



February 8, 2019

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Mr. David Gowin, Treasurer
Communications Workers of America
LU 86788
3202 Manor Way
Dallas, TX 75235

Case Number: 420-6015241 [REDACTED]
LM Number: 042991

Dear Mr. Gowin:

This office has recently completed an audit of Communications Workers of America (CWA) Local 86788 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 Mr. Russell Rollins on February 6, 2019, 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 of the LMRDA and Title 29 of the Code of Federal Regulations (C.F.R.) Section 403.7 require, among other things, that labor organizations maintain adequate records for at least five years after reports are filed by which the information on the reports can be verified, explained and clarified. Pursuant to 29 C.F.R. Section 458.3, this recordkeeping provision of the LMRDA applies to labor organizations subject to the requirements of the Civil Service Reform Act of 1978 (CSRA) as well. Therefore, as a general rule, labor organization must retain 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 86788's 2018 records revealed the following recordkeeping violations:

1. General Disbursements

Local 86788 did not retain adequate supporting documentation for disbursements. For example, documentation supporting cash withdrawn from an ATM by Vice President Walter Randal on December 7, 2018 totaling \$10,400, and given to members for Christmas and \$750 for a raffle, was incomplete.

As noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. The president and treasurer (or corresponding principal officers) of your union, who are required to sign your union's LM report, are responsible for properly maintaining union records.

2. Bank Statements and Cancelled Checks

Local 86788 did not retain bank statements and cancelled checks. The union must keep copies of bank statements and cancelled checks that support the receipts and disbursements of the union as reported on the LM-3 report.

Based on your assurance that Local 86788 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Reporting Violation

The audit disclosed a violation of LMRDA Section 201(a), which requires that a union submit a copy of its constitution and bylaws with its LM-1 or LM-3 report when it makes changes to its constitution or bylaws. Local 86788 has not filed its constitution and bylaws with OLMS since 1970.

Local 86788 has now filed a copy of its constitution and bylaws.

During the audit, Local 86788 filed a Form LM-3 for the fiscal year ended December 31, 2018. The report has been filed electronically using the Electronic Forms System (EFS) available at the OLMS website at www.olms.dol.gov.

I want to extend my personal appreciation to CWA Local 86788 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.



Investigator

cc: Mr. Russell Rollins, President