

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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July 14, 2006

Mr. Robert Jackson, Financial Secretary
Steelworkers AFL-CIO
Local 959-L
280 McCloskey Road
Fayetteville, NC 28311

Re: Case Number: _____

Dear Mr. Jackson:

This office has recently completed an audit of Steelworkers Local 959-L 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, Darrell Jackson, Irma Morgan, Daniel Guthrie, and Mike Price on June 22, 2006, 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.

The CAP disclosed the following:

Title II of the LMRDA establishes certain reporting and record keeping requirements. Section 206 requires, among other things, that adequate records be maintained 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, 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 recipients of the goods or services.

The following record keeping violations were revealed during the audit of Local 959-L's 2005 records: Adequate documentation was not retained for documentation of the sale of T-shirts, a 50-50 raffle that the union held, some expenditures related to the union's annual picnic, and a charitable contribution to the local VA hospital.

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The CAP also disclosed a violation of LMRDA section 201(b), because the Labor Organization Annual Report (Form LM-2) filed by Local 959-L for fiscal year ending December 31, 2005 was deficient in that the union's seven Executive Board Members were not included in Schedule 11 with the total amount of payments to or for them. The names of all persons who held union office during the year must be reported in Schedule 11 regardless of whether or not they received any payments from the union. All individuals who are members of the union's executive board are, by definition, officers of the union.

I want to extend my personal appreciation to Steelworkers Local 959-L 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, and that you read this letter at your next membership meeting. If we can provide any additional assistance, please do not hesitate to call.

Sincerely,

Investigator