

U.S. Department of Labor

Office of Labor-Management Standards
Pittsburgh District Office
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October 29, 2010

Ms. Pauletta Brown, Treasurer
Communication Workers, AFL-CIO
Local Union 88611
Post Office Box 791
Indiana, PA 15701

Case Number: [REDACTED]
LM Number: 060481

Dear Ms. Brown:

This office has recently completed an audit of Communication Workers, AFL-CIO, Local Union 88611 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, Recording Secretary Betty Lias and President Wayne Detwiler on October 28, 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 Union 88611's 2009 records revealed the following recordkeeping violations:

1. General Reimbursed Expenses

Local Union 88611 did not retain adequate documentation for reimbursed expenses totaling at least \$819.33. For example, receipts and/or invoice records to support disbursements to Staples and Copier's Plus were not located in union records.

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. Lost Wages

Local Union 88611 did not retain adequate documentation for lost wage reimbursement payments to union officers totaling at least \$2,180.52. The union must maintain records in support of lost wage claims that identify each date lost wages were incurred, the number of hours lost on each date, the applicable rate of pay, and a description of the union business conducted. The OLMS audit found that Local Union 88611 does retain vouchers identifying each date when lost wages were incurred, the number of hours lost and the applicable rate of pay; however, these vouchers did not always identify the union business conducted.

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 Union 88611 for fiscal year ending September 30, 2009 was deficient in the following areas:

1. Listing of Officers

Local Union 88611 did not list all of their officers in Item 24 (All Officers and Disbursements to Officers). The union must report in Item 24 all persons who held office during the year, regardless of whether they received any payments from the union.

2. Location of Union Records

Local Union 88611 incorrectly reports the local union records are kept at the PO Box listed on the LM-3 Report. The records are actually maintained at the local union hall.

3. Failure to File Bylaws

Local Union 88611 amended its constitution and bylaws in 2008 but did not file copy with its LM report for that year. During the compliance audit, Local Union 88611 provided OLMS with a copy of its bylaws.

I am not requiring that Local Union 88611 file an amended LM report for 2009 to correct the deficient items, but Local Union 88611 has agreed to properly report the deficient items on all future reports it files with OLMS.

Other Violation

The audit disclosed the following other violation:

Inadequate Bonding

The audit revealed a violation of LMRDA Section 502 (Bonding), which requires that union officers and employees be bonded for no less than 10 percent of the total funds those individuals or their predecessors handled during the preceding fiscal year.

Local Union 88611 officers and employees are currently bonded for \$60,000.00, but they must be bonded for at least \$67,320.00. Local Union 88611 should obtain adequate bonding coverage for its officers and employees immediately. Please provide proof of bonding coverage to this office as soon as possible, but not later than November 25, 2010.

I want to extend my personal appreciation to Communication Workers, AFL-CIO, Local Union 88611 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. Wayne Detwiler, President
Mr. Kevin Schrecengost, CPA