

**U.S. Department of Labor**

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April 23, 2007

Mr. Richard Lewis, Financial Secretary  
Steelworkers, AFL-CIO  
LU 40  
712 Buffington Street  
Huntington, WV 26703-2111

LM File Number 028-279

Case Number: [REDACTED]

Dear Mr. Lewis:

This office has recently completed an audit of Steelworkers Local 40 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 Richard Lewis on April 19, 2007, 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.

Title II of the LMRDA establishes certain reporting and recordkeeping requirements. Section 206 requires, among other things, that adequate records be maintained for at least 5 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, all records used or received in the course of union business must be retained. This includes, in the case of disbursements, not only the retention of original bills, invoices, receipts, and vouchers, but also adequate additional documentation, if necessary, 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 note can be written on it providing the additional information. An exception may be made only in those cases where 1) other equally descriptive documentation has been maintained, and 2) there is evidence of actual oversight and control over disbursements.

In the case of receipts, the date, amount, purpose, and source of all money received by the union must be recorded in at least one union record. Bank records must also be retained for all accounts.

The audit of Local 40's 2006 records revealed the following recordkeeping violations:

Union officers and employees failed to maintain adequate documentation for reimbursed expenses. The date, amount, and business purpose of every expense must be recorded on at least one union record. During 2007, officers failed to record on vouchers the union business conducted while incurring expenses for meals and mileage. You agreed to ensure that local personnel will list the union business conducted on vouchers in the future.

Union officers failed to record the purpose of some lost wage claims. Records must be maintained that identify the date, number of hours lost, rate of pay, and the specific union purpose for all lost wages. During the exit interview, we discussed the Local's practice of listing general union business (i.e. "Financial Secretary Duties") as the purpose on some lost time vouchers. You agreed to ensure that officers list the specific union business conducted on all vouchers when claiming lost wages in the future.

Local 40 failed to maintain rental agreements from the rental of space at the Local's property on Buffington Street. Union receipts records must include an adequate identification of each receipt of money. In the past, the local discarded rental agreements after payment was received. You and your staff agreed to maintain these records in the future.

As agreed, provided that Local 40 maintains adequate documentation as discussed above in the future, no additional enforcement action will be taken regarding these violations.

I want to extend my personal appreciation to Steelworkers Local 40 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.

Mr. Richard Lewis  
April 23, 2007  
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Sincerely,

[REDACTED]

Investigator

cc: Greg Kingery, President