Item 24 (All Officers and Disbursements to Officers). It appears that the local erroneously reported these payments in Item 48 (Office & Administrative Expense) and Item 54 (Other Disbursements).

The union must report most direct disbursements to Local 16031 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).

United Steelworkers Local 16031 must file an amended Form LM-3 for fiscal year ending December 31, 2014, to correct the deficient items discussed above. I advised you that the reporting forms and instructions are available on the OLMS website (www.olms.dol.gov). The amended Form LM-3 should be submitted to this office at the above address as soon as possible, but not later than March 14, 2016. 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 16031 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: Charles Wilkicki, Financial-Secretary