

U.S. Department of Labor

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September 28, 2007

Mr. Frank McAleer, President
Communications Workers AFL-CIO
Local 14 199
101 Route 130 S.
Grant Building Suite 421
Cinnaminson, NJ 08077

LM File Number 007-991

Case Number: [REDACTED]

Dear Mr. McAleer:

This office has recently completed an audit of Communications Workers Local 14 199 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 September 27, 2007, 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 Violation

Title II of the LMRDA establishes certain reporting and recordkeeping requirements. Section 206 requires, among other things, that adequate records be maintained for at least 5 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 the retention of 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 14 199's 2006 records revealed the following recordkeeping violation.

General Reimbursed Expenses

Local 14 199 did not maintain adequate documentation for reimbursed expenses incurred by President Frank McAleer for travel. For example union records were not maintained to verify some of the toll receipts submitted by McAleer. In addition, reimbursements made to Office Administrator Donna Kelley and Secretary Traci Aikens were recorded as "office misc." in the disbursements journal without further detail.

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.

Based on your assurance that Local 14 199 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Reporting Violations

1. Disbursements to Officers

Local 14 199 did not report the total amounts of payments made to all officers or payments made on their behalf in Item 24 (All Officers and Disbursements to Officers). Specifically, payments made to the union's American Express card on behalf of former President [REDACTED] and yourself appear to have been reported in Item 48 (Office and Administrative Expenses). Additionally, reimbursements to officers for travel expenses including gas and tolls were not reported in Item 24.

The union must report most direct disbursements to Local 14 199 officers and some indirect disbursements made on behalf of its officers in Item 24. A "direct disbursement" to an officer is 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 a 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).

2. Rates of Dues and Fees

Item 23 (Dues and Fees) was blank on the Form LM-3 submitted for the audit year, fiscal year ending September 30, 2006. However, Item 38 of the same LM-3 report had dues receipts of \$155,420 reported. Item 23 (a) through (d) must be completed with the appropriate information or N/A (Not applicable).

3. Benefits

Local 14 199 did not report benefit disbursements made from its general fund on behalf of [REDACTED] and yourself in Item 50 as required. Specifically, payments of approximately \$8,344 made to the pension fund and annuity fund appear to have been reported in Item 54 (Other Disbursements).

4. Office and Administrative Expenses

Local 14 199 did not report \$9,913 in rent and utility disbursements in Item 48 (Office and Administrative Expense), as required. LM-3 instructions for Item 48 require that total disbursements for its ordinary office and administrative expenses, for example rent, utilities, office supplies, postage, subscriptions, fidelity bond premiums, etc., be entered. The aforementioned disbursements appear to have been reported in Item 54 (Other Disbursements).

I am not requiring that Local 14 199 file an amended Form LM-3 report for 2006 to correct the deficient items. Local 14 199 has agreed to properly report the deficient items on all future reports it files with OLMS.

5. 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 14 199 amended its bylaws July 2006 but did not file a copy with its LM report for that year.

During the audit you provided a copy of the July 2007 bylaws and gave your assurance that Local 14 199 would submit a copy of its bylaws with its LM report every time they are revised.

I want to extend my personal appreciation to Communications Workers Local 14 199 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: Financial Secretary Al Rodgers