



August 27, 2020

Mr. Rodney Rowe, President
Communications Workers Local 6290
PO Box 5635
Midland, TX 79704

Case Number: 420-6018262
LM Number: 018892

Dear Mr. Rowe:

This office has recently completed an audit of Communications Workers Local 6290 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 Mr. Max King on August 5, 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 6290's 2019 records revealed the following recordkeeping violations:

1. General Expenses

Local 6290 did not retain adequate documentation for office supplies purchased. The local purchased office supplies from Staples totaling \$214.46, but did not maintain the three receipts to substantiate the disbursements.

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.

2. Lost Wages

Local 6290 did not retain adequate documentation for lost wage reimbursement payments to President Rodney Rowe. The vouchers submitted were for two months only and voided check number [REDACTED] issued to former President Rodney Rowe, was not maintained when replacement check [REDACTED] for \$2,563.44 was issued.

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.

During the exit interview, I provided a compliance tip sheet, *Union Lost Time Payments*, that contained a sample of an expense voucher Local 6290 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.

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 6290 for the fiscal year ended December 31, 2019, was deficient in the following areas:

1. Disbursements to Officers

Local 6290 did not accurately report reimbursements to officers. In the amounts reported in Item 24 (All Officers and Disbursements to Officers), \$3,344 was listed as paid to former President Rodney Rowe and \$7,831 was listed as paid to Treasurer Max King. The audit revealed Rowe was reimbursed \$4,194.72, and King was reimbursed \$2,382.40.

The union must report accurate amounts paid to officers. It appears amounts reported for Rowe were based on estimates of what he should have earned for lost time and not actual pay.

2. Loans

During the opening interview, Treasurer King stated that \$500 reported in #30 Other Assets was an advance given to Vice President Kerry Smith several years ago to allow Smith to make union purchases whenever necessary, and replenished as necessary. The \$500 was not earned in 2019; however, it is still outstanding.

The amount paid to Smith meets the definition of a loan and, on the 2019 LM-3, the local needs to answer Item 18 "Yes". Of the \$500, the amount used for union purchases also needs to be reported next the Smith's name in Item 24, Column (E) (All Officers and Disbursements to Officers).

Local 6290 has filed an amended Form LM-3 for the fiscal year ended December 31, 2019, to correct the deficient items discussed above.

I want to extend my personal appreciation to Communications Workers Local 6290 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. Max King, Treasurer
Mr. Kerry Smith, Vice President