

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Washington District Office
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May 13, 2005

Pamela Terry, President
Communications Workers of America (CWA)
Local 2000
962 Wayne Avenue, Suite 500
Silver Spring, MD 20910

Dear Ms. Terry:

This office has recently completed an audit of CWA Local 2000 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 Frank Spencer and you on May 13, 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 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.

The following record keeping violations were revealed during the audit of Local 2000's 2004 records:

1. Lost Wages

Some vouchers submitted by union personnel for lost wages do not 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.

2. Officer Expenses

Union officers failed to retain adequate documentation for reimbursed expenses. Receipts are required to be kept for all purchases. In addition, the date, amount and

business purpose of every expense must be recorded on at least one union record. If a receipt is not sufficiently descriptive to determine the item purchased and the reason for the purchase, the voucher should contain this information.

3. Voided Checks

Some checks which were voided and not issued were not retained.

As agreed, provided that CWA maintains adequate documentation for its disbursements in the future, no additional enforcement action will be taken regarding this violation.

Other Issues:

1. Union Books

Review of the union's records revealed that the amounts for numerous disbursements and deposits were not recorded properly in the union's books. In addition, some deposits and disbursements were listed twice. It is strongly recommended that the union properly record all deposits and disbursements in the union's books.

2. Improper Payment to Officers

Review of the union's disbursement records concerning payments to officers revealed that a Local 2000 officer appears to have received an improper payment. The audit discovered that ~~4,700~~ was apparently paid lost time twice for ~~4~~ picketing at BWI Airport, thereby resulting in an apparent overpayment of \$88.04 from the union. As discussed, the union will look into the matter and determine whether an overpayment was made. In the event that an overpayment was made, it appears that this error was not intentional. Therefore, no further action will be taken provided that I receive proof of the \$88.04 reimbursement by ~~4,700~~ no later than May 31, 2005. It is strongly recommended that expense reports and receipts are carefully reviewed before officers are reimbursed for union expenses.

I strongly recommend that you make sure that this letter and the compliance assistance materials that were provided to you are passed on to yours and Mr. Spencer's successors at whatever time you may leave office.

I want to thank you and Mr. Spencer for your cooperation and courtesy during this compliance audit. If we can be of any assistance in the future, please do not hesitate to contact me at (202) 513-7308 or any other representative of our office at (202) 513-7300.

Sincerely,

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