



September 4, 2015

Case Number: 450-6002812()
LM Number: 013089

Mr. Robert Stevenson, President
Communications Workers of America
Local 14200
4626 Wisconsin Ave NW
Washington, DC 20006

Dear Mr. Stevenson:

This office has recently completed an audit of Communications Workers of America (CWA) Local 14200 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, Secretary-Treasurer William Ryan, Accountant James Rehill, and Administrative Assistant Diane Mohler on August 27, 2015, 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 14200's 2013 records revealed the following recordkeeping violations:

1. Failure to Record Receipts

Local 14200 did not record in its receipts records some employer dues checkoff checks. Local 14200 failed to maintain detailed records to show what deposits consisted of for both the general fund and building corporation. 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.

2. General Reimbursed and Credit Card Expenses

Local 14200 did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by local President Stevenson, Vice President Ryan, and Administrative Assistant Mohler totaling at least \$2,405.

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.

Based on your assurance that Local 14200 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-2 filed by Local 14200 for the fiscal year ended September 30, 2013, was deficient in that or deficient in the following areas:

1. Improper Reporting Dues and Per Capita Tax Payments

Local 14200 failed to properly report its receipts from membership dues by erroneously reporting dues in Items 46 (On Behalf of Affiliates for Transmittal to Them) and 47 (From Members for Disbursements on their Behalf). The union must report all dues received in Statement B, Item 36. Local 14200 also erroneously reported per capita tax payments to the parent body in Statement B, Item 63 (To Affiliates of Funds Collected on Their Behalf). The union must report per capital tax payments in Statement B, Item 56.

2. Failure to Properly Report the Building Corporation

Local 14200 failed to report assets, receipts, or disbursements for their building corporation on the LM-2 report for fiscal year ending September 30, 2013. The union is required to

report financial information for each of its subsidiary organizations (*i.e.* building corporations) using one of the following methods:

1. Consolidate the financial information for the subsidiary organization and the labor organization on a single Form LM-2.
2. File, with the labor organization's Form LM-2, the regular annual report of the financial condition and operations of the subsidiary organization, accompanied by a statement signed by an independent public accountant certifying that the financial report presents fairly the financial condition and operations of the subsidiary organization and was prepared in accordance with generally accepted accounting principles.

Financial information reported separately for subsidiary organizations under the second method must include the name of the subsidiary organization and the name and file number of the labor organization as shown on its Form LM-2. The financial report of the subsidiary organization must cover the same reporting period as that used by the reporting labor organization.

3. Disbursements to Officers and Employees

Local 14200 did not include payments to officers and employees totaling at least \$57,000 in Schedule 11 (All Officers and Disbursements to Officers) and Schedule 12 (Disbursements to Employees). It appears that the local erroneously reported these payments in Schedule 5 (Investments).

The union must report in Column F of Schedules 11 and 12 (Disbursements for Official Business) direct disbursements to officers and employees for reimbursement of expenses they incurred while conducting union business. In addition, the union must report in Column F of Schedules 11 and 12 indirect disbursements made to another party (such as a credit card company) for business expenses union personnel incur. However, the union must report in Schedules 15 through 19 indirect disbursements for business expenses union personnel incur for transportation by public carrier (such as an airline) and for temporary lodging expenses while traveling on union business. The union must report in Column G (Other Disbursements) of Schedules 11 and 12 any direct or indirect disbursements to union personnel for expenses not necessary for conducting union business.

Local 14200 must file an amended Form LM-2 for the fiscal year ended September 30, 2013 to correct the deficient items discussed above. The report must be filed electronically using the Electronic Forms System (EFS) available at the OLMS website at www.olms.dol.gov. The amended Form LM-2 must be filed as soon as possible, but not later than October 8, 2015. Before filing, review the report thoroughly to be sure it is complete and accurate.

I want to extend my personal appreciation to Communications Workers of America Local 14200 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. William Ryan, Secretary-Treasurer
Mr. James Rehill, Accountant
Ms. Diane Mohler, Administrative Assistant