



September 7, 2010

Ms. Melissa Taylor, Financial Secretary
Steelworkers Local 8645
2020 Brighton Ave.
East Liverpool, OH 43920

Case Number: [REDACTED]
LM Number: 511277

Dear Ms. Taylor:

This office has recently completed an audit of Steelworkers Local 8645 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 on May 6, 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 8645 2008's records revealed the following recordkeeping violations:

1. In 2008, Local 8645 did not maintain meeting minutes per Article V Section 3 of the USW's "By-Laws for Local Unions".
2. Local 8645 did not retain records tracking the disposition of Walmart Gift cards valued at \$950 that were purchase with union funds and given away at Christmas gifts.

Based on your assurance that Local 8645 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. At the time of this audit, Steelworkers Local 8645 had not filed a Labor Organization Annual Report (Form LM-3) for fiscal year ending December 31, 2008 and December 31, 2009.

Local 8645 has recently filed its LM-3 reports for fiscal years 2008 and 2009. A labor organization is required to file its annual financial report within 90 days after the end of its fiscal year.

I want to extend my personal appreciation to Steelworkers Local 8645 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. Ronald McLevey, President