



February 25, 2014

Ms. Mary Layton, President  
Communications Workers, AFL-CIO  
Local 3905  
P. O. Box 2507  
Huntsville, AL 35804

Case Number: 410-4310570  
LM Number: 031-955

Dear Ms. Layton:

This office has recently completed an audit of Communications Workers, AFL-CIO, Local 3905 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 Anthony Densmore, Outside Plant Representative Ken McKenzie, and Vice-President David Betz on February 19, 2014, 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 3905's records for fiscal year ending September 30, 2013 revealed the following recordkeeping violations:

1. General Expenses

Local 3905 did not retain adequate documentation for general expenses totaling at least \$2,062.66. For example, the union made two disbursements for \$1,062.66 and \$1,000, but the union records did not reflect the purpose of the expenses.

As noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. Receipts, bills, or vouchers must sufficiently describe the date the expense was incurred, the name and address of the entity providing goods or services, the goods or services received, the amount, and, if not self-explanatory, the nature or purpose of the union business requiring the expense and vendor contact information.

2. Reimbursed Auto Expenses

Ms. Layton, you received reimbursement for business use of your personal vehicle, but did not retain adequate documentation to support payments to you totaling at least \$555 during fiscal year ending September 30, 2013. 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.

Based on your assurance that Local 3905 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above 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 (Form LM-3) filed by Local 3905 for the fiscal year ended September 30, 2013, was deficient in the following areas:

1. Failure to File Bylaws

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 3905 amended its constitution and bylaws in 2006, but did not file a copy with its LM report for that year.

Local 3905 has now filed a copy of its constitution and bylaws.

2. Dues and Fees

Local 3905 did not complete Item 23(b), (c), and (d) to indicate the rates for initiation and transfer fees, as well as work permits of the LM-3 report for fiscal year ending September 30, 2013. The LM-3 instructions require that each item must be completed with a dollar amount or a single "0" if there is nothing to report.

3. Statement A (Assets and Liabilities)

Local 3090 did not complete the following items in Statement A (Assets and Liabilities) of the LM-3 report with a number or a single "0."

Item 26 (Loans Receivable), Columns (A) and (B)  
Item 27 (U. S. Treasury Securities), Columns (A) and (B)  
Item 28 (Investments), Columns (A) and (B)  
Item 29 (Fixed Assets), Columns (A) and (B)  
Item 30 (Other Assets), Columns (A) and (B)  
Item 33 (Loans Payable), Columns (A) and (B)  
Item 34 (Mortgages Payable), Columns (A) and (B)  
Item 35 (Other Liabilities), Columns (A) and (B)  
Item 36 (Total Liabilities), Columns (A) and (B)  
Item 37 (Net Assets), Columns (A) and (B)

As stated above, the LM-3 instructions require that all financial items must be completed with a number or a "0."

4. Disbursements to Officers

Local 3905 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 3905 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).

5. Cash Reconciliation

Local 3095's reported cash figures for the reporting period do not balance (reconcile). Specifically, cash at the start of the reporting period (Item 25(A)) plus total receipts (Item 44) minus total disbursements (Item 55) does not equal cash at the end of the reporting period (Item 25(B)). Either one or more of the reported figures in these items is inaccurate.

Local 3905 must file an amended Form LM-3 for the fiscal year ended September 30, 2013, to correct the deficient items discussed above. I encourage Local 3905 to complete, sign, and file its report electronically using the Electronic Forms System (EFS) available at the OLMS website at [www.olms.dol.gov](http://www.olms.dol.gov). Reporting forms and instructions can be downloaded from the website, if you prefer not to file electronically. The amended Form LM-3 should be filed electronically no later than March 5, 2014 or submitted to this office at the above address by the same date. Before filing, review the report thoroughly to be sure it is complete and accurate. Paper reports must be signed with original signatures.

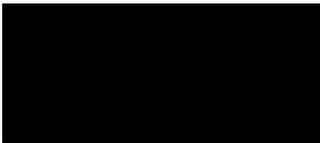
Other Violation

Failure to Follow Bylaws

Union officials were reimbursed \$563.27 in expenses without executive board or membership approval. Article 8, Section 2 of the Local 3905's bylaws states, "The executive board shall review all expenditures over \$100, other than normal operating expenses, and make such recommendations as necessary, subject to approval by the membership."

I want to extend my personal appreciation to Communications Workers, AFL-CIO, Local 3905 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. Anthony Densmore, Treasurer  
Mr. David Betz, Vice-President