



September 3, 2013

Ms. Rita Paul, Financial Secretary
Steelworkers Local 525
320 W. Pearl Street
Suite B
Batesville, IN 47006

Case Number: 350-02426 [REDACTED]
LM Number: 061037

Dear Ms. Paul:

This office has recently completed an audit of Steelworkers Local 525 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 August 22, 2013, 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 525's 2012 financial records revealed the following recordkeeping violations:

1. General Reimbursed Expenses

Local 525 did not retain adequate documentation for reimbursed expenses incurred by union officers and employees. The sampled expense vouchers totaling at least \$1,675.76

did not adequately document these expenses. For example, the payments for expenses to following officers were not adequately documented with supporting documentation: Kristen Stenger - \$100.00; Mike Moll - \$158.69; Rita Paul - \$396.30; Christine Watts - \$210.90; Krista Carlin - \$661.87; and Tommy Ison - \$148.00.

As 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. Lost Wages

Local 525 did not retain adequate documentation for lost wage reimbursement payments to union officers and employees totaling at least \$1,664.62. 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 525, did not have a description of the union business conducted for lost wage payments made to the following officers totaling: Gary Nixon - \$153.92; Clint Goins - \$75.48; Tommy Ison - \$612.33; and to Art Piepmeyer - \$822.89.

3. Failure to Record Receipts

Local 525 did not record in its receipts records deposits for the vending account, strike fund, and interest earned on certificates of deposit and savings accounts. Union receipts records must include an adequate identification of all money the union receives. The records should show the date and amount received, and the source of the money.

4. Information not Recorded in Meeting Minutes

During the audit, Ms. Paul advised OLMS that the membership authorized financial expenditures at monthly executive board meetings. Article V, Section 3 (a) of the Local Bylaws requires that; The Recording Secretary shall record the proceedings of the Local Union in a book kept for that purpose. However, no Executive Board meeting minutes were recorded during the audit year. Minutes of all membership or executive board meetings must report any disbursement authorizations made at those meetings.

Based on your assurance that Local 525 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 525 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. Tommy Ison, President
Ms. Krista Carlin, Treasurer