

**U.S. Department of Labor**

Employment Standards Administration  
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June 21, 2006

Ms. Michelle Canty, President  
Communication Workers  
Local 38218  
P.O. Box 527  
York, PA 17405

Re: Case Number: ~~XXXXXXXXXX~~

Dear Ms. Canty:

This office has recently completed an audit of Communication Workers Local 38218 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 June 19, 2006, 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.

The CAP disclosed the following violations:

**Recordkeeping Violations**

Title II of the LMRDA establishes certain reporting and recordkeeping 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 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 note can be written on it providing the additional information. An exception may be made only in

those cases where 1) other equally descriptive documentation has been maintained, and 2) there is evidence of actual oversight and control over disbursements.

In the case of receipts, the date, amount, purpose, and source of all money received by the union must be recorded in at least one union record. Bank records must also be retained for all accounts.

- Local 38218 did not maintain adequate documentation for all disbursements. President Canty was issued ██████████ for \$20.00 on 03/05/05. The records did not contain backup documentation for this disbursement. In addition, the local did not maintain backup documentation to support disbursements for per capita tax and life insurance payments.
- Local 38218 did not maintain adequate records for direct pay dues receipts. The records did not note the date dues payments were received, the individual amount received from each member, the name of the member paying dues or the name of the dues collector.

As agreed, provided that Local 38218 maintains adequate documentation as discussed above in the future, no additional enforcement action will be taken regarding these violations.

### **Reporting Violations**

The CAP 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 constitution or bylaw changes are made. Local 38218 amended its constitution and bylaws in 1995, but a copy was not filed with its LM report for that year. A copy of Local 38218's constitution and bylaws has now been filed.


### **Inadequate Bonding**

The audit revealed a violation of LMRDA Section 502 (Bonding), which requires that union officers and employees be bonded for no less than 10 percent of the total funds handled by those individuals or their predecessors during the preceding fiscal year. Local 38218 was not bonded for the required 10 percent. Adequate bonding coverage was obtained and documentation provided during the audit. No further enforcement action will be taken.

Ms. Michelle Canty  
June 21, 2006  
Page 3 of 3

I want to extend my personal appreciation to Communication Workers Local 38218 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,

  
Investigator

cc: Dean Friend, Treasurer