U.S. Department of Labor

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June 4, 2007

Ms. Kelly Hall, Secretary-Treasurer
Communications Workers, AFL-CIO, Local 13302
11 Parkway Center, Suite 230
Pittsburgh, PA 15220

LM File Number 541-983
Case Number: [redacted]

Dear Ms. Hall:

This office has recently completed an audit of Communications Workers Local 13302 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, President Jim Drummond and Executive Vice President Christine Fox on May 30, 2007, the following problems were disclosed during the audit. The matters listed below are not an exhaustive list of all possible problem areas since the audit conducted was limited in scope.

Record Keeping 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 13302's 2006 records revealed the following recordkeeping violations:

General Reimbursed and Credit Card Expenses

Local 13302 did not retain adequate documentation for reimbursed expenses and credit card expenses. The Local did not maintain adequate documentation of reimbursed expenses incurred by President Drummond totaling at least $329.49. For example, a personal credit card receipt was submited to the union in leiu of a hotel receipt. The hotel receipt must be obtained from the hotel and maintained as back up documentation. Executive Vice President Fox did not retain adequate documentation for reimbursed expenses incurred totalling at least $536.04. For example, she also did not maintain a hotel receipt, and instead, provided her personal credit card statement. There were also at least 11 missing credit card documents for President Drummond and Executive Vice President Fox totaling $1,408.51. For example, the point of purchase receipts must be saved at the time of the payment with the union's credit card.

As previously 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.

Based on your assurance that Local 13302 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Other Issues

Signing Blank Checks

During the audit, you advised that officers sometimes sign blank checks. Your union's constitution and bylaws require that all checks be signed by the two of the three executive board officers. The two signature requirement is an effective internal control of union funds. Its purpose is to attest to the authenticity of a completed document already signed. However, signing a blank check in advance does not attest to the authenticity of a completed check, and negates the purpose of the two signature requirement. OLMS recommends that Local 13302 review these procedures to improve internal control of union funds.

I want to extend my personal appreciation to CWA Local 13302 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,

[redacted]
Investigator