



August 16, 2005

Mr. Kenneth Ploch, Treasurer
Communications Workers Local 6350
1401 Hampton Avenue
St. Louis, Missouri 63139

Dear Mr. Ploch:

This office has recently completed an audit of Communications Workers Local 6350 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 on August 12, 2005, 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 record keeping requirements. Section 206 requires, among other things, that adequate records be maintained for at least 5 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, all records used or received in the course of union business must be retained. This includes, in the case of disbursements, not only the retention of original bills, invoices, receipts, and vouchers, but also adequate additional documentation, if necessary, showing the nature of the union business requiring the disbursement, the goods or services received, and the identity of the recipients of the goods or services.

The following record keeping violations were revealed during the audit of Local 6350's records for fiscal year ending 2004:

- A check, dated August 25, 2004, to Sid Horn for \$240.00 did not appear in the union's check register, and there was no voucher/back-up or explanation for its purpose. Additionally, the check only had one signature.
- No General Membership or Executive Board meeting minutes for February 2004 and March 2004 were found.
- It appears that a raffle for prizes was held at each membership meeting. The income from the raffle tickets sold should be recorded as a receipt in the union's book.
- On several occasions throughout the year, check numbers on the register did not match the actual check numbers for the payee and amount. These appeared to be data entry errors; however, no corrections or explanations were included with the union's books.

As agreed, provided that Local 6350 maintains adequate documentation for its disbursements in the future, no additional enforcement action will be taken regarding these violations.

Internal Controls

There were some additional items noted during the compliance audit:

1. Countersignature

During the audit, you advised that two authorized officers sign checks and vouchers. However, there were several instances during the audit year that only one signature was included on some expense vouchers. The countersignature requirement is an effective internal control of union funds. Its purpose is to attest to the authenticity of a completed document already signed. You may want to double-check all future expense vouchers for countersignatures in the future before the disbursement check is cut.

2. Disbursements Not Recorded in Union Books

- It was noted that during the audit year, disbursements from the Community Services checking account were not always included in the general union book or general union check register.
- It was noted that automatic monthly deductions from the Basic Checking account to Neopost Leasing were not recorded in the union's book.

In the future, it is advised that the union include all disbursements from all accounts in the union book/register or have individual registers for each disbursement account.

I want to extend my personal appreciation for the cooperation and courtesy extended by you and your entire staff during this compliance audit. I recommend that this letter and the compliance assistance materials that were provided to you are passed on to your successors at whatever time you may leave office.

If we can be of any assistance in the future, please do not hesitate to call.

Sincerely,

Dennis L. Eckert
District Director

DLE

✓ By: James Buck
Investigator

cc: *2*

DLE:JB:caz