

U.S. Department of Labor

Office of Labor-Management Standards
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June 12, 2012

Mr. Timothy O'Brien, President
Communication Workers, AFL-CIO
Local Union 31034
890 Third Street
Albany, NY 12206

Case Number: 120-09208(77)

LM Number: 007158

Dear Mr. O'Brien:

This office has recently completed an audit of Communication Workers (CWA) Local 31034 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 Treasurer Marianne Mahr, Office Manager Dan Roesser, and you on June 6, 2012, 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 31034's 2011 records revealed the following recordkeeping violations:

1. General Disbursements and Credit Card Expenses

CWA Local 31034 did not retain adequate documentation for general disbursements and credit card expenses incurred by union officers and employees totaling at least \$253. For example, no documentation was retained for a check issued to Brown's Brewing Company for \$150. In addition, no receipt was retained to Inferno Restaurant for \$48.55.

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. Meal Expenses

Local 31034 did not require officers and employees to submit itemized receipts for meal expenses totaling at least \$73. 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 31034 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. 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.

3. Lost Wages

Local 31034 did not retain adequate documentation for lost wage reimbursement payments to union officers and employees on a number of instances. 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 31034 maintained a voucher for all lost wage reimbursements which identified the day of the week rather than the date of the loss. Some of the vouchers did include the week ending date and a weekly pay rate, however hourly rates or the actual date of loss were not recorded on the voucher. In addition, a sufficient description of the union business conducted was not always provided.

During the exit interview, I explained what a sample voucher should include to satisfy this requirement. The enclosures to this letter, includes a compliance tip sheet, *Union Lost Time Payments*, which contains a sample of an expense voucher. The sample identifies the

type of information and documentation that the local must maintain for lost wages and other officer expenses.

4. Receipt Dates not Recorded

Entries in Local 31034's receipts records (spreadsheets and QuickBooks) reflect the date the union deposited money, or the date of the check issued to the union, but not the date money was actually received. Union receipts records must show the date of receipt. The date of receipt is required to verify, explain, or clarify amounts required to be reported in Statement B (Receipts and Disbursements) of the LM-3. The LM-3 instructions for Statement B state that the labor organization must record receipts when it actually receives money and disbursements when it actually pays out money. Failure to record the date money was received could result in the union reporting some receipts for a different year than when it actually received them.

Based on your assurance that CWA Local 31034 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 CWA Local 31034 for the fiscal year ended September 30, 2011, was deficient for the following reason:

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 31034 amended its constitution and bylaws in November 2010, but did not file a copy with its LM report for that year.

Local 31034 has now filed a copy of its constitution and bylaws.

Other Violation

Delinquent filing

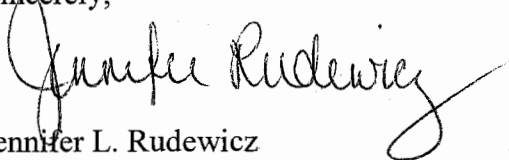
Local 31034 has been delinquent in filing their LM-3 Reports for the past several years. Section 207 (b) of the LMRDA states each person required to file a report, shall file such reports within 90 days after the end of the organization's fiscal year. For example, CWA Local 31034's report for fiscal year ending September 30, 2011 was not received by OLMS until May 10, 2012.

CWA Local 31034's annual report is due no later than December 30th of each year. During the

exit interview, you assured future reports will be filed timely with OLMS.

I want to extend my personal appreciation to CWA Local 31034 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 handwritten signature in black ink that reads "Jennifer Rudewicz". The signature is written in a cursive style with a long, sweeping tail on the "z".

Jennifer L. Rudewicz
Investigator

cc: Ms. Marianne Mahr, Treasurer
Mr. Dan Roesser, Office Manager

Enclosures