



April 29, 2020

Mr. W.K. Meevatha, Secretary Treasurer
NABET-CWA Local 54047

Case Number: 350-6017349
LM Number: 031820

Dear Mr. Meevatha:

This office has recently completed an audit of NABET-CWA Local 54047 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 and President Jeff Necko on April 23, 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.

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 54047's records for fiscal year ending September 30, 2019 revealed the following recordkeeping violations:

1. Lost Wages

Local 54047 did not retain adequate documentation for lost wage reimbursement payments to union officers on at least five instances. 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 Local 54047 maintained lost time vouchers for reimbursed wages due to contract negotiations, but the vouchers did not always include the dates of the lost time, the number of hours lost on each date, or the applicable rate of pay.

During the exit interview, I provided a compliance tip sheet, *Union Lost Time Payments*, that contained a sample of an expense voucher Local 54047 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. Meal Expenses

Local 54047 records of meal expenses did not always include written explanations of union business conducted or the names and titles of the persons incurring the restaurant charges. For example, while the union did maintain itemized receipts for reimbursed meals during contract negotiations, the receipts did not always include the names of those incurring the restaurant charges. Union records of meal expenses must include written explanations of the union business conducted and the full names and titles of all persons who incurred the restaurant charges.

Based on your assurance that Local 54047 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-3 filed by Local 54047 for the fiscal year ended September 30, 2019 was deficient in the following areas:

1. Disbursements to Officers

Local 54047 did not report the names of one officer and the total amounts of payments to him or on his behalf in Item 24 (All Officers and Disbursements to Officers). The union must report in Item 24 all persons who held office during the year, regardless of whether they received any payments from the union.

The union must report most direct disbursements to Local 54047 officers and some indirect disbursements made on behalf of its officers in Item 24. A "direct disbursement"

to an officer is a 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 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).

Additionally, it appears that lost wages reimbursed to officers were erroneously reported in Schedule 24, Column E, Allowances and Other Disbursements, rather than in Schedule 24, Column D, Gross Salary as required per the instructions for Item 24.

2. Reported Bond

The local reported in Item 20 the maximum amount of their organization's fidelity bond as \$10,000 although their bond certificate for the applicable time period indicates the amount is actually \$32,500.

I am not requiring that Local 54047 file an amended LM report for fiscal year ending September 30, 2019 to correct the deficient items, but Local 54047 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to NABET-CWA Local 54047 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,



Senior Investigator

cc: Mr. Jeff Necko, President