



June 29, 2021

Jacob Williams, Secretary-Treasurer
Communications Workers Pacific Northwest Council
3049 South 36th Street, Suite 221
Tacoma, WA 98409

Case Number: 530-6020325 [REDACTED]
LM Number: 540342

Dear Jacob Williams:

This office has recently completed an audit of Communications Workers (CWA) Pacific Northwest Council 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 on June 29, 2021, 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 Violation

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 CWA Pacific Northwest Council's 2020 records revealed the following recordkeeping violation:

Lost Wages

The Pacific Northwest Council did not retain adequate documentation for lost wage reimbursement payments to member locals totaling at least \$1,849.62. 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 locals submitted reimbursement vouchers and QuickBooks pay stubs to the council for lost wages the locals had paid their officers to perform work on behalf of the council. However, the documentation submitted to, and retained by, the council did not identify the specific union business the officers conducted on behalf of the council. For example, at least 10 vouchers stated that the officer lost wages for council secretary-treasurer duties, but did not state what duties were performed on the dates wages were lost.

I have provided a compliance tip sheet, *Union Lost Time Payments*, that contains a sample of an expense voucher the council and its locals may use to satisfy this requirement. The sample identifies the type of information and documentation that the union must maintain for lost wages and other officer expenses.

Based on your assurance that the Pacific Northwest Council will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violation.

Other Violation

The audit disclosed the following other violation:

Inadequate Bonding

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 those individuals or their predecessors handled during the preceding fiscal year. The Pacific Northwest Council's officers and employees are currently bonded for \$2,500 but they must be bonded for at least \$5,466. The council should obtain adequate bonding coverage for its officers and employees immediately. Please provide proof of bonding coverage to this office as soon as possible, but not later than July 23, 2021.

I want to extend my personal appreciation to CWA Pacific Northwest Council 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