



September 28, 2012

Mr. William M. Brock, President
Communications Workers, AFL-CIO, Local 3803
[REDACTED]

Case Number: [REDACTED]
LM Number: 008095

Dear Mr. Brock:

This office has recently completed an audit of Communications Workers, AFL-CIO, Local 3803 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 and Secretary-Treasurer Jason H. Sanford on September 10, 2012, 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 3803's 2011 records revealed the following recordkeeping violations:

1. Meal Expenses

Local 3803 did not require officers and employees to submit itemized receipts for meal expenses totaling at least \$596.63. The union must maintain itemized receipts provided by restaurants to officers and employees. These itemized receipts are necessary to determine if such disbursements are for union business purposes and to sufficiently fulfill the recordkeeping requirement of LMRDA Section 206.

Local 3803 records of meal expenses did not always include written explanations of union business conducted or the names and titles of the persons incurring the restaurant charges. For example, the records revealed the local issued 10 checks to Dominos throughout the year. The local did not keep any of the receipts from the Dominos' purchases. Union records of meal expenses must include written explanations of the union business conducted and the full names and titles of all persons who incurred the restaurant charges. Also, the records retained must identify the names of the restaurants where the officers or employees incurred meal expenses.

2. Failure to Record Receipts

Local 3803 did not record in its receipts records cash received from members participating in the 50/50 raffle totaling at least \$7.00. For example, Local 3803 received proceeds from a 50/50 raffle during the March 2011 membership meeting. These proceeds were not listed in the receipts journal. Union receipts 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.

Based on your assurance that Local 3803 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

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 LM-3 filed by Local 3802 for the fiscal year 09/30/2011 was deficient in that:

The audit disclosed a violation of LMRDA Section 201(a), which requires that a union submit a copy of its revised constitution and bylaws with its LM report when it makes changes to its constitution or bylaws. Local 3803 amended its constitution and bylaws in 1997, but did not file a copy with its LM report for that year.

I am not requiring that Local 3803 file an amended LM report for 2011 to correct the deficient items, but Local 3803 has agreed to properly report deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to Communications Workers, AFL-CIO, Local 3803 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 solid black rectangular box redacting the signature of the investigator.

Investigator

cc: Mr. Jason H. Sanford, Secretary-Treasurer