

U.S. Department of Labor

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September 18, 2009

Mr. Jamal Purnell, President
SteelWorkers AFL-CIO
Local 10-68
P.O. Box 29112
Philadelphia, PA 19127

LM File Number 046-662
Case Number: [REDACTED]

Dear Mr. Purnell:

This office has recently completed an audit of SteelWorkers LU 10-68 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 Treasurer Brian Pope on September 18, 2009, 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 SteelWorkers Local 10-68's 2008 records revealed the following recordkeeping violations:

1. Disbursements for Office and Administrative Expenses

SteelWorkers Local 10-68 did not retain adequate documentation for payments made for office and administrative expenses totaling at least \$1,250.00. For example, Local 10-68 disbursed three checks totaling \$450.00 to the Adam Kowalski Post during the audit year. Check number [REDACTED] was issued on February 20, 2008 for \$100.00. Check number [REDACTED] was issued on June 20, 2008 for \$100.00. Check number [REDACTED] was issued on September 25, 2008 for \$250.00.

The memo line on all three of the checks contained the notation hall rental for union meeting. Union records did not contain any backup documentation to clarify the purpose of the disbursements to the Adam Kowalski Post. During the audit an interview was conducted with the treasurer of the Adam Kowalski Post to determine the purpose of the union disbursements. The treasurer verified that SteelWorkers Local 10-68 rented the Post to hold three union meetings. The dates of the meetings corresponded with the dates the union checks were issued.

As previously 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. Lost Wages

SteelWorkers Local 10-68 did not retain adequate documentation for lost wage reimbursement payments to union officers totaling at least \$1,292.95. The union must maintain records in support of lost wage claims that identify each date lost wages were incurred, the number of hours lost on each date, the applicable rate of pay, and a description of the union business conducted. The OLMS audit found that although Local 10-68 maintained some lost time vouchers the vouchers did not provide all required information. For example all of the vouchers did not detail the union business conducted for the lost time claims.

During the exit interview, I provided a sample of an expense voucher SteelWorkers Local 10-68 may use to satisfy this requirement. The sample identifies the type of information and documentation that the local must maintain for lost wages and other officer expenses.

3. Receipt Dates not Recorded

Entries on SteelWorkers Local 10-68's income vouchers reflect the dates the union deposited money, but not the date money was received. Union receipt records must show the date of receipt. The date of receipt is required to verify, explain, or clarify amounts required to be reported in Statement B (Receipts and Disbursements) of the LM-3. The LM-3 instructions for Statement B state that the labor organization must record receipts when it actually receives money and disbursements when it actually pays out money. Failure to record the date money was received could result in the union reporting some receipts for a different year than when it actually received them.

4. Information not Recorded in Meeting Minutes

During the audit, Mr. Pope advised OLMS that the membership approves officer expenses at the quarterly membership meetings. A review of the meeting minutes during the audit year revealed that the union is not maintaining meeting minutes for the executive board or the membership meetings. The meeting minutes consists of only a sign in sheet and the date of the meeting. Minutes of all membership or executive board meetings must report any disbursement authorizations made at those meetings.

5. Lack of Salary Authorization

SteelWorkers Local 10-68 did not maintain records to verify that the salaries reported in Item 24 (All Officer and Disbursements to Officers) of the LM-3 was the authorized amount and therefore was correctly reported. The union must keep a record, such as meeting minutes, to show the current salary authorized by the entity or individual in the union with the authority to establish salaries. During the exit interview the union agreed to conduct a vote to authorize salary amounts for all officers at the next executive board meeting. SteelWorkers Local 10-68 will mail OLMS a copy of the minutes from the meeting.

Based on your assurance that SteelWorkers Local 10-68 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

I want to extend my personal appreciation to SteelWorkers LU 10-68 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,

Syreeta Scott
Investigator

cc: Treasurer Brian Pope