



March 5, 2024

Mr. Meekie Moseley, President
Steelworkers Local 13-243
2490 South 11th Street
Beaumont, TX 77701

Case Number: 420-6027603()
LM Number: 020978

Dear Mr. Moseley:

This office has recently completed an audit of Steelworkers Local 13-243 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, Secretary-Treasurer Andre Francis, and Office Manager Brandie Oranday on March 7, 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 13-243's 2022 records revealed the following recordkeeping violations:

- 1) All disbursements do not contain adequate supporting documentation

Local 13-243 did not always retain adequate supporting documentation for expenses reimbursed to officers totaling at least \$3,400, as the expense vouchers did not indicate union business purpose. Other expenses incurred by Local 13-243, such as gift cards purchased for Chili Cookoff and holiday appreciation gifts, totaling at least \$1,100, did

not contain sufficient supporting documentation with a written explanation of the names and titles of the recipients of these items.

Labor organizations must retain original itemized 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.

The OLMS Compliance Tip, *Authorization and Documentation of Expenditures*, will provide further guidance on this matter.

2) Meal Expenses

Local 13-243 did not always maintain itemized receipts for meal expenses or receipts did not contain the names and titles of the persons incurring the meal charges totaling at least \$2,400. Union records of meal expenses must include itemized receipts, written explanations of the union business conducted, and the full names and titles of all persons who incurred the restaurant charges. Also, the records retained must identify the names of the restaurants where the officers or employees incurred meal expenses.

The OLMS Compliance Tips, *Reimbursed Travel Expense Payments, and Union Credit Card Policy*, will provide further guidance on this matter.

3) Lost Time

Local 13-243 did not always retain adequate documentation for lost wage reimbursement payments to union officers and employees. 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 13-243 retained lost wages expense vouchers that contained the pay period lost time was claimed; however, the vouchers did not always contain sufficient detail regarding the specific date(s) lost time was claimed.

The OLMS Compliance Tip, *Union Lost Time Payments*, contains a sample of an expense voucher that Local 13-243 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.

4) Receipt Dates Not Recorded

Local 13-243's bank statements and bank deposit records reflect the date the union deposited money, but receipts documentation did not always contain sufficient detail to identify the date money was received, source of receipt, and amount totaling at least \$1,200. Union receipts records must show the date of receipt. The date of receipt is

required to verify, explain, or clarify amounts required to be reported on the LM-2 Report.

The OLMS Compliance Tip, *Recordkeeping for and Reporting of Receipts*, will provide further guidance on this matter.

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 Form LM-2 filed by Local 13-243 for the fiscal year ended December 31, 2022, was deficient in the following areas:

Failure to File Bylaws

The audit disclosed a violation of LMRDA Section 201(a), which requires that a union submit a copy of its revised constitution and bylaws with its LM report when changes are made to the constitution or bylaws. Local 13-243 amended its constitution and bylaws in October 2020, but did not file a copy with the LM report for that year.

As agreed, Local 13-243 will file a copy of its current constitution and bylaws with OLMS as soon as possible, but not later than March 14, 2024.

Based on your assurance that Local 13-243 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations

I want to extend my personal appreciation to Steelworkers Local 13-243 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,



Senior Investigator

cc: Andre Francis, Secretary-Treasurer
Brandie Oranday, Office Manager