



August 28, 2014

Mr. Eric Geister, President  
Communications Workers Local 84436

Case Number: 320-3211850 ( )  
LM Number: 521570

Dear Mr. Geister:

This office has recently completed an audit of Communications Workers Local 84436 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 24, 2014, 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 84436's 2013 records revealed the following recordkeeping violations:

#### 1. General Fund Expense

Local 84436 did not retain adequate supporting documentation for check ( ) for \$1,150 that was issued to Meijer on December 2, 2013. The union's voucher and check register identified that the expense was for "activities." In support of this expense, Local 84436

only retained a union voucher and the canceled check. No other supporting documentation was retained for this expense, and the business purpose recorded on the voucher is insufficient because it does not adequately describe the union business conducted that required the expense to be incurred. During the audit, you advised that the expense was to purchase gift cards to be given away as door prizes at the local's holiday party.

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. Lost Wages

Local 84436 did not retain adequate documentation for lost wage reimbursement payments to union officers totaling at least \$2,400. 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 audit found that Local 84436 maintained vouchers and time cards for lost wage reimbursements that identified the date of the lost wages, the number of hours lost, and the rate of pay. However, in some instances officers did not identify the union business conducted or purpose for the lost wages on the time card or voucher.

During the exit interview, I provided a compliance tip sheet, *Union Lost Time Payments* that contained a sample of an expense voucher Local 84436 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 84436 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 Communications Workers Local 84436 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. Scott Osolinski, Treasurer