

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Minneapolis Resident Office
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February 25, 2005

Mr. Mark Yule, Union President
Steelworkers, Local 11-31-L
319 ½ West 3rd Street
Rd Wing, MN 55066

Rc: **2**

Dear Mr. Yule:

This office has recently completed an audit of Steelworkers Local 11-31-L 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, Fay Fanslow, and Beverly Miller on February 24, 2005, 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.

Record Keeping Violations

Title II of the LMRDA establishes certain reporting and record keeping requirements. Section 206 requires, among other things, that adequate records be maintained 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, 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 recipients of the goods or services.

In the case of Local 31, the CAP revealed that Local 31 failed to record in its records checks received from **FCU** to help with the cost of union events. For example \$500 was deposited in August 2003, but union records do not identify the source of the money or the date the money was received. Union receipts records must include an adequate identification of each receipt of money. The records should show the exact date that the money was received, the identity of the source of the money, and the individual amount received from each source.

As agreed, provided that Local 31 maintains adequate documentation for its receipts in the future, no additional enforcement action will be taken regarding this violation.

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Reporting Violations

The CAP disclosed a violation of LMRDA section 201(b), because the Labor Organization Annual Report (Form LM-3) filed by Local 31 for fiscal year ending December 31, 2003 was deficient in the following areas:

1. Local 31 failed to include in Item 24 (All Officers and Disbursements to Officers) some reimbursements to officers for meeting expenses. As an example, check #6507 for \$374.70 was issued to Vice President Roger Eckhoff in September of 2003 for car rental and per diem expenses related to attending a union conference. However, the LM-3 filed by Local 31 for 2003 reports that Roger Eckhoff received no money for allowances and other disbursements in item 24 (Column E) (Allowances and Other Disbursements).

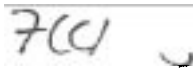
All direct disbursements to your union's officers and some indirect disbursements made by your organization on behalf of its officers must be included in the amounts reported in item 24. A "direct disbursement" to an officer is a payment made by your organization to an officer in the form of cash, property, goods, services, or other things of value. An "indirect disbursement" to an officer is a payment made by your organization to another party (including credit card companies) for cash, property, goods, services, or other things of value received by or on behalf of an officer. However, indirect disbursements for temporary lodging (such as a union check issued to a hotel) or for transportation by a public carrier (such as an airline) for an officer traveling on union business should be reported in item 48 (Office and Administrative Expenses).

2. Disbursements for supplies for the Christmas party and picnic were erroneously reported in Item 51 (Contributions, Gifts, and Grants). Such disbursements should be reported in item 54 (Other Disbursements) unless the payments were direct disbursements to officers or employees, in which case the disbursements are required to be reported in Item 24 (as previously discussed) or Item 46 (Disbursements to Employees).

I am not requiring that Local 31 file an amended LM-3 report for 2003 to correct the deficient items, but as agreed, your union will properly report the deficient items on all future reports filed with this agency.

I want to thank you, Ms. Fanslow, and Ms. Miller for your cooperation and courtesy during this compliance audit. If we can be of any assistance in the future, please do not hesitate to contact me or any other representative of our office.

Sincerely,



Investigator

cc:

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Beverly Miller, Financial Secretary
Fay Fanslow, Treasurer