

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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September 24, 2007

Mr. Kenneth Napierkowski, Treasurer
Communication Workers, Mailers' 22
Local Union 14842
4454 Birchwood Lane
Allison Park, PA 15101

LM File Number 035-344

Case Number: [REDACTED]

Dear Mr. Napierkowski:

This office has recently completed an audit of Local Union 14842 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 September 17, 2007, 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 Union 14842's 2006 records revealed the following recordkeeping violations:

1. Officer and Employee Expenses

Local Union 14842 did not retain adequate documentation for general reimbursed expenses incurred by union officers totaling at least \$772.14. For example, Chairman Bruce Gradowski was reimbursed monthly for his telephone expenses but only provided the bottom half of the phone bill which did not list the numbers called. In addition, numerous receipts submitted for reimbursement were copies and not originals. As previously noted, labor organizations must retain original receipts, bills, and vouchers for all disbursements. The president or 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 Union 14842 did not retain adequate documentation for lost wage reimbursement payments to union officers. 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 Union 14842 maintained lost wage vouchers but did not specify the applicable rate of pay. The local must also clearly define its policy for lost wage reimbursement in its bylaws or meeting minutes.

3. Disposition of Property

Local Union 14842 did not maintain an inventory of hats, jackets, and other property it purchased, sold, or gave away. The union must report the value of any union property on hand at the beginning and end of each year in Item 30 (Other Assets) of the LM-3. The union must retain an inventory or similar record of

property on hand to verify, clarify, and explain the information that must be reported in Item 30. The union must record in its receipt records the date and amount received from each sale of union hats, jackets and other items.

4. Failure to Record Receipts

Local 14842 did not identify the source of one receipt deposited into the general fund on June 28, 2006, in the amount of \$150.00. Union receipt records must include an adequate identification of all money the union receives. The records should show the date and amount received, and the source of the money.

5. Lack of Salary Authorization

Local Union 14842 did not maintain records to verify that the salaries reported in Item 24 (All Officers and Disbursements to Officers) of the Labor Organization Annual Report (LM-3) were the authorized amounts and therefore were correctly reported. The union must keep a record, such as meeting minutes, to show the current salaries authorized by the entity or individual in the union with the authority to establish salaries.

Based on your assurance that Local 14842 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Other Issue

The audit disclosed the following other issue:

Signing Blank Checks

During the audit, you advised that Local President Stephen Stasenکو and Local Vice President Harry McElroy sign blank checks. Your union's bylaws require that all checks be signed by the president and treasurer. The two signature requirement is an effective internal control of union funds. Its purpose is to attest to the authenticity of the completed document already signed. However, signing a blank check in advance does not attest to the authenticity of a completed check and negates the purpose of the two signature requirement. OLMS recommends that Local Union 14842 review these procedures to improve internal control of union funds.

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I want to extend my personal appreciation to Local Union 14842 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: Stephen Stasenکو, President