U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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March 19, 2007

Mr. Bryon Capper, President
Communications Workers of America
Local 4217
110 N. High Street, Suite 7
Belleville, IL 62220

Re: Case Number: [redacted]

Dear Mr. Capper:

This office has recently completed an audit of CWA Local 4217 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 Secretary Treasurer Jennifer Morgan and you on February 20, 2007, 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.

Record Keeping Violations

Title II of the LMRDA establishes certain reporting and recordkeeping 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 recipient(s) of the goods or services.

The audit of CWA Local 4217 records for fiscal year ending September 30, 2006, revealed the following recordkeeping violations:

Union officers failed to maintain adequate documentation for reimbursed expenses paid by the local. Specifically, not all receipts for disbursements were retained. The local reimbursed officers for expenses purchased on personal credit cards. Copies of credit card bills were retained in the local's financial records, but not the original receipts. Unions that reimburse their officers for actual expenses incurred must retain receipts for all expenses in cases where receipts are readily obtainable. The receipt, together with any other record maintained, must indicate the date, amount, item(s) purchased, location and vendor name, and the business purpose of the expense.

The local utilizes a voucher when requesting payment for lost time or expenses. This voucher requires the approving signature of the president. During the course of the audit, several vouchers were retained that did not have the required signatures. Please inform all officers to complete the vouchers fully. This signature requirement attests to the payment to be received and indicates legitimate approval. These are records that the local generally maintains during the normal course of union business and should be consistently retained.

There is no evidence the above violations were willfully committed, and due to this, at this time no action by this office will be pursed.

Reporting Violations

The CAP disclosed a violation of LMRDA Section 201(b) because the Form LM-3 Labor Organization Annual Report for fiscal year ending September 30, 2006 was deficient in the following area:

Item 41 (Interest and Dividends) only reported the interest earned on the local's general fund account. The report fails to include the interest from the local's other accounts and the dividends earned off the certificate of deposit held by the local. This error made the local's total receipts $546 less than what was actually earned for the audit year.

I am not requiring that CWA Local 4217 file an amended LM report for fiscal year ending September 30, 2006 to correct the deficient item, but as agreed, this deficient item will be properly reported on future reports filed with this agency.

I want to extend my personal appreciation to CWA Local 4217 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

cc: Rich Warfield, CPA