

U.S. Department of Labor

Office of Labor-Management Standards
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September 22, 2020

Mr. Greg Douglas, President
Communications Workers AFL-CIO Local Union 3176
P.O. Box 702139
Saint Cloud, FL 34770

Case Number: 410-6015626 [REDACTED]
LM Number: 071051

Dear Mr. Douglas:

This office has recently completed an audit of Communications Workers AFL-CIO Local Union 3176 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, Treasurer Kevin Goins, Richard E. McGraw, CPA on April 13, 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.

Record Keeping 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 3176's 2018 records revealed the following recordkeeping violations:

1. Reimbursed Auto Expenses

Multiple Local 3176 union officers/members who received reimbursement for business use of their personal vehicles did not retain adequate documentation to support payments to them totaling at least \$1,679 during 2018. The union must maintain records which identify the dates of travel, locations traveled to and from, and number of miles driven. The record must also show the business purpose of each use of a personal vehicle for business travel by an officer or employee who was reimbursed for mileage expenses.

2. Lost Wages

Local 3176 did not retain adequate documentation for lost wage reimbursement payments to union officers and members totaling at least \$13,264. The union must maintain records in support of lost wage claims that identify each date that 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 3176 did not identify on the vouchers the number of hours lost on each date and the applicable rate of pay. Additionally, multiple vouchers were identified where officers/members did not identify the union business conducted.

Based on your assurance that Local 3176 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Reporting Violation

The audit disclosed violations 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 3176 for FYE September 30, 2018, was deficient in the following areas:

1. Disbursements to Officers

Local 3176 did not report the names of some officers and the total amounts of payments to them or on their 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 3176 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).

2. Failure to File – Union

Local 3176 and its responsible officers failed to timely file its required Form LM-3, Labor Organization Annual Report, for Fiscal Year Ending (FYE) September 30, 2018, with the Secretary of Labor. Local 3176's delinquent Form LM-3, Labor Organization Annual Report, was provided during the audit.

I am not requiring that Local 3176 file an amended LM report for FYE 2018 to correct the deficient items, but Local 3176 has agreed to properly report the deficient items on all future reports it files with OLMS.

Other Issue

Expense Policy

As I discussed during the exit interview with Local 3176, the audit revealed that Local 3176 does not have a clear policy regarding the types of expenses personnel may claim for reimbursement and the types of expenses that may be charged to union credit cards. OLMS recommends that unions adopt written guidelines concerning such matters.

I want to extend my personal appreciation to Communications Workers AFL-CIO Local Union 3176 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. Kevin Goins, Treasurer