

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Boston District Office
Room E365
JFK Federal Building
Boston, MA 02203
(617) 624-6690 Fax:(617) 624-6606



December 14, 2010

Mr. Robert Duszak, President
Communications Workers Local 1365
54 Main Street
Sturbridge, MA 01566

LM File Number: 025-596

Case Number: [REDACTED]

Dear Mr. Duszak:

This office has recently completed an audit of Communications Workers Local 1365 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 Christopher LaPierre on December 10, 2010, 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 Communications Workers Local 1365's 2009 records revealed the following recordkeeping violations:

1. General Expenses

Local 1365 did not retain adequate documentation for expenses incurred by the union totaling at least \$1,315.57. For example, the local did not retain an invoice for \$676 paid to McGrath Insurance or a receipt for \$100 paid to the FOE for hall rental.

As previously noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. The president and treasurer (or corresponding principal officers) of your union, who are required to sign your union's LM report, are responsible for properly maintaining union records.

2. Lost Wages

Lodge 1365 did not retain adequate documentation for lost wage reimbursement payments to union officers and employees in at least 116 instances. 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 while Local 1365 did not retain union vouchers, it did retain an employer union time sheet with the name of the officers and employees receiving the lost time. However, the 116 identified time sheets either did not have the number of hours lost, the hourly rate of pay for each individual, the date lost wages were incurred or the reason for the lost time.

During the exit interview, I provided a sample of an expense voucher Local 1365 may use to satisfy this requirement. The sample identifies the type of information and documentation that the local must maintain for lost wages and other officer expenses.

3. Meal Expenses

Local 1365 records of meal expenses did not always include explanation of union business conducted or the names and titles of the persons incurring the restaurant charges. For example, a number of meals charged totaling at least \$287.87 had the required receipts but the receipts did not note the union purpose or the name and title of those partaking in the meal.

Based on your assurance that Local 1365 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 LM-3 filed by Local 1365 for fiscal year ending September 30, 2009, was deficient in the following area:

1. LM-3 Item 47 (Per Capita Tax)

Local 1365 did not accurately report their per capita tax paid. The audit revealed the local paid affiliation fees (AFL-CIO dues) but reported \$0 during the audit year. It appears the local erroneously reported these fees in Item 48 (Office & Administrative Expense).

2. LM-3 Item 49 (Professional Fees)

Local 1365 did not accurately report their professional fees. The audit revealed the local paid \$7,625 and not the reported \$0 in professional fees during the audit year. It appears the local erroneously reported these fees in Item 48 (Office & Administrative Expense).

3. LM-3 Items 51 (Contributions, Gifts & Grants)

Local 1365 did not accurately report their Contributions, Gifts & Grants. The audit revealed the local disbursed \$1,000 during the audit year and not the reported \$0. It appears the local erroneously reported the gifts in Item 48 (Office & Administrative Expense).

4. LM-3 Item 53 (Loans Made)

Local 1365 did not report a loan made to a member in the amount of \$1910.19. It appears the local erroneously reported the loan in Item 48 (Office & Administrative Expense).

5. LM-3 Item 54 (Other Disbursements)

Local 1365 had a number of other type disbursements but reported \$0 in Other Disbursements. It appears the local erroneously reported the disbursements in Item 48 (Office & Administrative Expense).

Local 1365 must file an amended Form LM-3 for fiscal year ending September 30, 2009 to correct the deficient items discussed above. I provided the local's officers a blank form and instruction during the exit interview. The amended LM-3 should be submitted to this office at the above address as soon as possible, but not later than January 10, 2011. Before filing, review the report thoroughly to be sure it is complete, accurate, and signed properly with original signatures.

I want to extend my personal appreciation to Communications Workers Local 1365 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: Mr. Christopher LaPierre, Secretary Treasurer