



August 25, 2005

Kevin Crimi, President  
Steelworkers, AFL-CIO LU 9-7436-S  
343 Brentwood Avenue  
Trussville, AL 35173

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Dear Mr. Crimi:

This office has recently completed an audit of Steelworkers Local 9-7436-S 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, as Amended (LMRDA). As discussed during the exit interview with you and International District Representative Anderson on August 19, 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.

The CAP disclosed the following:

### 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.

The following record keeping violations were revealed during the audit of Local 09-7436-S' 2003 records:

1. The union failed to retain adequate documentation for check number 3268 written on October 31, 2003, for \$1,196.16 to attend the Delegate AFL-CIO convention. You noted that you did maintain a voucher and back up receipts for check number 3268; however the Financial Secretary was unable to find the voucher.

Union officers and employees failed to retain adequate documentation for reimbursed expenses, for expenses charged to union credit cards, and for lodging expenses which were direct-paid by the union. The date, amount, and business purpose of every expense must be recorded on at least one union

record. In addition, the names of individuals present for meal expenses paid for by the union and the locations (names of restaurants) where meal expenses were incurred must also be recorded.

With respect to documentation retained in support of specific disbursements (including those in payment of credit card charges), the record retention requirement includes not only the retention of original bills, invoices, receipts, and vouchers, but also additional documentation, if necessary, showing the nature of the union business requiring the disbursement, the goods or services received, and all the recipients of the goods or services. In most instances, this documentation requirement can be most easily satisfied with a sufficiently descriptive receipt. If a receipt is not sufficiently descriptive, a note can be written on it providing the additional information. An exception may be made only in those cases where 1) other equally descriptive documentation has been maintained, and 2) there is evidence of actual oversight and control over disbursements.

As agreed, provided that Local 09-7436-S maintains adequate documentation for its disbursements in the future, no additional enforcement action will be taken regarding this violation.

2. Local 09-7436-S failed to maintain a copy of the last quarterly audit period of 2003 for October through December. You noted that this audit was done, and the Financial Secretary and the Recording Secretary are supposed to keep a copy. You agreed to maintain them in the future. It was also suggested that the audits be done in a timely manner according to your By-laws.
3. Local 09-7436-S failed to maintain copies of cancelled bank checks for April 2003 and December 2003. You agreed to maintain all cancelled checks in the future.
4. Local 09-7436-S failed to maintain copies of minutes for membership meetings for January 2003 through June 2003. You indicated that during the last internal audit done by the International, the minutes were not returned to you. You were unsuccessful in finding them. You agreed to maintain them in the future.

### Reporting Violations

The CAP disclosed a violation of LMRDA section 201(b), because the Labor Organization Annual Report (Form LM-3) filed by Local 09-7436-S for fiscal year ending December 31, 2003, was deficient in that Local 09-7436-S failed to include some reimbursements to officers and employees in the amounts reported on Item 24 for All Officers and Disbursements to officers. Specifically, the \$100 door prize won twice by officer John Savage, vice-president, and the \$100 door prize won once by Ernestine Bennett, financial secretary. Jerry Trott, recording secretary's salary in January 2003 for \$204.16 and February 2003 for \$204.08, were also not reported on the 2003 LM-3 in item 24.

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).

In addition, the names of some officers who held office during the year were not reported in item 24 with the total amount of payments to or for them. The names of all persons who held office during the year must be reported in item 24 regardless of whether or not they received any payments from the union. Specifically, Trustee Wanda Harris was not reported in Item 24 on the LM-3 for 2003 in the amount of \$207 for attending a trustee meeting and audit meeting.

I am not requiring that Local 09-7436-S file an amended 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.

#### Other Violations

The CAP disclosed a violation of LMRDA section 201(a) which requires that unions submit a copy of their current constitution and bylaws with its LM report or when bylaw changes are made. Local 09-7436-S had not sent the Secretary of Labor in Washington, D.C. or the Nashville District office a copy of the most recent bylaws. Two copies of Local 09-7436-S' constitution and bylaws have now been filed.

I strongly recommend that when updating your constitution and bylaws, to put more detail as to your rules regarding lost time, and to indicate a possible limit as to what officers or members can be paid, what lost time or personal time for union business can be taken, and the International guidelines.

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

Sincerely,  
Ronald G. Elmore  
District Director

By: *F(C)*

Investigator

cc: Financial Secretary Ernestine Bennett  
Treasurer Wayne Lewis