



March 31, 2020

Mr. Keith Edwards, President
Communications Workers Local 1105
1983 Marcus Avenue
Lake Success, NY 11042

Case Number: 130-6014945 [REDACTED]
LM Number: 516898

Dear Mr. Edwards:

This office has recently completed an audit of Communications Workers Local 1105 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 Secretary-Treasurer Robert Shannon and you on February 27, 2020, 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.

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 1105 for the fiscal year ended September 30, 2018, was deficient in that:

Local 1105 annotated on its FY2018 and FY2019 Labor Organization Annual Reports that the maximum amount recoverable under the labor organization's fidelity bond for a loss caused by any officer, employee or agent of the labor organization who handled union funds was for \$350,000. The audit revealed that the union had acceptable bonding coverage of \$280,000. However, Local 1105 incorrectly annotated the bond coverage amount of \$350,000 for the Pension Fund on the affected LM-2 reports.

Local 1105 must file an amended Form LM-2 for the fiscal years ended September 30, 2018 and September 30, 2019, to correct the deficient items discussed above. The reports 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 no later than April 30, 2020. Before filing, review the reports thoroughly to be sure they are complete and accurate.

Other Violations

The audit disclosed the following other violation(s):

During the audit, President Keith Edwards and Secretary-Treasurer Robert Shannon advised that it is Local 1105's practice for the officers to sign all union checks and to stamp the signature of the other officer if he is unavailable to sign on the union checks. Article XII of Local 1105's bylaws requires that the president and secretary-treasurer sign checks. The two-signature requirement is an effective internal control of union funds. Its purpose is to attest to the authenticity of a completed document already signed. However, the use of a signature stamp for the second signer does not attest to the authenticity of the completed check, and negates the purpose of the two-signature requirement. OLMS recommends that Local 1105 review these procedures to improve internal control of union funds.

I want to extend my personal appreciation to Communications Workers Local 1105 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,

A large black rectangular redaction box covering the signature of the investigator.

Investigator

cc: Mr. Robert Shannon, Secretary-Treasurer
Ms. Sara Steffens, CWA Secretary-Treasurer