

U.S. Department of Labor

Employment Standards Administration
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December 19,2008

Mr. Donald McConnell, President
Communications Workers AFL-CIO
LU 14827
2961 W Liberty Ave Ste. 220
Pittsburgh, PA 15216

LM File Number 003-000

Case Number: [REDACTED]

Dear Mr. McConnell:

This office has recently completed an audit of CWA LU 14827 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 on December 5,2008, 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 14827's 2008 records revealed the following recordkeeping violations:

1. General Reimbursed and Credit Card Expenses

Local 14827 did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by you totaling at least \$221. For example, two charges were made to Identitrust totaling \$140. Only one receipt for \$70 was retained. The credit card statement showed a charge made at the Hilton in Las Vegas for \$151.51, but the hotel receipt was not retained

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.

2. Meal Expenses

Local 14827 did not require officers and employees to submit itemized receipts for meal expenses totaling at least \$2,250. 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.

Local 14827 records of meal expenses did not always include written explanations 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.

Based on your assurance that Local 14827 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Other Issue

Use of Signature Stamp

During the audit, you advised that it is Local 14827's practice for the president and secretary/treasurer to sign all union checks. The union only permitted the signature stamps to be used by the signatories. However, 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, the use of a signature stamp for the signers does not attest to the authenticity of the completed check, and negates the purpose of the two signature requirement. OLMS recommends that Local 14827 review these procedures to improve internal control of union funds.

Local 14827 has refrained from using the signature stamps.

I want to extend my personal appreciation to CWA LU 14827 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: Pat O'Connor, Secretary/Treasurer