

U.S. Department of Labor

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Office of Labor-Management Standards
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December 14, 2009

Mr. Donald Markert, President
United Steelworkers of America
Local 10-88
1014 Wood Street
Bristol, PA 19007

LM File Number 043-080
Case Number: [REDACTED]

Dear Mr. Markert:

This office has recently completed an audit of United Steelworkers of America Local 10-88 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 Rick Lopes and you on December 11, 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 Violation

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 10-88's 2008 records revealed the following recordkeeping violations:

Credit Card Expenses

Local 10-88 did not retain adequate documentation for credit card expenses incurred by union officers totaling at least \$3,619.02. For example, a charge on January 30, 2008 in the amount \$58.05 at Longhorn Bensalem, PA; a charge on February 15, 2008 in the amount \$79.95 at Steak and Ale Trevese, PA; two charges on March 27, 2008 in the amount \$296.50 each by United Airlines and two charges on April 18, 2008 in the amount \$181.72 each at Holiday Inn Louisville, KY. Local 10-88 maintained the monthly credit card statements with handwritten notations of the union purpose, but did not maintain original receipts and bills.

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.

Based on your assurance that Local 10-88 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Reporting Violation

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 (Form LM-3) filed by Local 10-88 for fiscal year ending December 31, 2008, was deficient in that:

Failure to File Bylaws

The audit disclosed a violation of LMRDA Section 201(a), which requires that a union submit a copy of its revised constitution and bylaws with its LM report when it makes changes to its constitution or bylaws. Local 10-88 amended its constitution and bylaws in 2008, but did not file a copy with its LM report for that year.

Local 10-88 has now filed a copy of its constitution and bylaws.

Other Issue

Names on Financial Accounts

The audit revealed that Local 10-88 maintains a checking account at Wachovia Bank, a savings account at Rohm and Hass Federal Credit Union and two investment accounts at Oppenheimer under the name Aluminum, Brick and Glass Workers Local 88, the former affiliation of the local. OLMS recommends that Local 10-88 change the financial accounts to the correct name of the labor organization: United Steelworkers of America Local 10-88. The correct name of the union on all financial account will ensure bonding coverage and proper accounting of union assets.

I want to extend my personal appreciation to United Steelworkers of America Local 10-88 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: Rick Lopes, Treasurer