

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Kansas City Resident Investigative Office
2300 Main Street
Suite 1000
Kansas City, MO 64108
(816)502-0290 Fax:(816)502-0288



January 28, 2008

Ms. Caryn Baker, Treasurer
Steelworkers AFL-CIO
Local 760
11401 N. Congress Avenue
Kansas City, MO 64153

LM File Number 541-365
Case Number: [REDACTED]

Dear Ms. Baker:

This office has recently completed an audit of Steelworkers Local 760 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 and Robert Moore on January 24, 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.

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 Local 760 for fiscal year ending December 31, 2006, was deficient in the following areas:

1. Cash Reconciliation

It appears that the cash figures reported in Item 25A are not the cash figures according to the union's books after reconciliation to the bank statements. The beginning cash figures reported in Item 25A were erroneously taken from Item 31b (Total Assets) of Local 760's 2005 LM report. The instructions for Item 25 state that the union should obtain account balances from its books as reconciled to the balances shown on bank statements.

2. Local 760 did not include dues receipt checks totaling \$5,714 in the amounts reported in Item 38 (Dues). The checks were for November 2005 dues, but were received in January 2006. Receipts must be reported in the year they are received. As a result of not including these checks, Item 44 (Total Receipts) was underreported. In order for the LM report to reconcile, Local 760 made a corresponding adjustment to the disbursements figure. All reported figures are required to come from the union's books after reconciliation to the bank statements.

I am not requiring that Local 760 file an amended LM report for 2006 to correct the deficient items, but Local 760 has agreed to properly report the deficient items on all future reports it files with OLMS.

Other Violations

The audit also disclosed that the local was not adequately bonded, as required by LMRDA Section 502 (Bonding), which requires that union officers and employees be bonded for no less than 10 percent of the total funds those individuals or their predecessors handled during the preceding fiscal year.

Local 760's officers and employees are currently bonded for \$22,500, but they should be bonded for at least \$28,608. Local 760 should obtain adequate bonding coverage for its officers and employees immediately. Please provide proof of bonding coverage to this office as soon as possible, but not later than February 18, 2008.

I want to extend my personal appreciation to Steelworkers Local 760 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.

Ms. Caryn Baker
January 28, 2008
Page 3 of 3

Sincerely,



Investigator

cc: Alan Hahn, President