

**U.S. Department of Labor**

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July 23, 2009

Mr. Tom Worland, Financial Secretary  
Steelworkers, LU 7-507  
3513 Theodore Street  
Joliet, IL 60431

LM File Number 003-005  
Case Number: [REDACTED]

Dear Mr. Worland:

This office has recently completed an audit of Steelworkers LU 7-507 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 President Charles Swiney on July 22, 2009, 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 7-507's records revealed the following recordkeeping violation:

#### Ted Bell Memorial Center Corporation

The Illinois Secretary of State's records show that the Local 7-507 building corporation, known as the Ted Bell Memorial Center Corporation, was involuntarily dissolved on November 1, 2000. The Illinois Secretary of State requires corporations to file annual reports to maintain active status. Local 7-507 failed to file annual reports with the Illinois Secretary of State, and as a result, the Ted Bell Memorial Center Corporation was dissolved.

The By-Laws of the Ted Bell Memorial Center dated January 20, 1994 state that the Center is recognized as a corporation by the State of Illinois, and the corporation "has such powers as are now or may hereafter be granted by the General Not For Profit Corporation Act of the State of Illinois." The By-Laws go on to say that "The corporation shall have and continuously maintain in this state a registered office and a registered agent whose office is identical with such registered office." By allowing the corporation to dissolve, Local 7-507 has failed to follow the Ted Bell Memorial Center's By-Laws, and has jeopardized the purpose of the corporation, as outlined in the By-Laws.

Based on your assurance that Local 7-507 will make active the Ted Bell Memorial Center's incorporation with the Illinois Secretary of State, OLMS will take no further enforcement action at this time regarding the above violation.

#### Other Issues

##### 1. Constitution and By-Laws

In the opening interview on June 8, 2009, you and President Swiney told me that Local 7-507 does not have its own by-laws, and that the local uses both the Steelworkers International Constitution and those of PACE, your former and now

defunct affiliated national union. Since your union is now affiliated with the Steelworkers, you should no longer be using the PACE by-laws. Article VII, Section 5 of the Steelworkers International Constitution states that "Local unions may adopt, subject to approval of the International Union, such by-laws and rules as do not conflict with any of the provisions of this Constitution or the policies of the International Union. Local Unions which do not adopt such by-laws shall be deemed to have adopted the standard By-Laws for Local Unions issued by the International Union." Therefore, it appears that Local 7-507 should either adopt its own by-laws or operate under the standard By-Laws issued by the International Union. Whichever set of by-laws the local decides to use, their use should be formalized at a local meeting and recorded into the local's meeting minutes.

## 2. Names and Signatories on Bank Accounts

The audit revealed that all of LU 7-507's bank accounts are still in the union's former names of PACE or the Oil and Chemical Workers. The names on the union's bank accounts must be changed to reflect the union's current name, Steelworkers LU 7-507.

The signatories on the Harris Bank strike fund account (number ending [REDACTED]) are all former officers. Vice President Kramer is the only current officer on the Archer Bank CD account. The signature cards for these two accounts must be updated to reflect the current officers.

I want to extend my personal appreciation to Steelworkers LU 7-507 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,

[REDACTED]

Investigator

cc: President Charles Swiney