

U.S. Department of Labor

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Office of Labor-Management Standards
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July 8,2008

Mr. Michael Napoli, Treasurer
Steelworkers AFL-CIO
Local 4-1498
12 Caroline Drive
Rochester, NY 14624

LM File Number 031-792

Case Number: [REDACTED]

Dear Mr. Napoli:

This office has recently completed an audit of Steelworkers Local 4-1498 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 John Greer on July 3,2008, 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 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 4-1498's 2007 records revealed the following recordkeeping violations:

1. Meal Expenses

Local 4-1498 did not require officers and employees to submit itemized receipts for meal expenses totaling at least \$250.12. The union must maintain itemized receipts provided by restaurants to officers and employees. These itemized receipts are necessary to determine if such disbursements are for union business purposes and to sufficiently fulfill the recordkeeping requirement of LMRDA Section 206.

Local 4-1498 records of meal expenses did not always include written explanations of union business conducted or the names and titles of the persons incurring the restaurant charges. For example, there were no notations made on some restaurant receipts from O'Malley's Restaurant and Papa Joe's. Union records of meal expenses must include written explanations of the union business conducted and the full names and titles of all persons who incurred the restaurant charges. Also, the records retained must identify the names of the restaurants where the officers or employees incurred meal expenses.

2. Disposition of Gifts Purchased

Local 4-1498 purchased Wegmans gift cards in October 2007. The union retained no records regarding the distribution of these gift cards totalling at least \$100.

The union must track the distribution of give-away items and prizes; including cash, gift cards, and raffle items.

3. Failure to Maintain Receipts

Local 4-1498 did not maintain documentation of payments received for the sale of picnic tickets to support entries into union records. Union receipts records must include an adequate identification of all money the union receives. The records should show the date and amount received, and the source of the money.

Based on your assurance that Local 4-1498 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

I want to extend my personal appreciation to Steelworkers Local 4-1498 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: John Greer, Financial Secretary
Joseph Davis, President