



March 31, 2023

Ms. Claudia Gall, Acting Treasurer  
Communications Workers Local 34043  
1709 Spielbusch, Suite 105  
Toledo, OH 43604

Case Number: 350-6023593( )  
LM Number: 026-951

Dear Ms. Gall:

This office has recently completed an audit of Communications Workers Local 34043 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 Acting President Ron Seibel, and [REDACTED], CPA, CFE on January 17, 2023, 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 34043's 2021 records revealed the following recordkeeping violations:

1. General Reimbursed and Other Disbursements Documentation

Local 34043 did not retain adequate supporting documentation for expenses incurred of at least \$3,156.51. For example, tax remittance confirmations, an AT&T invoice, and invoices for accounting services were not available for review.

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. Information not Recorded in Meeting Minutes

The local's meeting minutes are vague with regards to the financial activities of the local. Specifically, there was no information concerning an agreement between former President [REDACTED] and a union computer he was allowed to keep in lieu of funds due to him. No mention of discussions or the approval was included in the minutes. Minutes of all membership and executive board meetings must report any disbursement authorizations at those meetings.

Based on your assurance that Local 34043 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

### 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-3 filed by Local 34043 for the fiscal year ended December 31, 2021, was deficient in in the following areas:

1. Acquire/Dispose of Property

Item 13 (During the reporting period did your organization acquire or dispose of any assets in any manner other than by purchase or sale?) should have been answered, "Yes," because the union gave away t-shirts at a Labor Day parade totaling more than \$430.82 during the year. The union must identify the type and value of any property received or given away in the additional information section of the LM report along with the identity of the recipient(s) or donor(s) of such property. The union does not have to itemize every recipient of such giveaways by name. The union can describe the recipients by broad categories if appropriate such as "members" or "new retirees." In addition, the union must report the cost, book value, and trade-in allowance for assets that it traded in.

2. Disbursements to Officers

Local 34043 did not report the names of some officers and the total amounts of payments to them or on their behalf in Item 24 (All Officers and Disbursements to Officers). The union must report in Item 24 all persons who held office during the year, regardless of whether they received any payments from the union.

The union must report most direct disbursements to Local 34043 officers and some indirect disbursements made on behalf of its officers in Item 24. A “direct disbursement” to an officer is a payment made to an officer in the form of cash, property, goods, services, or other things of value. See the instructions for Item 24 for a discussion of certain direct disbursements to officers that do not have to be reported in Item 24. An “indirect disbursement” to an officer is a payment to another party (including a credit card company) for cash, property, goods, services, or other things of value received by or on behalf of an officer. However, indirect disbursements for temporary lodging (such as a union check issued to a hotel) or for transportation by a public carrier (such as an airline) for an officer traveling on union business should be reported in Item 48 (Office and Administrative Expense).

I am not requiring that Local 34043 file an amended LM report for 2021 to correct the deficient items, but Local 34043 has agreed to properly report the deficient items on all future reports it files with OLMS. Local 34043 has also agreed to file all future reports electronically.

#### Other Issue

#### Check Signatures

During the OIQ, the local advised that two signatures are required on disbursement checks. The audit revealed checks that were handwritten by former Treasurer George Simcox only included one signature.

The two-signature requirement is an effective internal control of union funds because its purpose is to attest to the authenticity of a completed document. OLMS recommends that Local 34043 review these procedures to improve internal control of union funds.

I want to extend my personal appreciation to Communications Workers Local 34043 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