

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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June 23, 2006

Mr. David Boone, Sr., President
Steelworkers, AFL-CIO
Local 752
3600 Washington Street
Texarkana, AR 71854

Re: Case Number: XXXXXXXXXX

Dear Mr. Boone, Sr.:

This office has recently completed an audit of Steelworkers Local 752 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 David Boone, Sr., Doug Halter, and Olen Nottingham on June 14, 2006, 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.

The CAP disclosed the following violations:

Recordkeeping Violations

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 five (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.

The audit of Local 752's 2004 records revealed the following recordkeeping violations:

Union Record

Local 752 failed to maintain a complete union record of the savings account. Local 752 also failed to keep receipts in support of credit card statements and vouchers.

Officer and Employee Expenses

I strongly urge Local 752, in accordance with your constitution and/or bylaws, to bring expenses before the membership and/or Executive Board for approval. Our office is certainly available to provide guidance to you regarding the requirements of the law as they would pertain to any policies your union might adopt. If written guidelines are adopted in the near future, I would appreciate it if you would provide a copy to this office.

As agreed, provided that Local 752 maintains adequate documentation as discussed above in the future, no additional enforcement action will be taken regarding these violations.

Reporting Violations

The CAP 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-2) filed by Local 752 for fiscal year ending December 31, 2004, was deficient in the following areas:

Local 752 did not provide sufficient detail of expenses paid for each of the categories listed on Schedules 1 through 15.

Local 752 must file an amended Form LM-2 for fiscal year ending December 31, 2004, to correct the deficient items discussed above.

Local 752 complied by filing the amended report on June 19, 2006.

Other Violations

Inadequate Bonding

The audit revealed a violation of LMRDA Section 502 (Bonding), which requires that the union's officers and employees be bonded for no less than 10% of the total funds

handled by those individuals or their predecessors during the preceding fiscal year. Local 752 listed \$60,448 in coverage on the LM Report for fiscal year ending December 31, 2004. Local 752's officers and employees must be currently bonded for at least \$107,080 based on the LM Report for the fiscal year ending December 31, 2005.

Adequate bonding coverage was obtained and documentation provided during the audit. No further enforcement action will be taken.

I want to extend my personal appreciation to Steelworkers Local 752 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,



Senior Investigator

cc: Doug Halter, Financial Secretary