

**U.S. Department of Labor**

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March 11, 2009

Mr. Robert Campbell, President  
Communications Workers Local Union 3176  
12025 Villanova Drive, Unit #112  
Orlando, FL 32837

LM File Number: 071-051  
Case Number: [REDACTED]

Dear Mr. Campbell, President

This office has recently completed an audit of Communications Workers LU 3176 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 Robert Kelley and yourself on February 27, 2009, 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 LU 3176's 2007 records revealed the following recordkeeping violations:

1. Disposition of Property

LU 3176 did not maintain an inventory of hats, jackets, and other property it purchased, sold, or gave away. The union must report the value of any union property on hand at the beginning and end of each year in Item 30 (Other Assets) of the LM-3. The union must retain an inventory or similar record of property on hand to verify, clarify, and explain the information that must be reported in Item Item 30.

2. Failure to Record Receipts

LU 3176 did not record a receipt dated September 30, 2006. On October 2, 2006, a receipt in the amount of \$4,357.62 was deposited into the Ocala National Bank checking account, but not recorded in the LU 3176 general ledger.

Union receipts records must include an adequate identification of all money the union receives. The records should show the date and amount received, and the source of the money.

Based on your assurance that LU 3176 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 Form LM-3 filed by LU 3176 for fiscal year ending September 30, 2009, was deficient in the following areas:

1. Acquire/Dispose of Property

Item 13 of the LM-3 asks, "During the reporting period did your organization acquire or dispose of any assets in any manner other than by purchase or sale?" should have been answered, "Yes," because the union gave away t-shirts during the year. The union must identify the type and value of any property received or given away in the additional information section of the LM report along with the identity of the recipient(s) or donor(s) of such property. The union does not have to itemize every recipient of such giveaways by name. The union can describe the recipients by broad categories if appropriate such as "members" or "new retirees." In addition, the union must report the cost, book value, and trade-in allowance for assets that it traded in.

I am not requiring that Local 3176 file an amended LM-3 report for fiscal year ended September 30, 2007 to correct the deficient items, but Local 3176 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to Communications Workers LU 3176 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: Treasurer Robert Kelley