



July 22, 2019

Mr. Roland Dreussi, Executive Secretary
CWA Local 34001
1400 E. Schaaf Road
Brooklyn Heights, OH 44131

Case Number: 350-6015656 [REDACTED]
LM Number: 040578

Dear Mr. Dreussi:

This office has recently completed an audit of CWA Local 34001 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 Bookkeeper [REDACTED] on June 19, 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 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 34001's 2018 records revealed the following recordkeeping violations:

1. Meal Expenses

Local 34001 did not require officers and employees to submit itemized receipts for meal expenses totaling at least \$100.00. For example, employee [REDACTED] submitted credit card receipts with the total amount, but not the itemized receipts for meals at Mike's Place and Yummy Garden. 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 34001 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. For example, several receipts submitted by [REDACTED] noted the purpose of the meal, but did not note the names of those in attendance. 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.

2. Reimbursed Mileage

Union employees who received reimbursement for business use of their personal vehicles did not retain adequate documentation to support payments to them totaling at least \$200.00 during fiscal year ending September 30, 2018. 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. The union started out the first few months listing only the total miles even when the total mileage was a combination of several different trips, but then started correctly noting the locations traveled to and from with a breakdown per trip.

Based on your assurance that Local 34001 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(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 34001 for the fiscal year ended September 30, 2018, was deficient in that:

Disbursements to Officers

Local 34001 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. Specifically, Fourth Vice President Mary Lou Gillispie was not listed in Schedule 24.

The union must report most direct disbursements to Local 34001 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).

I am not requiring that Local 34001 file an amended LM report for 2018 to correct the deficient item, but Local 34001 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to CWA Local 34001 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,



Senior Investigator

cc: Mr. Edward Pritchard, President