

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Cincinnati District Office
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January 16, 2009

Mr. Shawn Breen, President
CWA Local 4700
210 North Fulton Avenue
Evansville, IN 47710

LM File Number: 530-399

Case Number: [REDACTED]

Dear Mr. Breen:

This office has recently completed an audit of CWA Local 4700 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 Investigator [REDACTED] discussed during the exit interview with Treasurer Jennifer Mullis and you on January 9, 2009, no violations of the LMRDA were disclosed in areas of financial activity included in the CAP. This does not exhaust all possible problem areas, however, since the audit conducted was limited in scope and did not include all areas of your union's operation.

While Investigator Sims' audit disclosed no violations, there were two issues we would like to make you aware of:

Other Issues

1. Duplicate Receipts

Some members of Local 4700 pay dues directly to the union. Ms. Mullis records dues payments in the union's receipts journal, but she does not issue receipts to dues payers. OLMS recommends that Local 4700 use a duplicate receipt system where the union issues original pre-numbered receipts to all members who make payments directly to the union and retains copies of those receipts. A duplicate receipt system is an effective internal control because it ensures that a record is created of income which is not otherwise easily verifiable. If more than one duplicate receipt book is in use, the union should maintain a log to identify each book, the series of receipt numbers in each book, and to whom each book is

assigned.

2. "Half Pot" Drawing

To encourage attendance at membership meetings, Local 4700 sells "half pot" tickets and has a drawing at each monthly meeting. The winner receives a certain percentage of the cash ticket sales depending on whether the winner is in attendance. Some of each month's cash is rolled over to the next month's drawing whether the winner is in attendance or not. The rollover cash is currently being transported to and from your home where it is secured in a safe between meetings. OLMS recommends that Local 4700 develop a plan to securely store the monthly rollover cash in the union's office to safeguard it from loss while being transported or stored away from the union office.

I want to extend my personal appreciation to CWA Local 4700 for the cooperation and courtesy extended to Investigator Sims 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,

Lesta A. Chandler
District Director

cc: Ms. Jennifer Mullis, Treasurer