

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Cincinnati District Office
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April 20, 2007

Mr. Ted Meeker, Treasurer
Steelworkers Local 3404
644 Vine Street
Hamilton, OH 45011

LM File Number: 064-463

Case Number: [REDACTED]

Dear Mr. Meeker:

This office has recently completed an audit of Steelworkers Local 3404 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 Investigator [REDACTED] discussed during the exit interview with you and President Ollie Ward on April 13, 2007, 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.

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. An exception may be made only in those cases where 1) other equally descriptive documentation has been maintained, and 2) there is evidence of actual oversight and control over disbursements.

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 accounts.

The audit of Local 3404's 2006 records revealed the following recordkeeping violations:

Local 3404 failed to retain bills and invoices for some payments for taxes as well as payments to Cincinnati Bell and to the VFW for hall rental. The local failed to retain support documentation for the services of a disk jockey for the 2006 Christmas party. Though Local 3404 used vouchers to document disbursements, the vouchers lacked sufficient descriptive information regarding the purpose of the disbursements, amounts, dates, and other information. Investigator [REDACTED] audit revealed that Local 3404 failed to retain any of the dues remittance stubs for checks received from the UAW International Union. Local 3404 also retained only one of the twelve checkoff lists it received for fiscal year 2006. You agreed that Local 3404 will maintain support documentation for all its receipts and disbursements. You also agreed that vouchers would be completed with all required information. Accordingly, no enforcement action will be taken.

The CAP 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 constitution or bylaws changes are made. Local 3404 adopted its bylaws in November 2002, but a copy was not filed with OLMS. This violation was resolved when you provided a copy to Investigator [REDACTED]

Finally, Investigator [REDACTED] identified certain weaknesses in your union's internal financial controls. [REDACTED] noted that your meeting minutes lacked detail sufficient to support the authorization for disbursements. You agreed to better document this information in meetings minutes taken in the future.

I want to extend my personal appreciation to Steelworkers Local 3404 for the cooperation and courtesy extended to [REDACTED] during this compliance audit. I strongly recommend that you make sure this letter and the compliance assistance

Letter/Mr. Ted Meeker

April 20, 2007

Page 3 of 3

materials provided to you are passed on to future officers. If we can provide any additional assistance, please do not hesitate to call.

Sincerely,

Lesta A. Chandler

District Director

cc: Mr. Ollie Ward, President