

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Cincinnati District Office
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June 24, 2005

Mr. Steve Clubb, Secretary-Treasurer
United Steelworkers of America
Local 5-2002
P.O. Box 16333
Louisville, KY 40256

Re: _____

Dear Mr. Clubb:

This office has recently completed an audit of United Steelworkers of America Local 5-2002 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 on May 26, 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.

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 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.

The audit disclosed that Local 5-2002 failed to maintain certain records, in violation of LMRDA Section 206. Specifically, the union failed to retain the meeting minutes for the November meeting and for all Executive Board meetings. The union also failed to maintain an invoice and union voucher for an airline flight booked by Vice President Dennis Gassmann in the amount of \$177.50 on June 10, 2003. However, after this was brought to your attention you faxed a copy of the invoice to my office demonstrating that you had merely misplaced the invoice. After OLMS explained that it is important that these records are maintained you agreed to be more careful in retaining the local's records in the future. No OLMS action is necessary at this time.

The CAP also disclosed violations of LMRDA Section 201(a) because Local 5-2002 failed to file the most recent copy of its amended bylaws dated February 2, 2002 along with the LM-3 Report. You provided me with a copy of the bylaws and promised you would meet this requirement when the local's bylaws were amended at any point in the future. The union also reported a "yes" answer to Item 17 and explained in

Addendum Item 56 that you make more than \$10,000.00. However, Item 17 refers to employees whose combined pay from the local and any affiliates totaled more than \$10,000.00. You are a part time paid elected union officer, not an employee of the local; therefore, Item 17 should be marked with a "no" answer. You agreed to meet these reporting requirements. No OLMS action is necessary at this time.

It was suggested that you obtain a duplicate receipt book from your international. This would help you deal with the dues being paid directly to the union as a result of DuPont discontinuing the dues checkoff after the workers received strike approval. You also expressed concern with obtaining receipts from the officers who have union credit cards to book travel reservations. I suggested you may want to reexamine your credit card arrangements with your officers. In any case, you are responsible for insuring that receipts, bills, and invoices are maintained for all union disbursements, including credit card charges.

I want to extend my personal appreciation for your cooperation and courtesy during this compliance audit. If we can be of any assistance in the future, please do not hesitate to call.

Sincerely,

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Investigator