

**U.S. Department of Labor**

Employment Standards Administration  
Office of Labor-Management Standards  
Cincinnati District Office  
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January 30, 2007

Mr. Dale Barrett, Financial Secretary  
IUE/CWA  
Local 84774  
10887 U.S. Highway 42  
Union, KY 41091

Re: Case Number: [REDACTED]

Dear Mr. Barrett:

This office has recently completed an audit of IUE/CWA Local 84774 under the Compliance Audit Program (CAP) to determine your organization's compliance with the provisions of the Labor-Management Reporting and Disclosure Act (LMRDA). As discussed during the exit interview with [REDACTED] and Dale Barrett on January 29, 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.

The CAP disclosed that the local failed to maintain certain records required under the LMRDA. Specifically, 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, all records used or received in the course of union business must be retained.

This includes, in the case of disbursements, not only the retention of original bills, invoices, receipts, and vouchers, but also adequate additional documentation, if necessary, 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 note can be written on it providing the additional information. An exception may be made only in those cases where 1) other equally descriptive documentation has been maintained, and 2) there is evidence of actual oversight and control over disbursements.

In the case of receipts, the date, amount, purpose, and source of all money received by the union must be recorded in at least one union record. Bank records must also be retained for all accounts.

The audit of Local 84774's 2006 records revealed the following recordkeeping violations: The local failed to maintain a complete receipt record detailing the date, amount, purpose, and source of all money received by the union during the audit period. The local also failed to maintain documentation of its fixed assets and bibles and watches given as gifts to members of the local. Although the local does not maintain an official membership record, employer checkoff lists are maintained as the local's membership records. Since your union agreed to maintain a complete set of the records described above, no further action is necessary at this time.

The CAP disclosed the following other violation(s):

The audit revealed a violation of LMRDA Section 502 (Bonding), which requires that union officers and employees be bonded for no less than 10 percent of the total funds handled by those individuals or their predecessors during the preceding fiscal year. Local 84774's officers and employees were currently bonded for \$10,000, but they must be bonded for at least \$15,000 based on monies handled in fiscal year 2006. Because adequate bonding coverage was obtained and documentation provided during the audit, no enforcement action will be taken.

We also discussed a violation of Title IV of the LMRDA in that your union failed to mail a notice of election to all members at their last known address during the local's last regularly scheduled election of officers. The local's next regularly scheduled election of officers is in 2 years. As discussed during the exit interview, the local agreed to publish the notice of election in the CWA monthly newsletter which is mailed to each member of the union.

I want to extend my personal appreciation to IUE/CWA Local 84774 for the cooperation and courtesy extended during this compliance audit. I strongly recommend that you pass on this letter and the compliance assistance materials

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provided to you to future officers. If we can provide any additional assistance, please do not hesitate to call.

Sincerely,



Supervisory Investigator