



July 31, 2013

Mr. Richard Roth, Treasurer
Communication Workers, AFL-CIO
Local Union 81323
P.O. Box 23624
Rochester, NY 14692

Case Number: 120-09289 [REDACTED]
LM Number: 029-525

Dear Mr. Roth:

This office has recently completed an audit of Communication Workers (CWA) Local 81323 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 President Robert Schreiner, Shop Chairman Jennifer Narrod, and you on July 30, 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 81323's 2012 records revealed the following recordkeeping violations:

1. Reimbursed Meal Expenses

Local 81323 did not require officers and employees to submit itemized receipts for meal expenses totaling at least \$364. 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.

In addition, records of meal expenses did not always include a written explanation of union business conducted or the names and titles of the persons incurring the restaurant charges. Union records of meal expenses must include 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.

2. Lost Wages

Local 81323 did not retain adequate documentation for lost wage reimbursement payments to union officers and employees on a few occasions throughout the period. 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 81323 retained a voucher for the wages lost, however did not always include the union business conducted. In addition, for some claims, the date of the loss was not apparently clear.

During the exit interview, I explained the type of information and documentation that the local must maintain for lost wages and other officer expenses.

Based on your assurance that Local 81323 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Reporting Violation

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-3) filed by Local 81323 for the fiscal year ended September 30, 2012, was deficient in the following area:

Disbursements to Employees

CWA Local 81323 did not include some payments to employees totaling at least \$1,500 in the amounts reported in Item 46 (Disbursements to Employees). These payments were expenses for stewards and other miscellaneous expenses for travel provided to such individuals who are not officers of the local union. It appears the union erroneously reported these payments elsewhere on the form.

In Item 46, enter the total of all salaries, travel advances, which are not considered loans, and other direct and indirect disbursements (less deductions) to employees of the organization. Include disbursements to individuals other than officers even if your organization does not consider them to be employees.

I am not requiring that Local 81323 file an amended LM report for 2012 to correct the deficient item, but Local 81323 has agreed to properly report the deficient item on all future reports it files with OLMS.

I want to extend my personal appreciation to CWA Local 81323 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. Robert Schreiner, President
Ms. Jennifer Narrod, Shop Chairman