

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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March 14, 2008

Ms. Helen Herold-Roden, Secretary-Treasurer
Communication Workers AFL-CIO LU 7603
412 East 41 Street, Suite 2
Boise, ID 83714

LM File Number: 036-389
Case Number: [REDACTED]

Dear Ms. Herold-Roden:

This office has recently completed an audit of Communication Workers AFL-CIO LU 7603 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 on January 18, 2008, 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 7603's 2007 records revealed the following recordkeeping violation:

Disbursement Dates not Correctly Recorded

Local 7603 did not record disbursement dates in the fiscal year that they occurred. The union recorded the date the disbursement was reconciled in the union books, not the day the disbursement was made. For example, disbursements totaling \$2,497.00 occurred in fiscal year 2007, but were recorded in the next fiscal year. The LM-3 instructions state that disbursements must be recorded when money is actually paid out by the labor organization.

Based on your assurance that Local 7603 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 Local 7603 for fiscal year ending September 30, 2007, was deficient in the following area:

Failure to File Bylaws

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 or bylaws. Local 7603 amended its constitution and bylaws in 2005, but did not file a copy with its LM report for that year. Local 7603 has now filed a copy of its constitution and bylaws.

I am not requiring that Local 7603 file an amended LM report for 2007 to correct the deficient items, but Local 7603 have agreed to properly report the deficient items in future report.

I want to extend my personal appreciation to Communication Workers AFL-CIO LU 7603 for the cooperation and courtesy extended during this compliance audit. I strongly recommend that you make sure this letter and the compliance assistance

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materials provided to you are passed on to future officers. If we can provide any additional assistance, please do not hesitate to call.

Sincerely,

[REDACTED]

[REDACTED]
Investigator

cc: Mr. Brent Duvall, President