

**U.S. Department of Labor**

Employment Standards Administration  
Office of Labor-Management Standards  
St. Louis District Office  
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January 19, 2010

Mr. Gary Spray, Financial Secretary  
Steelworkers AFL-CIO  
Local 50  
2601 Edwardsville Road  
Granite City, IL 62040

LM File Number 004-900  
Case Number: [REDACTED]

Dear Mr. Spray:

This office has recently completed an audit of Steelworkers Local 50 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 December 18, 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 50's 2008 records revealed the following recordkeeping violations:

1. General Reimbursed and Credit Card Expenses

Local 50 did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by union officers and employees totaling at least \$5,208.22. For example, US Airways for \$1,560.00; Enterprise Rent-A-Car for \$283.24; Bally's Las Vegas Hotel for \$408.75; Alleciant for \$550.50; Southwest Airlines for \$418.50; Embassy Suites for \$632.91; and Hilton Philadelphia Hotel for \$1,354.32.

As previously noted, 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. Receipt Dates not Recorded

Entries in Local 50's receipts journal reflect the date the union deposited money, but not the date money was received. Union receipts records must show the date of receipt. The date of receipt is required to verify, explain, or clarify amounts required to be reported in Statement B (Receipts and Disbursements) of the LM-3. The LM-3 instructions for Statement B state that the labor organization must record receipts when it actually receives money and disbursements when it actually pays out money. Failure to record the date money was received could result in the union reporting some receipts for a different year than when it actually received them.

Based on your assurance that Local 50 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Mr. Gary Spray  
January 19, 2010  
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I want to extend my personal appreciation to Steelworkers Local 50 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,

A solid black rectangular redaction box covering the signature of the investigator.

Investigator

cc: Jason Chism, President