



January 10, 2024

Mr. Timothy Newburn, Treasurer
United Steelworkers (USW) Local 09-1421
108 N. Old Craft Highway
Chickasaw, AL 36611-0484

Case Number: 420-6027621()
LM Number: 049189

Dear Mr. Newburn:

This office has recently completed an audit of USW Local 09-1421 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 Gardner on January 11, 2024, 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 09-1421's 2022 records revealed the following recordkeeping violations:

1. Meal Expenses

Local 09-1421 did not require officers and employees to submit itemized receipts for meal expenses totaling at least \$3,796.50. Vice Chair Elton Davidson is missing meal receipts totaling \$1,043. Vice Chair Christopher Burt is missing meal receipts totaling \$864. Vice Chair Kendall

Reed is missing meal receipts totaling \$396.50. Recording Secretary Joseph Taylor is missing meal receipts totaling \$396.50. Trustee Doug Boling is missing meal receipts totaling \$325.50. Trustee Steven Davis is missing meal receipts totaling \$374.50. Woman of Steel Shirley Lofton is missing meal receipts totaling \$396.50. The union must maintain itemized receipts provided by restaurants to officers and employees. These itemized receipts are necessary to determine if such disbursements are for union business purposes and to sufficiently fulfill the recordkeeping requirement of LMRDA Section 206.

Based on your assurance that Local 09-1421 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

2. Lost Wages

Local 09-1421 did not retain adequate documentation for lost wage reimbursement payments to union officers totaling at least \$2,097.90. Financial Secretary Robert Lindsey is missing lost time vouchers totaling \$616.14, and Vice Chair Christopher Burt is missing lost time vouchers totaling \$1,481.76. 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 09-1421, had recorded lost time on their 431 Form, but were missing vouchers for Lindsey and Burt.

During the exit interview, I provided a compliance tip sheet, *Union Lost Time Payments*, that contained a sample of an expense voucher Local 09-1421 may use to satisfy this requirement. The sample identifies the type of information and documentation that the local must maintain for lost wages and other officer expenses.

3. Expense Vouchers

Local 09-1421 did not retain adequate documentation for expenses to union officers totaling at least \$571.43. Treasurer Timothy Newburn is missing one expense voucher totaling \$12. President David Gardner is missing one expense voucher totaling \$62.50. Vice President Rodney Byrd is missing one expense voucher totaling \$447.85. Recording Secretary Joseph Taylor is missing one expense voucher totaling \$36.57. Trustee Doug Boling is missing one expense voucher totaling \$12.51. The union must maintain records and receipts in support of expenses purchased by union officers.

Other Issues

Checks

There are two checks numbered [REDACTED] that are made out to Treasurer Timothy Newburn. The first one totals \$36.10 and is dated May 25, 2022. The second one totals \$1,649.58 and is dated September 6, 2022. Local 09-1421 must ensure that checks are not numbered the same.

I want to extend my personal appreciation to USW Local 09-1421 for the cooperation and courtesy extended during this compliance audit. I strongly recommend that you make sure this

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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,

[REDACTED]

Investigator

cc: Mr. David Gardner, President