

**U.S. Department of Labor**

Employment Standards Administration  
Office of Labor-Management Standards  
Pittsburgh District Office  
1000 Liberty Avenue  
Room 1411  
Pittsburgh, PA 15222  
(412)395-6925 Fax: (412)395-5409



April 3, 2009

Mr. Ken Fisher, Treasurer  
Communication Workers AFL-CIO  
Local Union 38061, Newspaper Guild of Pittsburgh  
60 Boulevard of the Allies  
Pittsburgh, PA 15222

LM File Number 049-040

Case Number: [REDACTED]

Dear Mr. Fisher:

This office has recently completed an audit of Local Union 38061 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 yourself and President Richard Hufnagel on April 2, 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 Local 38061's 2008 records revealed the following recordkeeping violations:

1. General Reimbursed and Credit Card Expenses

Local Union 38061 did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by union officers totaling at least \$1,457.86. For example, Treasurer Fisher attended a TNG Sector Conference in February 2008 charging \$851.82 to the Rhode Island Westin Hotel, but did not maintain the hotel invoice.

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. Meal Expenses

Local Union 38061 did not require officers and employees to submit itemized receipts for meal expenses totaling at least \$486.71. The union must maintain itemized receipts provided by restaurants to officers and employees. These itemized receipts are necessary to determine if such disbursements are for union business purposes and to sufficiently fulfill the recordkeeping requirement of LMRDA Section 206.

Local Union 38061 records of meal expenses did not always include written explanations of union business conducted or the names and titles of the persons incurring the restaurant charges. For example, on November 9, 2007, the union

recorded a dinner at Nick's Restaurant in Rosemont, Illinois as "dinner with a field rep" on the credit card sales slip. Union records of meal expenses must include written explanations of the union business conducted and the full names and titles of all persons who incurred the restaurant charges. Also, the records retained must identify the names of the restaurants where the officers or employees incurred meal expenses.

3. Failure to Record Receipts

Local Union 38061 did not record in its receipts records some receipts received for their annual Christmas party. For example, on December 10, 2007, union records show \$755.00 being deposited into their general fund. The source of the deposit is not recorded. 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 Local Union 38061 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Reporting Violation

The audit disclosed a violation of LMRDA Section 201 (a), which requires that a union submit a copy of its revised constitution and bylaws with its LM report when it makes changes to its constitution and bylaws. Local Union 38061 was deficient in the following area:

Failure to File Bylaws

Local Union 38061 amended its bylaws in 2001, but did not file a copy with its LM report for that year.

Local Union 38061 has now filed a copy of its constitution and bylaws.

I want to extend my personal appreciation to Local Union 38061 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,

Mr. Ken Fisher  
April 3, 2009  
Page 4 of 4

[REDACTED]

Investigator

cc: Richard Hufnagel, President