



December 17, 2013

Mrs. Delphine Bowie, Secretary-Treasurer
Communications Workers AFL-CIO LU 6127
PO Box 60068
3809 S. County Rd 1285
Midland, TX 79711

Case Number: 420-4214189()
LM Number: 012193

Dear Mrs. Bowie:

This office has recently completed an audit of Communications Workers AFL-CIO LU 6127 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, President Josiah Garcia, and Executive Vice President Jeremy Garcia on September 26, 2013, 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.

Record Keeping Violation

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 6127's 2012 records revealed the following recordkeeping violation:

Lost Wages

Local 6127 did not retain adequate documentation for lost wage reimbursement payments to Josiah Garcia and Jeremy Garcia for all payments. Josiah Garcia received \$9,039.60 and Jeremy Garcia received \$3,409.72 in lost wage reimbursements. 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 6127 lost time vouchers for Josiah Garcia and Jeremy Garcia did not contain the dates, hours, or union business conducted.

During the exit interview, I provided a compliance tip sheet, *Union Lost Time Payments*, that contained a sample of an expense voucher Local 6127 may use to satisfy this requirement. The sample identifies the type of information and documentation that the local must maintain for lost wages and other officer expenses.

Based on your assurance that Local 6127 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

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 6127 for the fiscal year ended September 30, 2012, was deficient in the following areas:

1. Failure to File Bylaws

The audit disclosed a violation of LMRDA Section 201(a), which requires that a union submit a copy of its revised constitution and bylaws with its LM report when it makes changes to its constitution or bylaws. Local 6127 amended its constitution and bylaws in 2008, but did not file a copy with its LM report for that year.

Local 6127 has now filed a copy of its constitution and bylaws. Local 6127 has agreed to properly submit its revised bylaws when filing its future LM-3 reports with OLMS.

2. Disbursements to Officers (LM-3)

Local 6127 did not include some reimbursements to officers totaling at least \$543.95 in the amounts reported in Item 24 (All Officers and Disbursements to Officers). Delphine Bowie received \$450.94 and Josiah Garcia received \$93.01 in reimbursements. It appears the union erroneously reported these payments in Item 46 and 48.

Local 6127 did not report the names of some officers and the total amounts of payments to them or on their behalf 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.

Local 6127 did not include lost wage disbursements to all officers totaling at least \$23,589.82 in the amounts reported in Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments in Item 46 and 48.

The union must report most direct disbursements to Local 6127 officers and some indirect disbursements made on behalf of its officers in Item 24. A "direct disbursement" to an officer is a payment made to an officer in the form of cash, property, goods, services, or other things of value. See the instructions for Item 24 for a discussion of certain direct disbursements to officers that do not have to be reported in Item 24. An "indirect disbursement" to an officer is a payment to another party (including a credit card company) for cash, property, goods, services, or other things of value received by or on behalf of an officer. However, indirect disbursements for temporary lodging (such as a union check issued to a hotel) or for transportation by a public carrier (such as an airline) for an officer traveling on union business should be reported in Item 48 (Office and Administrative Expense).

3. Professional Fees

Local 6127 did not report fees paid for legal services provided by David Van Os & Associates and Allen Stroder in Item 49 totaling at least \$11,213.01. It appears the union erroneously reported these payments in Item 46 and 48.

Local 6127 must file an amended Form LM-3 for the fiscal year ended September 30, 2012, to correct the deficient items discussed above. I encourage Local 6127 to complete, sign, and file its report electronically using the Electronic Forms System (EFS) available at the OLMS website at www.olms.dol.gov. Reporting forms and instructions can be downloaded from the website, if you prefer not to file electronically. The amended Form LM-3 should be filed electronically no later than January 3, 2014 or submitted to this office at the above address by the same date. Before filing, review the report thoroughly to be sure it is complete and accurate. Paper reports must be signed with original signatures.

Other Issues

1. Signing Blank Checks

During the audit, you advised that President Josiah Garcia signs blank checks. Your union's bylaws require that all checks be signed by the president and treasurer. 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, signing a

blank check in advance does not attest to the authenticity of a completed check, and negates the purpose of the two signature requirement. OLMS recommends that Local 6127 review these procedures to improve internal control of union funds.

You stated that the union would discontinue the practice of signing blank checks.

2. Officer Salary

The officers have elected to not receive their approved salary in an effort to save the union money. The officers need to address their decision with the membership and agree to not request the back pay in the future. This decision needs to be documented in the membership meeting minutes.

I want to extend my personal appreciation to Communications Workers AFL-CIO LU 6127 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. Josiah Garcia, President
Mr. Jeremy Garcia, Executive Vice President
Mr. Charles Tunal, Vice President (Landline)