



March 14, 2014

Ms. Tace Popp, Division Secretary Treasurer
Communication Workers of America, Local Union 13500
Central Division
456 Hamilton Street, Suite 400
Allentown, PA 18101

Case Number: 140-6000593
LM Number: 061197

Dear Ms. Popp:

This office has recently completed an audit of Communication Workers of America, Local Union 13500, Central Division, 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, Executive President Sandra Kmetyk and Executive Secretary-Treasurer Theresa Senich on March 12, 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 Union 13500 Central Division's records for 2013 revealed the following recordkeeping violations:

1. Lost Wages

Local Union 13500 Central Division did not retain adequate documentation for lost wage reimbursement payments to union officers. 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 although Local Union 13500 Central Division was maintaining vouchers that identified each date lost wages were incurred, the number of hours lost on each date and the applicable rate of pay, the union was not consistently providing an adequate description of the union business conducted.

During the exit interview, I provided a compliance tip sheet, *Union Lost Time Payments*, which contained a sample of an expense voucher Local Union 13500 Central Division 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.

2. Lack of Salary Authorization

Local Union 13500 Central Division did not maintain records to verify that the salaries reported in Item 24 (All Officer and Disbursements to Officers) of the LM-3 was the authorized amount and therefore was 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. During the exit interview, you reported this issue would be addressed at your next membership meeting.

Reporting Violations

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 and bylaws. Local Union 13500 Central Division was deficient in the following area:

Failure to File Bylaws

Local Union 13500 Central Division amended its constitution and bylaws in October 2006 but did not file a copy with its LM report for that year. Local Union 13500 Central Division provided a copy of their constitution and bylaws to OLMS during the compliance audit.

I want to extend my personal appreciation to Communication Workers of America, Local Union 13500 Central Division 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,

[REDACTED]

Investigator

cc: Ms. Terri Senich, Executive Secretary Treasurer
Ms. Sandra Kmetyk, Executive President