



September 2, 2011

Mr. Ken Kyle, President
AFA-CWA LEC 9
Denver International Airport
PO Box 49008
Denver, CO 80249-0008

Case Number: [REDACTED]
LM Number: 537-275

Dear Mr. Kyle:

This office has recently completed an audit of Association of Flight Attendants-Communication Workers of America (AFA-CWA) Local Executive Council (LEC) 9 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, Council Representative Zac Pierce, and Secretary Stacey Jassek on August 18, 2011, 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 LEC 9's 2010 records revealed the following recordkeeping violations:

1. Failure to Maintain Records

Local 7029 did not maintain adequate records used in the course of union business in that voided checks were not retained with other financial documents.

As previously noted above, labor organizations must maintain all union records used or received in the course of union business. 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. LEC 9 did not retain adequate documentation for the return of vacation days lost to union officers. The union must maintain records in support of the return of vacation days that identify each date vacation days were lost, the number of vacation hours lost on each date, the applicable rate of pay, and the amount reimbursed. The OLMS audit found that LEC 9 retained documentation for the flight pay loss claimed when scheduled to take vacation, the number of vacation hours lost, the applicable rate of pay, but did not retain documentation for the return of vacation days lost. This practice does not satisfy the documentation requirement, it also contradicts AFA-CWA Policy Section IV(D)(4) – Return of Vacation Days Lost where the procedure governing the return of vacation days to union representative and officers is set forth.

During the exit interview, I suggested the union retain documentation for the dates when union officers took vacation while receiving flight pay loss or follow the AFA-CWA Policy Manual Section IV(D)(4) – Return of Vacation Days Lost. Either suggestion would satisfy the documentation requirement the local must maintain for the return of vacation days lost.

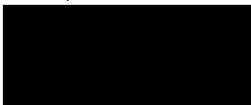
Based on your assurance that LEC 9 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Other Issue

As I discussed during the exit interview, AFA-CWA LEC 9 is considered a labor organization covered by the LMRDA, and as such, is required to file a Labor Organization Annual Report with the Secretary of Labor. On June 1, 2011, AFA-CWA LEC 9 filed an acceptable amended Form LM-1 with OLMS Division of Reports, Disclosure, and Audits. During the exit interview, AFA-CWA LEC 9 officers agreed to file the union's Labor Organization Annual Report for its current fiscal year ending May 31, 2012.

I want to extend my personal appreciation to AFA-CWA LEC 9 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. Zac Pierce, Council Representative
Mr. Stacey Jassek, Secretary