



June 14, 2010

Mr. Gabe Compton, Financial Secretary
Steelworkers LU 7252
PO Box 67
Pinckneyville, IL 62274

Case Number: [REDACTED]
LM Number: 065256

Dear Mr. Compton:

This office has recently completed an audit of Steelworkers LU 7252 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, President Zimmerman, and Treasurer Kurwicki on June 9, 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 7252's 2009 records revealed the following recordkeeping violations:

1. Lack of Adequate Backup Documentation for Disbursements

Local 7252 did not retain adequate documentation for disbursements totaling at least \$380. For example, the local paid \$40 per month for lawn mowing between May and November 2009. No backup documentation was retained for this recurring disbursement (ex. contract, bill, receipt).

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. Lack of Adequate Backup Documentation for Receipts

Membership dues are collected by check-off at Cooper B Line. Cooper B Line sends the dues check-off check to the Steelworkers International. The International direct deposits the local's portion of membership dues into the local's checking account. At the time of the direct deposit, the International mails a notification to the local indicating the date and amount of the direct deposit. Between January 1, 2009 and December 31, 2009, the local retained only one dues statement from the International.

Based on your assurance that Local 7252 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-3 filed by Local 7252 for the fiscal year ended December 31, 2009, was deficient in the following area:

Disbursements to Officers

Local 7252 did not properly report lost time payments to officers in Item 24 (All Officers and Disbursements to Officers) of the LM-3. All lost time payments were reported in Item 24, Column E. The LM-3 instructions indicate that lost time payments must be reported in Item 24, Column D.

Local 7252 did not report the name of former Recording Secretary Travis Atkins and the total amount of payments to him or on his behalf in Item 24 (All Officers and Disbursements to Officers). The union must report in Item 24 all persons who held office during the year, regardless of whether they received any payments from the union.

The union must report most direct disbursements to Local 7252 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).

I am not requiring that Local 7252 file an amended LM report for 2009 to correct the deficient items, but Local 7252 has agreed to properly report the deficient items on all future reports it files with OLMS.

However, during the audit of Local 7252's 2009 records, lost time and expense reimbursement records for fiscal year 2008 were also reviewed. It was discovered that the local did not properly report lost time payments and expense reimbursement to officers in Item 24 and to employees in Item 46 of the LM-3. Local 7252 must file an amended Form LM-3 for the fiscal year ended December 31, 2008 to correct the deficient items discussed above. I provided you with a blank form and instructions, and advised you that the reporting forms and instructions are available on the OLMS website (www.olms.dol.gov). The amended Form LM-3 should be submitted to this office at the above address as soon as possible, but not later than June 30, 2010. Before filing, review the report thoroughly to be sure it is complete, accurate, and signed properly with original signatures.

I want to extend my personal appreciation to Steelworkers LU 7252 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. Dennis Zimmerman, President
Mr. Ed Kurwicki, Treasurer