

U.S. Department of Labor

Office of Labor-Management Standards
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January 26, 2010

Mrs. Norma Yarbrough, Financial Secretary
Steelworkers AFL-CIO
Local 771
321 East Woodlawn Ave
Brighton, TN 38011

LM File Number 071-207
Case Number: [REDACTED]

Dear Mrs. Yarbrough:

This office has recently completed an audit of USW Local 771 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 President David Dortch on January 21, 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.

The CAP disclosed the following findings:

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 771's 2008 records revealed the following recordkeeping violations:

1. General Reimbursed Expenses

Local 771 did not retain adequate documentation for reimbursed expenses incurred by union officers and employees totaling at least \$240.00. For example, no receipts were provided for travel expenses that were incurred at the USW International Convention held in Las Vegas, NV on June 28-July 3, 2008.

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. Lost Wages

Local 771 did not retain adequate documentation for lost wage reimbursement payments to union officers and employees in 6 instances. The union must maintain records in support of lost wage claims that identify each 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 OLMS audit found that Local 771, did properly document and have records for all lost time paid except for the 6 instances aforementioned.

Based on your assurance that Local 771 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

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I want to extend my personal appreciation to USW Local 771 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: David Dortch, President