



August 4, 2010

Mr. Fred Sinwelski, Treasurer
United Steel Workers, LU 7-209
2041 Schrage
Whiting, IN 46394

Case Number: [REDACTED]
LM Number: 006709

Dear Mr. Sinwelski:

This office has recently completed an audit of United Steel Workers, LU 7-209 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 2, 2010, 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 7-209 for the fiscal year ended December 31, 2009, was deficient in the following areas:

1. Disbursements to Officers and Employees

Local 7-209 improperly reported employee salary disbursements to Administrative Assistant Rose Lofton totaling at least \$48,000 in Item 24 (All Officers and Disbursements to Officers). Ms. Lofton concurrently held a union officer trustee position and a union employee administrative assistant position. However, the total of both salaries were entered in Item 24. The union must report in Item 46 (To Employees) all salaries, allowances, travel advances, and other direct and indirect disbursements (less deductions for FICA, withheld taxes, etc.) to employees of the union.

2. Cash Disbursements

Local 7-209 appeared to have incorrectly reported indirect benefit disbursements in Item 54 (Other Disbursements). Disbursements for indirect benefits must be reported in Item 50 (Benefits), including those disbursements made from your organization's funds to a separate and independent entity, such as a trust or insurance company, which in turn and under certain conditions will pay benefits to the covered individuals.

Mr. Fred Sinwelski

July 6, 2010

Page 2 of 2

I am not requiring that Local 7-209 file an amended LM report for 2009 to correct the deficient items, but Local 7-209 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to United Steel Workers, LU 7-209 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,

Mary J. Kebisek
District Director

cc: Mr. John Gilligan, President