



May 28, 2014

Ms. Elizabeth Piper, Treasurer
Communications Workers of America
Local 14406
1810 So. College Street
Springfield, IL 62704-3921

Case Number: 310-3123528
LM Number: 010109

Dear Ms. Piper:

This office has recently completed an audit of Communications Workers of America Local 14406 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 President Mark Cohn on May 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 14406's 2012 records revealed the following recordkeeping violations:

Copies of checks from the Local's checking account clearing the account during the audit period (October 31, 2012 through September 30, 2012) were not made available to OLMS. In order to perform the audit, copies of bank statements and the front/bank of checks were requested and received from the Local's bank. Although the Local is not precluded from maintaining electronic bank records, said records must be made available upon request for a minimum of five years.

Adequate documentation was not retained for reimbursed expenses incurred by Local President Mark Cohn. For example, check # [REDACTED] in the amount of \$29.39, payable to Mark Cohn did not have the purpose recorded in the memo portion of the check nor a supporting receipt, voucher or other union record to verify the purpose of the payment. It was agreed during the exit interview that the Local will create a voucher system so that the purpose of all payments can be uniformly recorded.

Local 14406 failed to retain some of the bank deposit slips and deposit tickets. For example, a 12/28/2011 deposit in the amount of \$65.04 and two deposits made on 07/23/2012 in the amounts of \$79.46 and \$25.02 did not have deposit receipts or deposit tickets.

The proper maintenance of union records is the personal responsibility of the individuals who are required to file Local 14406's LM report. Based on your assurance that Local 14406 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 14406 for the fiscal year ended Month September 30, 2011, was deficient in the following areas:

Statement B - Receipts and Disbursements, Item 38. Dues, included \$6,475.00 in monies that were transferred as the result of a merger with CWA Local 14434 in March 2011. The transfer of monies received in the merger should have been reported in Statement B, Item 43. *Other Receipts*. The per capita tax reported in Statement B, Item 47. *Per Capita Tax* was underreported due to input errors in the Local's QuickBooks recordkeeping system. In addition, the merger of Local 14434 with Local 14406 was not reported in Item 56. *Additional Information Summary*.

During the exit interview it was explained that Local 14406 must file an amended Form LM-3 for the fiscal year ended September 30, 2011, to correct the deficient items discussed above. On May 16, 2014, Local 14406's accountant Kyle McGinnis was contacted and notified of the deficiency and he has agreed to electronically file an amended report by May 30, 2014, using electronic signatures.

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I want to extend my personal appreciation to Communications Workers of America Local 14406 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. Mark Cohn, President