



October 31, 2005

Mr. Steve Schneider, President
Steelworkers Local 444
310 Blondeau Street
Keokuk, Iowa 52632

Dear Mr. Schneider:

This office has recently completed an audit of Steelworkers Local 444 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, Financial Secretary Charlotte Inman, and Treasurer Carol Picton on October 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 following violations were revealed during the audit of Steelworkers Local 444's 2004 records.

Title II of the LMRDA establishes certain reporting and record keeping requirements. Section 206, among other things, requires that records be maintained for at least five years from which the documents filed with the Secretary of Labor can be verified, explained, and clarified. As a general rule, all records used or received in the course of union business must be retained.

During the audit, it was discovered that Local 444 does not keep a record of receipts for sales of hats, t-shirts, etc. that are purchased by members by cash or personal check. Although the amount deposited from such sales is recorded in the general ledger, Local 444 currently has no duplicate receipts to verify total amount of sales. As agreed during the exit interview, Local 444 plans to obtain a duplicate receipt book to issue receipts for future sales.

Additionally, Local 444 did not maintain backup documentation or appropriate documented explanation for a few disbursements. For example, there was no documentation to verify the disbursement for SOAR's yearly dues for active retirees. As agreed during the exit interview, Local 444 will retain records, or document the purpose, of all future disbursements.

The audit also disclosed a violation of LMRDA Section 201(b), because the Labor Organization Annual Report (Form LM-3) filed by Local 444 for fiscal year ending December 31, 2004, was deficient in the following areas:

Other Receipts: Local 444 incorrectly included officers' tax withholding in "Other Receipts" (Item 43).

Officer Payments: 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. The audit revealed that all disbursements made to some officers was not properly reported on the LM-3 report for fiscal year ending December 31, 2004. Additionally, the amount reported in Item 24, line 11 does not match the amount reported in Item 45.

As agreed during the exit interview, Local 444 will file an amended LM-3 report for fiscal year ending December 31, 2004. I would encourage you to utilize the LM-3 instructions provided for guidance when completing the amended LM-3 report. An initial deadline date for submission of the amended LM-3 report has been set for November 24, 2005.

Finally, as also discussed during the exit interview, Local 444 should change the signatories for the ~~report~~ ⁴ to reflect current officers.

I want to thank you 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,

Dennis L. Eckert
District Director

By: 

Investigator

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