

**U.S. Department of Labor**

Employment Standards Administration  
Office of Labor-Management Standards  
Boston District Office  
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Boston, MA 02203  
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June 19, 2006

Mr. Timothy Schick, Administrator  
CWA  
Local 31041  
270 Westminster Street  
Providence, RI 02903-3433

Re: Case Number: ██████████

Dear Mr. Schick:

This office has recently completed an audit of CWA Local 31041 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 Timothy Schick on June 2, 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 that assessments received by the local were incorrectly reported as dues in the 2005 LM-2 report filed by the local's accountant on behalf of the union. Assessments should have been reported in Item 38 "Fees, Fines, Assessments, Work Permits" instead of Item 36 "Dues and Agency Fees." I am not requiring that Local 31041 file an amended LM report for 2005 to correct the deficient items, but as agreed, Local 31041 will properly report the deficient items on all future reports filed with this agency.

The audit also 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 31041's officers and employees were bonded for \$100,000, but they should have been bonded for at least \$117,000. When informed of the bonding violation, the local immediately procured bonding coverage in the amount of \$150,000. No further enforcement action will be taken.

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I want to extend my personal appreciation to CWA Local 31041 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,

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Investigator