

U.S. Department of Labor

Office of Labor-Management Standards
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September 23, 2009

Ms. Angela Eshnaur, Financial Secretary
Steelworkers, AFL-CIO Local 1494
5600 Brentlinger Drive
Dayton, OH 45414

LM File Number: 511-260
Case Number: [REDACTED]

Dear Ms. Eshnaur:

This office has recently completed an audit of Steelworkers Local 1494 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 22, 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 1494's 2008 records revealed the following recordkeeping violations:

1. General Disbursements and Reimbursed Expenses

Local 1494 failed to maintain supporting documentation for eight checks totaling \$8,096.43 that were paid to various vendors during the audit period. In addition, the union failed to maintain sufficient supporting documentation to verify five payments to officers totaling \$915.04.

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 1494 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 Form LM-3 Labor Organization Annual Report filed by Local 1494 for its fiscal year ending December 31, 2008, was deficient in that it failed to report disbursements to officers:

1. Disbursements to Officers

Local 1494 did not report payments to officers totaling at least \$915.04 in Item 24 (All Officers and Disbursements to Officers) of the Form LM-3. It appears the union erroneously reported these payments in Item 54. The union must report most direct disbursements to Local 1494 officers and some indirect disbursements made on behalf of its officers in Item 24. A "direct disbursement" to an officer is a payment made to an officer in the form of cash, property, goods, services, or other things of value. See the instructions for Item 24 for a discussion of certain direct disbursements to officers that do not have to be reported in Item 24. An "indirect disbursement" to an officer is a payment to another party (including a credit card

company) for cash, property, goods, services, or other things of value received by or on behalf of an officer. However, indirect disbursements for temporary lodging (such as a union check issued to a hotel) or for transportation by a public carrier (such as an airline) for an officer traveling on union business should be reported in Item 48 (Office and Administrative Expense).

I am not requiring that Local 1494 file an amended LM report for 2008 to correct the deficient items, but Local 1494 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 1494 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: President Tim Bush