

**U.S. Department of Labor**

Employment Standards Administration  
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September 28, 2009

Ms. Linda O'Neil, Financial-Secretary  
Steelworkers, AFL-CIO, Local Union 10-889  
1086 RT 332  
Cranberry, PA 16319

LM File Number 069-998  
Case Number: [REDACTED]

Dear Ms. O'Neil:

This office has recently completed an audit of Steelworkers Local Union 10-889 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 September 17, 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 Local 889's 2008 records revealed the following recordkeeping violations:

1. General Reimbursed Expenses

Local 889 did not retain adequate documentation for reimbursed expenses incurred by [REDACTED] totaling at least \$150.00 for gift cards purchased for members for which there were no receipts. If gift cards are given to Christmas party attendees in the future all receipts must be maintained as well as a list of who received the gift cards.

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. Information not Recorded in Meeting Minutes

During the audit, you advised OLMS that the membership authorized officers to attend the International Union convention at a membership meeting. However, the minutes do not contain any reference to this. Minutes of all membership or executive board meetings must report any disbursement authorizations made at those meetings.

3. Lack of Salary Authorization

Local 889 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. The salaries of officers must be properly authorized by the membership at a meeting. On December 15, 2008 during the Local 889 election of officers, two officers and one member of the Local authorized the new position of Recording Secretary to be paid a salary. This was not a membership meeting and therefore not proper authorization. This salary and all of the officers' salaries need to be properly authorized at a membership meeting.

Based on your assurance that Local 889 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 Local 889 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: William Henry, Local 889 President