

**U.S. Department of Labor**

Employment Standards Administration  
Office of Labor-Management Standards  
Charlotte Remote Worksite  
PO Box 79303  
Charlotte, NC 28271  
(704)243-1839



May 11, 2009

Ms. Glenda Locklear, Vice President  
Communications Workers AFL-CIO  
Local 3617  
PO Box 625  
Laurinburg, NC 28353

LM File Number 060-375

Case Number: [REDACTED]

Dear Ms. Locklear:

This office has recently completed an audit of CWA Local 3617 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 Treasurer Robyn Rose on April 30, 2009, 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 3617's 2008 records revealed the following recordkeeping violations:

1. Lost Wages

Local 3617 did not retain adequate documentation for lost wage reimbursement payments to Treasurer Robyn Rose and you on at least eleven different lost time vouchers. 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 3617 has a descriptive lost time voucher form; however, the officers listed weren't completing all of the information required. Further, the dates and hours of lost time claimed do not always match those actually lost for union business according to company records.

2. Failure to Record Receipts

Local 3617 did not record in its receipts records employer dues checkoff receipts and miscellaneous checks received from officer and tax refunds. Local 3617 has only been recording the total monthly deposit amount for each month in union records as identified on bank statements. Union receipts records must include an adequate identification of all money the union receives. The records should show the date and amount received, and the source of the money.

3. Lack of Salary Authorization

Local 3617 did not maintain records to verify that the salaries reported in Item 24 (All Officer and Disbursements to Officers) of the LM-3 were the authorized amounts and therefore were correctly reported. The union must keep a record,

such as meeting minutes, to show the current salary authorized by the entity or individual in the union with the authority to establish salaries.

Based on your assurance that Local 3617 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

### Reporting Violations

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 3617 for fiscal year ending September 30, 2007, was deficient in the following areas:

1. Union Address

Local 3617 failed to report the correct physical address of the local union office. The officers verified that the proper union address is 303 Atkinson St., not 101 Atkinson St. as reported on the LM-3.

2. Cash Reconciliation

It appears that the cash figures reported in Item 25 are not the cash figures according to the union's books after reconciliation to the bank statements. The instructions for Item 25 state that the union should obtain account balances from its books as reconciled to the balances shown on bank statements.

3. Cash Receipts

Local 3617 failed to properly report the receipts in Item 38, Dues, and Item 43, Other Receipts: resulting in an error in Item 44, Total Receipts. A calculation of the total dues collected revealed that the local reported receiving approximately \$10,900 more dues than actually received. They failed to report other receipts, although, a review of union records revealed that the local received \$1,020 in miscellaneous receipts.

4. Cash Disbursements

Local 3617 failed to properly report the disbursements in Item 45, To Officers; Item 46, To Employees; Item 48, Office & Administrative Expense; and Item 54, Other

Disbursements: resulting in an error in Item 55, Total Disbursements. A review and calculation of the total disbursements revealed that the local reported approximately \$13,000 more disbursements than it actually made.

5. Delinquent Filing

Local 3617 failed to file their annual financial report (LM-3) for fiscal year ending September 30, 2008 to this date. Form LM-3 must be filed within 90 days after the end of your organization's fiscal year (12-month reporting period).

As agreed, Local 3617 will file the LM-3 for fiscal year ending September 30, 2008 with OLMS as soon as possible but not later than May 15, 2008, by mailing it to the Charlotte Remote Location address listed above.

Other Issues

1. Expense Policy

As I discussed during the exit interview with you and Treasurer Robyn Rose, the audit revealed that Local 3617 does not have a clear policy regarding union disbursements, the types of expenses personnel may claim for reimbursement, and a definition of lost time and when it can be claimed. OLMS recommends that unions adopt written guidelines concerning such matters.

As agreed, Local 3617 will forward a copy of their new expense policy to the Charlotte Remote Worksite once it has been created and approved by their membership.

2. Monthly Bank Reconciliation

The audit revealed that on three separate occasions the bank cashed a local union check for a different amount than written on the check. On one of these occasions, check number 1247, dated June 18, 2008, to Treasurer Robyn Rose was cashed for \$100 more than it was written for. Conducting monthly bank reconciliation would allow the local to catch such errors and bring them to the bank's attention for immediate correction.

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I want to extend my personal appreciation to CWA Local 3617 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,



Lead Investigator

cc: Robyn Rose, Treasurer  
William Thames, President