



September 25, 2015

Mr. Gary Borgerding, President
Communication Workers Local 4641
1836 Greenwood Valley Drive
River Falls, WI 54022

Case Number: 320-6004235()
LM Number: 046771

Dear Mr. Borgerding:

This office has recently completed an audit of Communication Workers Local 4641 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 Secretary Treasurer Tom Kegel on September 23, 2015, 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.

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 4641's 2014 records revealed the following recordkeeping violations:

1. Disbursements to Vendors and General Reimbursed Expenses

Local 4641 did not retain adequate documentation for disbursements to vendors and payments to you totaling at least \$860. For example, adequate supporting documentation was not retained for a \$184.43 reimbursement to you on August 13, 2014, for an unknown business purpose. In support of this expense, Local 4641 only retained a receipt, which is

not sufficient because the receipt did not contain an adequate business purpose that fully describes the nature of the union business conducted in support of this expense. During the exit interview, you stated that this was a reimbursement for picnic expenses. As another example, no supporting documentation was maintained for a \$305.42 check issued to the Madison Concourse Hotel for a state meeting.

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.

2. Lost Wages

Local 4641 did not retain adequate documentation for lost wage reimbursement payments to you, Secretary Treasurer Tom Kegel, and former Secretary Treasurer [REDACTED] totaling at least \$1,288.38. 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 audit found that Local 4641 failed to specify the number of hours lost on each date that wages were claimed on the lost wage vouchers.

3. Reimbursed Auto Expenses

Former Secretary Treasurer [REDACTED], who received reimbursement for business use of his personal vehicle, did not retain adequate documentation to support payments to him totaling at least \$286. Secretary Treasurer [REDACTED] mileage reimbursement was claimed on an expense voucher that identified the total miles driven, the dates of travel, and the union business conducted; however, the expense voucher was not sufficient because it failed to identify the locations traveled to and from. The union must maintain records which identify the dates of travel, locations traveled to and from, and number of miles driven. The record must also show the business purpose of each use of a personal vehicle for business travel by an officer or employee who was reimbursed for mileage expenses.

Based on your assurance that Local 4641 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Other Violation

Inadequate Bonding

The audit 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 those individuals or their predecessors handled during the preceding fiscal year.

The audit revealed that Local 4641's officers and employees may not be bonded for the minimum amount required at the time of the audit. You stated that the local did not have a bond certificate and you did not know if Local 4641 paid the International Union to obtain the bond on the union's behalf. Local 4641 should obtain adequate bonding coverage for its officers and employees immediately. Please provide proof of bonding coverage to this office as soon as possible, but not later than October 9, 2015.

I want to extend my personal appreciation to Communication Workers Local 4641 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. Tom Kegel, Secretary Treasurer