

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
St. Louis District Office
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January 5, 2007

Mr. Russell Saltgaver, President
United Steelworkers of America AFL-CIO
Local 7-1899
2014 State Street
Granite City, IL 62040

Re: Case Number: [REDACTED]

Dear Mr. Saltgaver:

This office has recently completed an audit of Steelworkers Local 7-1899 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 Financial Secretary Walt Winters and yourself on December 5, 2006, 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.

Title II of the LMRDA establishes certain reporting and recordkeeping requirements. Section 206 under this title requires, among other things, that adequate records be maintained for at least 5 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 all records used or received in the course of union business must be retained. This includes, not only the retention of original bills, invoices, receipts, and vouchers, but also adequate additional documentation, if necessary, showing the nature of the union business requiring the disbursement, the goods or service received, and the identity of the recipient(s) of the goods and service.

The CAP disclosed several violations of LMRDA Section 206. During the CAP, it was discovered that Local 7-1899 failed to retain all back-up documentation for all receipts and disbursements. Specifically, the copies of Check Numbers [REDACTED] with attached payroll documentation, were not retained. Similarly, back-up documentation for a deposit of \$1,942.35 from Local 4063 on September 8, 2003 was missing supporting documentation. The copy of the check was not attached with the deposit slip. These

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are records that the local generally maintains during the normal course of union business and therefore are records that are required to be maintained under Section 206 of the LMRDA.

Additionally, the local is not retaining adequate documentation to verify cash receipts. The local receives cash on an occasion from the sales of t-shirts. To be in compliance with the LMRDA, the local must keep records to verify all income and disbursements no matter how small. As we discussed in the exit interview, one suggested method would have the local maintain a receipt book and issue receipts to the members that purchase the merchandise. The receipts should include the date the money was received, the identity or source of money, and the amount received. Additionally, a copy of the receipt should be retained for the local's records.

Local 7-1899 developed a detailed inventory of assets at the local's inception in 2003. However, the local has purchased additional assets since that time, but these assets have not been incorporated in the list. Accurate records must be maintained that account for all union property. The local should be sure to note not only any assets that have been acquired or purchased, but also assets that have been sold or given away.

Local officers are required to complete a lost time voucher when requesting payment for lost time. The voucher utilized by Local 7-1899 appropriately requires the date lost wages were incurred, the number of hours lost on each date, the applicable rate of pay and a description of the union business conducted. The voucher further requires the signature of the member claiming payment for lost time and the approving signature of the president. This voucher fulfills the requirements of the LMRDA. However, during the course of the audit, several vouchers were retained that did not have the required signatures. Please inform all officers to complete the vouchers fully. This signature requirement clarifies which officer or union member submitted the voucher, attests to the payment to be received, and indicates legitimate approval.

There is no evidence the above violations were willfully committed and due to this, at this time no action by this office will be pursued.

I want to extend my personal appreciation to Steelworkers Local 7-1899 for the cooperation and courtesy extended during this compliance audit. I strongly recommend that you make sure this letter and the compliance assistance materials

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provided to you are passed on to future officers. If we can provide any additional assistance, please do not hesitate to call.

Sincerely,

A thick black horizontal bar redacting the signature of the investigator.

Investigator