

**U.S. Department of Labor**

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August 25, 2009

Mr. Richard Leighty, Treasurer  
United Steelworkers  
LU 8-1003  
46 Everlasting Lane  
Morgantown, WV 26505

LM File Number 540-313  
Case Number: [REDACTED]

Dear Mr. Leighty:

This office has recently completed an audit of Steelworkers LU 8-1003 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 Vice President Phillip Keefover on July 31, 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 8-1003's 2008 records revealed the following recordkeeping violations:

1. General Reimbursed Expenses

Local 8-1003 did not retain adequate documentation for reimbursed expenses incurred by union officers and employees totaling at least \$2,459. For example, the union did not retain a voucher or receipts totaling \$128.56 for reimbursements to an officer for ink and software.

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. Failure to Maintain Deposit Slips

Local 8-1008 did not maintain the local's detailed deposit slips or the bank deposit slips. We discussed at the opening interview the importance of maintaining receipt records, including detailed deposit slips, sufficiently descriptive to verify individual receipts deposited into the union's bank account.

3. Lost Wages

Local 8-1003 did not retain adequate documentation for lost wage reimbursement payments to union officers and employees totaling at least \$1,675. 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 8-1003 vouchers were not completed in all cases. The vouchers that were retained were often not complete. For example: officers did not identify on the lost

wage vouchers the union business conducted. In some instances, there are no vouchers at all.

During the exit interview, we discussed the local's voucher and the proper way to complete them.

#### 4. Meeting Minutes

Meeting minutes were not retained by Local 8-1003. We discussed that the minutes are union property. The recording secretary must relinquish the minutes to another officer if he or she leaves office. This was not done when Trent Speicher left office.

Based on your assurance that Local 8-1003 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 LM-3 filed by Local 8-1003 for fiscal year ending December 31, 2008, was deficient in the following area:

#### 1. Disbursements to Officers

Local 8-1003 did not include some reimbursements to officers totaling at least \$3,745 in the amounts reported Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments in Item 54 - other disbursements.

The union must report most direct disbursements to Local 8-1003 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).

2. Per Capita Tax

Since the international retains the local's portion of per capita taxes before it submits dues to the local; report in Item 47 - per capita tax, only the portion the international submits to other organizations on your behalf. It appears that some reimbursed expenses may have been incorrectly recorded.

3. Professional Fees

Local 8-1003 improperly recorded expenses in Item 49 - professional fees. The union incorrectly reported room rental for meetings, elections, and printing costs which should have been recorded in Item 48 - office and administrative expenses. Additionally educational classes are to be recorded in Item 54 - other disbursements. Professional fees are only to include items such as legal fees and arbitration expenses.

I am not requiring that Local 8-1003 file an amended LM report for 2008 to correct the deficient items, but Local 8-1003 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to Steelworkers LU 8-1003 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: President Larry Moore  
Vice President Phillip Keefover