



September 26, 2011

Mr. Raymond Benoit, Secretary/Treasurer
CWA Local 14708
4165 Pony Tracks Drive
Colorado Springs, CO 80922

Case Number: [REDACTED]
LM Number: 002876

Dear Mr. Benoit:

This office has recently completed an audit of CWA Local 14708 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 September 21, 2011, 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 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 14708's 2010 records revealed the following recordkeeping violations:

1. General Reimbursed Expenses

Local 14708 did not retain adequate documentation for reimbursed expenses incurred by President Pete Donlan. For example, Mr. Donlan was reimbursed \$505.65 for the purchase of food and beverages for the local's Christmas party, but there were no receipts for these purchases in the union records.

2. General Union Disbursements

Local 14708 did not retain adequate documentation for general disbursements for expenses incurred by the union of more than \$1,300. For example, the union disbursed \$1,200 to Jobs with Justice and \$112.98 to Lehrer's Flowers for which there were no invoices or receipts in the union records. In addition, an adding machine tape for a disbursement of \$401.31 had a hand-written receipt attached which did not identify the purpose or the date of the disbursement.

As 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

Based on your assurance that Local 14708 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

I want to extend my personal appreciation to CWA Local 14708 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,


Supervisory Investigator