

U.S. Department of Labor

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July 17, 2008

Mr. Robert Ekdahl, President
United Steelworkers AFL-CIO Local 482
1320 Mulberry Lane
Neenah, WI 54956

LM File Number: 034-156
Case Number: [REDACTED]

Dear Mr. Ekdahl:

This office has recently completed an audit of United Steelworkers Local 482 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 David Steiger, and Treasurer Michael Ertl on June 13, 2008, 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 482's 2007 records revealed the following recordkeeping violations:

1. General Reimbursed Expenses

Local 482 did not retain adequate documentation for reimbursed expenses incurred by member [REDACTED] totaling at least \$1,281.46. For example, [REDACTED] was reimbursed \$1,500 for the purchase of door prizes for the 2007 Dinner Dance. However, receipts have only been maintained for \$218.54 worth of door prizes purchased. Treasurer Ertl stated that the additional receipts were given away with the corresponding door prize at the Dinner Dance.

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.

2. Reimbursed Auto Expenses

Union officers and employees who received reimbursement for business use of their personal vehicles did not retain adequate documentation to support payments to them on at least 11 occasions during 2007. The locations traveled from have not been recorded in union records. Records which identify the dates of travel, locations traveled to and from, and number of miles driven must be maintained. The record must also show the business purpose of each use of a personal vehicle for business travel by an officer or employee who was reimbursed for mileage expenses.

3. Lack of Salary Authorization

Local 482 did not maintain records to verify that the salaries reported in Schedules 11 (All Officers and Disbursements to Officers) and 12 (Disbursements to Employees) of the LM-2 was the authorized amount and therefore was correctly reported. Your bylaws state that the salaries are to be adjusted yearly based upon the following formula: "The highest yearly general wage increase (% based) across the entire bargaining unit will be multiplied by the Presidents current salary and the same dollar amount will be applied to all officers salaries effective the

following January 1st." Documentation showing the wage increase between 2006 and 2007 has been maintained; however, authorization for prior increases has not been maintained. Local 482 must keep a record, such as meeting minutes, to show the current salary authorized by the entity or individual with the authority to establish salaries.

4. Meal Expenses

Local 482 records of meal/beverage expenses did not always include written explanations of union business conducted or the names and titles of the persons incurring the restaurant charges. For example, the local's retirees club meets throughout the year for bowling events. During these events, the retirees charge beverages to a running tab at the bowling alley. A quarterly invoice is sent to Local 482 from the bowling alley. The names of those who charge the beverages to the union have not been recorded in union records. Union records of meal/beverage expenses must include written explanations of the union business conducted and the full names and titles of all persons who incurred the charges. Also, the records retained must identify the names of the restaurants where the officers or employees incurred meal expenses.

Based on your assurance that Local 482 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 Form LM-2 filed by Local 482 for fiscal year ending December 31, 2007, was deficient in the following areas:

1. Acquire/Dispose of Property

Item 15 (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 a laptop computer to the outgoing financial secretary 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 report along with the identity of the recipient(s) or donor(s) of such property.

2. Disbursements to Officers and Employees

Local 482 did not include some reimbursements to officers and employees / payments to officers and employees totaling at least \$2,122.04 in Schedule 11 (All Officers and Disbursements to Officers) and Schedule 12 (Disbursements to Employees). For example, Treasurer Michael Ertl received a reimbursement of \$123.08 on January 24, 2007, for the purchase of office supplies, but \$0 was reported in Column F next to Mr. Ertl's name. It appears that the local erroneously reported these payments in Schedules 15 through 19.

Direct disbursements to officers and employees for reimbursement of expenses they incurred while conducting union business must be reported in Column F of Schedules 11 and 12 (Disbursements for Official Business). In addition, indirect disbursements made to another party (such as a credit card company) for business expenses union personnel incur must be reported in Column F of Schedules 11 and 12. However, indirect disbursements for business expenses union personnel incur for transportation by public carrier (such as an airline) and for temporary lodging expenses while traveling on union business must be reported in Schedules 15 through 19. Any direct or indirect disbursements to union personnel for expenses not necessary for conducting union business must be reported in Column G (Other Disbursements) of Schedules 11 and 12.

3. Reporting of Liabilities

Local 482 failed to report on Schedule 10 (Other Liabilities) the amount owed to officers and employees for "banked" time off. Treasurer Michael Ertl stated that when a member of Local 482 is on vacation or leave from the employer and is required to conduct official union business during that time, the local compensates the member by giving them time off from the employer in the future. The member can take time off from the employer in the future and be compensated by the local. The member can also cash in the hours that are banked.

Collectively, Local 482 owed members 384 hours of banked time at the beginning of the year, and 320 hours of banked time at the end of the year. The value of these hours must be reported in Schedule 10 of the LM-2 report.

Local 482 must file an amended Form LM-2 for fiscal year ending December 31, 2007, to correct the deficient items discussed above. I explained to you the filing procedures

and the availability of filing software on the OLMS website (www.olms.dol.gov). The amended Form LM-2 must be electronically filed as soon as possible, but not later than August 14, 2007. Before filing, review the report thoroughly to be sure it is complete and accurate, and properly signed with electronic signatures.

I want to extend my personal appreciation to United Steelworkers Local 482 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: Michael Ertl, Treasurer
David Steiger, Financial Secretary