

**U.S. Department of Labor**

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May 20,2008

Ms. Sandra Kemp, President  
Communication Workers AFL-CIO  
Local 3404  
2101 North Highway 190  
Suite 202-204  
Covington, LA 70433

LM File Number 011-706  
Case Number: [REDACTED]

Dear Ms. Kemp:

This office has recently completed an audit of Communication Workers of America, Local 3404 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, Richard Mecom, and Frank Bivona on Friday, May 16,2008, the following problem was 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.

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 3404 for fiscal year ending September 30,2007, was deficient in the following areas:

1. Disbursements to Officers and Employees

Local 3404 failed to accurately report disbursements for officers and employees. Disbursements reported on the Form LM-3 Items 45 and 46 should be net amounts, not gross. Local 3404 failed to account for deductions in the reported

salary amount, therefore inflating the amount of disbursements to officers and employees. As stated in the LM-3 instructions for Item 45, the total reported on Line 11 of Item 24 should be entered. Line 11 of Item 24 represents net disbursements to officers. Similarly, the instructions for Item 46 indicate that disbursements to employees (less deductions for FICA, withheld taxes, etc.) should be entered.

2. Purchase of Fixed Assets

Local 3404 inaccurately reported the amount of fixed assets purchased during the audited fiscal year. As stated in the LM-3 instructions for Item 52, the total disbursements for investments and fixed assets purchased by your organization should be entered. Item 52 of the Form LM-3 should report only those assets actually purchased during the reporting period. Item 29, (Column B) should include the total of all fixed assets belonging to Local 3404 at the end of the reporting period.

I am not requiring that Local 3404 file an amended LM report for 2007 to correct the deficient items, but Local 3404 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to Communication Workers of America, Local 3404 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: Richard Mecom, Treasurer  
Frank Bivona, Vice-President