

**U.S. Department of Labor**

Employment Standards Administration  
Office of Labor-Management Standards  
Boston District Office  
Room E365  
JFK Federal Building  
Boston, MA 02203  
(617) 624-6690 Fax:(617) 624-6606



July 6, 2010

Mr. Edmundo Matias  
United Steelworkers Local 4543  
3 Carol Drive  
Lincoln, R.I. 02865

LM File Number: 012-820

Case Number: [REDACTED]

Dear Mr. Matias:

This office has recently completed an audit of United Steekworkers Local 4543 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 exit interview with you on July 2, 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 United Steelworkers Local 4543's 2009 records revealed the following recordkeeping violations:

1. Meal Expenses

United Steelworkers Local 4543 did not retain adequate documentation for reimbursed meal expenses incurred by union officers and employees. While the receipts were attached to a voucher for an individual officer, the meal receipts either did not have the names and titles of all individuals partaking in the meals or only noted some of the participants and some receipts did not identify the name of the restaurant. Also, two meal receipts totaling \$10.12 had the date of service marked out making it unclear if the meal expenses were incurred during the union business claimed.

Union records of meal expenses must include written explanations of the union business conducted and the full names and titles of all persons who incurred the restaurant charges. Also, the records retained must identify the names of the restaurants where the officers or employees incurred meal expenses.

2. Lost Wage Vouchers

While Local 4543 maintained lost time and expense vouchers, some vouchers were not signed by the officers making the claim. Records must be maintained that identify the date, number of hours lost, rate of pay, and the specific union purpose for all lost wages. The member making the claim must sign the voucher.

Based on your assurance that United Steelworkers Local 4543 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

### Reporting Violations

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 LM-3 filed by United Steelworkers Local 4543 for fiscal year ending December 31, 2009, was deficient in the following areas:

#### 1. Disbursements To Officers

Local 4543 did not report reimbursements to officers totaling at least \$3,173.76 in Item 24 E (Allowances and Other Disbursements). It appears that the local erroneously reported these payments in Item 54 (Other).

The union must report most direct disbursements to Local 4543 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).

#### 2. Acquire/Dispose of Property

Item 13 (During the reporting period did your organization acquire or dispose of any assets in any manner other than by purchase or sale?) should have been answered, "Yes," because the union gave away T-Shirts and Bibles totaling \$1,838.47 during the year. The union must identify the type and value of any property received or given away in the additional information section of the LM

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report along with the identity of the recipient(s) or donor(s) of such property. The union does not have to itemize every recipient of such giveaways by name. The union can describe the recipients by broad categories if appropriate such as "members" or "new retirees."

I am not requiring that United Steelworkers Local 4543 file an amended report for 2009 to correct the deficient items, but the local has agreed to properly report the deficient items on all future report it files with OLMS.

I want to extend my personal appreciation to United Steelworkers Local 4543 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,

Mark Letizi  
District Director

cc: Mr. Brian Oliveira, Financial Secretary