

U.S. Department of Labor

Office of Labor-Management Standards
Charlotte Remote Worksite
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March 25, 2010

Ms. Bonnie Overman, President
Communications Workers AFL-CIO
Local 3603
5108 Monroe Road
Charlotte, NC 28205-8000

LM File Number 033-060
Case Number: [REDACTED]

Dear Ms. Overman:

This office has recently completed an audit of CWA Local 3603 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 Treasurer Bruce Hiner and you on March 23, 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 3603's 2009 records revealed the following recordkeeping violations:

1. General Disbursements and Credit Card Charges

Local 3603 did not retain adequate documentation for general disbursements and credit card charges incurred by you totaling at least \$13,700. For example, the local failed to retain receipts for disbursements to the United States Postal Service for bulk mail and postage meter, receipts or thank you letters for donations to charitable organizations, and adequate documentation to verify a refund to CWA Local 3602.

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. Disposition of Property

Local 3603 did not maintain an inventory of t-shirts it purchased, sold, or gave away. The union must report the value of any union property on hand at the beginning and end of each year in Item 28 of the LM-2. The union must retain an inventory or similar record of property on hand to verify, clarify, and explain the information that must be reported in Item 28.

The union must record in at least one record the date and amount received from each sale of union hats, jackets and other items.

3. Failure to Record Receipts

Local 3603 did not record in its receipts records some interest earned on certificates of deposit, interest bearing checking accounts, and other savings accounts totaling at least \$3,600. For example, the local does not maintain a union record of interest earned on the scholarship fund, relief funds, defense funds, or building funds. Union receipts records must include an adequate identification of all money the union receives. The records should show the date and amount received, and the source of the money.

Based on your assurance that Local 3603 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

I want to extend my personal appreciation to CWA Local 3603 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,



Lead Investigator

cc: Treasurer Bruce Hiner