



June 16, 2010

Mr. Jack Thronson, President
Steelworkers, AFL-CIO Local 2660
P.O. Box 158
Keewatin, MN 55753

Case Number: [REDACTED]
LM Number: 017382

Dear Mr. Thronson:

This office has recently completed an audit of Steelworkers, AFL-CIO Local 2660 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, Financial Secretary Carl Jeranek, and Treasurer Rory Aimonetti on May 6, 2010, 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 2660's 2009 records revealed the following recordkeeping violations:

1. General Expenses

Local 2660 did not retain adequate documentation for union disbursements totaling at least \$606. For example, the local paid \$243.96 to the Double Tree Hotel for an officer's lodging to attend a union training seminar. However, Local 2660 did not retain a receipt to support the payment to the Double Tree Hotel.

As 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. Voided Checks

Local 2660 voided at least five checks that were not retained. Checks are legal instruments that, when used, create a transaction required to be reported on a Labor Organization Annual Report. OLMS requires that voided checks be retained to verify, clarify, and support the information reported by labor organizations on LM reports. Retention of a voided check is essential to verify that the check was not in fact issued and that a reportable transaction did not occur.

As agreed, provided that Local 2660 maintains adequate documentation as discussed above in the future, no additional enforcement action will be taken regarding these violations.

Other Issue

Signing Blank Checks

During the audit, you advised you occasionally sign blank checks. Your union's bylaws require that all checks be signed by the president, financial secretary, and treasurer. The three signature requirement is an effective internal control of union funds. Its purpose is to attest to the authenticity of a completed document already signed. However, signing a blank check in advance does not attest to the authenticity of a completed check, and negates the purpose of the three signature requirement. OLMS recommends that Local 2660 review these procedures to improve internal control of union funds.

I want to extend my personal appreciation to Steelworkers Local 2660 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: Mr. Carl Jeranek, Financial Secretary
Mr. Rory Aimonetti, Treasurer