



June 14, 2010

Ms. Denise Brockett, Financial Secretary
CWA Local 4372
602 Chillicothe Street
Suite 417
Portsmouth, OH 45662

Case Number: [REDACTED]
LM Number: 013347

Dear Ms. Brockett:

This office has recently completed an audit of CWA Local 4372 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 June 4, 2010, 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 4372's 2009 records revealed the following recordkeeping violations:

1. Debit Card Expenses

Local 4372 did not retain adequate documentation for any of the debit card transactions incurred by Karl Akers, [REDACTED], and you totaling at approximately \$1,000.00, for union travel-related expenses.

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. Meal Expenses

Local 4372 did not require officers and employees to submit itemized receipts for meal expenses relating to the aforementioned debit card expenses. 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 4372's records of meal expenses did not 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.

3. Lack of Salary Authorization

Local 4372 did not maintain records to verify that the salaries reported in Item 24 (All Officer and Disbursements to Officers) of the LM-3 were the authorized amount and therefore correctly reported. The union must keep a record, such as meeting minutes, to show the current salary authorized by the entity or individual in the union with the authority to establish salaries.

Reporting Violations

The audit disclosed a violation of LMRDA Section 201 which requires labor organizations to file annual financial reports accurately disclosing their financial condition and operations within 90 days of the end of the local's fiscal year. The local was delinquent in filing the Form LM-3 for 2006, 2007, 2008, and 2009. For example, the local's 2009 report was due December 30, 2009, and to date, has not been received by this office. Based on your assurance that Local 4372 will file its 2009 LM-3 Report with this office by July 16, 2010, and timely file its Labor Organization Annual Report Forms in the future, OLMS will take no further enforcement action

at this time regarding the above violation.

I want to extend my personal appreciation to CWA Local 4372 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: Mr. Karl Akers, President