



June 29, 2010

Joan Dutton, President  
Steelworkers Local Union 12-2801  
444 West Ocean Blvd., Suite 800  
Long Beach, CA 90802

Case Number: [REDACTED]  
LM Number: 542-825

Dear Ms. Dutton:

This office has recently completed an audit of Steelworkers Local Union 12-2801 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 September 15, 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.

#### Reporting Violations

The audit disclosed a violation of LMRDA Section 201(a), which requires that a union file the Labor Organization Annual Report (LM-2) within 90 days after the union's fiscal year end. Local 2801 failed to file their LM-2 report for fiscal year ending December 31, 2008.

As agreed, Local 2801 will file their Labor Organization Annual Report (LM-2) within 90 days of the union's fiscal year end. Local 2801 filed their LM-2 report for fiscal year ending December 31, 2009 on March 30, 2010.

#### Other Issues

During the audit, Local 2801 President advised that it is Local 2801's practice to reimburse officers for lost wages. It was discovered that a former union officer filed a lost wage claim for wages that were not lost. Local 2801 filed internal charges against this officer and found the officer guilty. The former officer owes Local 2801 \$870.24. Local 2801 express the desire not to pursue the matter any further. Local 2801 adopted guidelines to prevent any future false claims submitted by requesting all officers to produce pay stubs to verify their prevailing hourly wage and the actual wages lost. OLMS will take no further enforcement action regarding this issue and recommends

Local 2801 to periodically review their procedures to improve their internal control of union funds.

I want to extend my personal appreciation to Steelworkers Local Union 12-2801 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,

Alan Weiss  
District Director