

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Denver District Office
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Denver, CO, 80202
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2/9/05
CWA AFL-CIO
Local 7708
3737 Palmer Park Blvd
Colorado Springs, CO 80909

Re: ' 2

Dear CWA Local 7708:

This Office has recently completed an audit of CWA AFL-CIO, Local 7708 under the Compliance Audit Program (CAP) to determine compliance with provisions of the Labor-Management Reporting and Disclosure Act of 1959 (LMRDA). As discussed during the exit interview with Secretary Treasurer Nancy Imhof and President Velma Patton on February 9, 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.

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 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, 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.

Local 7708 failed to properly record some union receipts. Union receipts records must include an adequate identification of each receipt of money. In the case of local 7708, some receipts from the national union were not properly recorded, also receipts listed under the sale of *fixed assets* should have been listed in the *other receipts* section. The records should show the exact date that the money was received, the identity of the source of the money, and the individual amount received from each source.

Some vouchers submitted by union personnel for lost wages do not specifically identify the union business conducted that required lost wages be incurred. The lost wage claims

must 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.

I am not requiring that Local 7708 file an amended LM-3 report for 2003 to correct the deficient items, but as agreed, your union will properly report the deficient items on all future reports filed with this agency.

I recommend that you make sure 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.

I want to thank President Velma Patton and Treasurer Nancy Imhof and CWA Local 7708 for their cooperation and courtesy during this compliance audit. If we can be of any assistance in the future, please do not hesitate to contact me or any other representative of our office.

Sincerely,

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Investigator

cc: Treasurer/President