

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Kansas City Resident Investigative Office
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June 15, 2006

Mr. Billy Newlon, Financial Secretary
Steelworkers AFL-CIO
Local 11-6257-S
7185 W. Highway 30
Ames, Nebraska 68621-2148

Re: Case Number: ~~XXXXXXXXXX~~

Dear Mr. Newlon:

This office has recently completed an audit of Steelworkers Local 6257 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 Billy Newlon and George Pascoe on June 13, 2006, 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.

Title II of the LMRDA establishes certain reporting and recordkeeping requirements. Section 206 requires, among other things, that adequate records be maintained for at least 5 years by which each receipt and disbursement of funds, as well as all account balances, can be verified, explained, and clarified.

The CAP disclosed the local did not maintain backup documents for some disbursements made by the local during the audit period. In addition, the local's minutes were found to be lacking in specific authorization for disbursements. All financial matters should be taken before the membership with the subsequent action being recorded in the minutes.

As a general rule, all records used or received in the course of union business must be retained. This includes, in the case of disbursements, not only the retention of original bills, invoices, receipts, and vouchers, but also adequate additional documentation, if necessary, 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.

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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 note can be written on it providing the additional information. An exception may be made only in those cases where 1) other equally descriptive documentation has been maintained, and 2) there is evidence of actual oversight and control over disbursements.

The information at hand did not establish that the above were willfully committed and since you have agreed to take steps to correct these deficiencies, no further enforcement action is contemplated at this time.

As agreed, provided that Local 6257 maintains adequate documentation as discussed above, in the future no additional enforcement action will be taken regarding these violations.

I want to extend my personal appreciation to you for the cooperation and courtesy extended during this compliance audit. I 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