

U.S. Department of Labor

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February 16, 2016

Ms. Patty McLeroy, President
Communications Workers AFL-CIO
Local 3710
5 Century Drive, Suite 152
Greenville, SC 29607

Case Number: 410-6000374 [REDACTED]
LM Number: 032807

Dear Ms. McLeroy:

This office has recently completed an audit of Communications Workers AFL-CIO Local 3710 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 Treasurer JoAnn Martin on January 25, 2016, 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.

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 (Form LM-3) filed by Local 3710 for the fiscal year ended September 30, 2014, was deficient in the following areas:

1. Disbursements to Officers (LM-3)

Local 3710 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. It appears that the local erroneously reported payments to some officers in Item 54 (Other Disbursements) as opposed to Item 24 under the officer's name. For example, the LM-3 report show 1st Vice President Marion McBride receiving \$1,800 in allowances and other disbursement; however, OLMS' review of records and payments show McBride received more than \$4,775 in the same column to include direct payments for his monthly cellphone bill and travel reimbursements. President Patty McLeroy allowances are reported as \$1,894, while OLMS' review shows approximately \$6,800 in allowances and disbursements for travel expenses reimbursements. Additional officer's salaries and disbursements for official business were also inaccurately reported in Item 24. Finally, the names of Executive Board Department Representatives Rob Benage and [REDACTED] and total amounts of payments to them were not reported in Item 24.

The union must report most direct disbursements to Local 3710 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).

2. 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 3710 amended its constitution and bylaws in 2012, but did not file a copy with its LM report for that year. Local 3710 has now filed a copy of its constitution and bylaws.

Local 3710 must file an amended Form LM-3 for fiscal year ending September 30, 2014, to correct the deficient items discussed above. I provided you with a blank form and instructions, and advised you that the reporting forms and instructions are available on the OLMS website (www.olms.dol.gov). The amended Form LM-3 should be submitted to this office at the above address as soon as possible, but not later than February 29, 2016. Before filing, review the report thoroughly to be sure it is complete, accurate, and signed properly with original signatures.

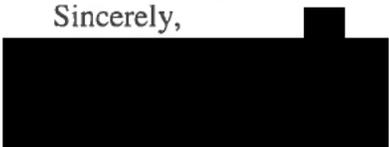
Other Violations

Signature Requirements on Checks

During the audit, OLMS discovered that all checks reviewed contained only the signature of Treasurer JoAnn Martin, to include checks written to Martin. Article XII of 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 a completed document. OLMS recommends that Local 3710 review these procedures to improve internal control of union funds.

I want to extend my personal appreciation to Communications Workers AFL-CIO 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