



September 13, 2011

Mr. Gerald Butkiewicz, Financial Secretary Treasurer
Steelworkers Local 1-673
[REDACTED]
Olmsted Falls, OH 44138

Case Number: [REDACTED]
LM Number: 030536

Dear Mr. Butkiewicz:

This office has recently completed an audit of Steelworkers Local 1-673 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 August 10, 2011, 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.

Recordkeeping Violations

Title II of the LMRDA establishes certain reporting and recordkeeping requirements. Section 206 requires, among other things, that labor organizations maintain adequate records 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, labor organizations must maintain all records used or received in the course of union business.

For disbursements, this includes not only original bills, invoices, receipts, vouchers, and applicable resolutions, but also documentation showing the nature of the union business requiring the disbursement, the goods or services received, and the identity of the recipient(s) of the goods or services. In most instances, this documentation requirement can be satisfied with a sufficiently descriptive expense receipt or invoice. If an expense receipt is not sufficiently descriptive, a union officer or employee should write a note on it providing the additional information. For money it receives, the labor organization must keep at least one record showing the date, amount, purpose, and source of that money. The labor organization must also retain bank records for all accounts.

The audit of Local 1-673's 2010 records revealed the following recordkeeping violations:

1. General Reimbursed and Credit Card Expenses

Local 1-673 did not retain adequate documentation for reimbursed expenses incurred by President Erv Bislich and Bargaining Committee member Ken Kleinhenz totaling at least \$1,200.00. For example, receipts were not in the local's records for reimbursed airfare paid

to Bislich and Kleinhenz. Also, no receipt was maintained for a reimbursement made to Kleinhenz for a hotel deposit.

As noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. The president and treasurer (or corresponding principal officers) of your union, who are required to sign your union's LM report, are responsible for properly maintaining union records.

2. Raffles and Fundraisers

During the opening interview you disclosed that Local 1-673 conducted a 50/50 Raffle as well as other fundraising activities such as hosting a Wing Night, during the audit year to offset the cost of your annual picnic. Local 1-673 did not maintain adequate documentation to document the sources of the funds collected from these activities. With respect to the sale of 50/50 raffle tickets and fundraiser tickets, records must be maintained, at a minimum, that explain the number of tickets sold, the price of each ticket, and the amount of money collected.

Based on your assurance that Local 1-673 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Reporting Violations

The audit disclosed a violation of LMRDA Section 201(b), which requires labor organizations to file annual financial reports accurately disclosing their financial condition and operations. The Labor Organization Annual Report LM-3 filed by Local 1-673 for the fiscal year ended December 31, 2010 was deficient in that:

Raffles and Fundraisers

Local 1-673 failed to report any of the 50/50 raffle and fundraising ticket monies collected and awarded. The totals of such amounts should be reported in Items 44 (Other Receipts) and 54 (Other Disbursements), respectively. I suggested that in future raffles you deposit the total amount of proceeds from the raffle and write a check to the raffle winner.

I am not requiring that Local 1-673 file an amended LM report for 2010 to correct the deficient items, but Local 1-673 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to Steelworkers Local 1-673 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,



Investigator

cc: Mr. Erv Bislich, President