



August 29, 2019

Paul Boos, President
CWA Local 9419
P.O. Box 992855
Redding, CA 96099

Case Number: 530-6016931-
LM Number: 045148

Dear Paul Boos:

This office has recently completed an audit of CWA Local 9419 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 Secretary-Treasurer Christopher Black on August 9, 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 9419's 2018 records revealed the following recordkeeping violations:

1. Lost Wages

Local 9419 did not retain adequate documentation for lost wage reimbursement payments to union officers and other members who provided assistance to the union on employer time. 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 Local 9414 retained accurate records reflecting the hours worked, but did not retain documentation verifying the hours lost from the employer. Additionally, in some cases, the union failed to identify the business conducted while receiving lost time reimbursements.

2. Inventory of Property

Local 9419 did not maintain an inventory of fixed assets it purchased, sold, or gave away. The union must report the value of any union property on hand at the beginning and end of each year in Item 30 (Other Assets) of the LM-3. The union must retain an inventory or similar record of property on hand to verify, clarify, and explain the information that must be reported in Item 30.

3. General Reimbursed and Credit Card Expenses

Local 9419 did not retain adequate documentation for reimbursed and credit card expenses incurred by Local 9419 President Paul Boos and Secretary-Treasurer Chris Black totaling at least \$4,020.05. For example, check number [REDACTED], dated June 28, 2018 was payable to Paul Boos, in the amount of \$1,260.79.

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.

Based on your assurance that Local 9419 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Reporting Violations

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 9419 failed to file a copy of its constitution and bylaws with its LM report.

Other Issues

Expense Policy

As I discussed during the exit interview with Mr. Black, the audit revealed that Local 9419 does not maintain executive board and membership meeting minutes and therefore, does not have a clear policy regarding the proper approval of expenses, as well as the types of expenses personnel may claim for reimbursement and the types of expenses that may be

charged to union credit cards. OLMS recommends that unions adopt written guidelines concerning such matters.

I want to extend my personal appreciation to CWA Local 9419 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,

A solid black rectangular box used to redact the signature of the investigator.

Investigator