



February 17, 2017

Mr. Gerald Pomponio, Secretary-Treasurer
Communications Workers (CWA) Local Union 81103
1 Federal Street
A and E Two West
Camden, NJ 08103

Case Number: 130-6007258
LM Number: 026967

Dear Mr. Pomponio:

This office has recently completed an audit of Communications Workers (CWA) Local Union 81103 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 your local's accountant, Mr. Anthony Pontarelli, on February 2, 2017, 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.

Record Keeping 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 81103's 2015 records revealed the following recordkeeping violations:

1. Lost Time/Wages

Local 81103 did not retain adequate documentation for lost wage reimbursement payments. The union must maintain records in support of lost wage claims that identify each date lost wages were incurred, the number of hours lost on each date, the applicable rate of pay, and a description of the union business conducted. The OLMS audit found that while Local 81103 maintains the employer provided records, which includes the dates and hours of the employees performing the union work, the local does not record or maintain the nature of the union work performed. The nature of the union work must also be recorded and maintained in the local's records.

2. Information not Recorded in Meeting Minutes

During the audit, Mr. Pomponio advised OLMS that the bills are paid "upon receipt" and that a treasurer's report occurs at the next meeting. However, the majority of the meeting minutes do not reflect that a treasurer's report occurs, although there are three (3) meetings where a motion to pay all bills was annotated. Minutes of all membership or executive board meetings must report any disbursement authorizations made at those meetings.

3. Lack of Documented Salary Authorization

Local 81103 did not maintain records to verify the salary amount of the full-time president. The local advised that the president's salary has come from the union for more than 20 years. The local believed that at one point the salary was authorized, but there were no records to verify the authorization. The salary was viewed as a long standing practice and custom. The union must keep a record, such as meeting minutes, to show the current salary authorized by the local, for the president.

4. Meal Expenses

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 81103 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. While a review of the local's records did reveal multiple receipts with the names and explanations of union business, such as, "negotiations," or executive board lunch, written on the receipts, during the exit interview, OLMS explained that the union must retain all itemized receipts provided by the restaurants to the officers and employees.

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.

Based on Secretary-Treasurer Pomponio's assurance that Local 81103 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

I want to extend my personal appreciation to Communications Workers (CWA) Local Union 81103 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. Louis Laviano, President
Mr. Anthony Pontarelli, Accountant