

U.S. Department of Labor

Office of Labor-Management Standards
New York District Office
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June 22, 2010

Mr. Elmo De Silva, President
Communications Workers of America, AFL-CIO
Local 81076
150-47 Hillside Avenue
Jamaica, New York 11432

Re: Case Number: [REDACTED]

Dear Mr. De Silva:

This office has recently completed an audit of Communications Workers Local 81076 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 June 22, 2010, 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 adequate records be maintained for at least 5 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, all records used or received in the course of union business must be retained. This includes, in the case of disbursements, not only the retention of original bills, invoices, receipts, and vouchers, but also adequate additional documentation, if necessary, 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 note can be

written on it providing the additional information. An exception may be made only in those cases where 1) other equally descriptive documentation has been maintained, and 2) there is evidence of actual oversight and control over disbursements.

In the case of receipts, the date, amount, purpose, and source of all money received by the union must be recorded in at least one union record. Bank records must also be retained for all accounts.

The audit of Communications Workers Local 81076's 2009 records revealed the following recordkeeping violation:

The union did not maintain in its records the original loan document detailing the lending of funds to its building corporation, Local 76B Building Corporation, for the purpose of building improvements in the mid 1980s. The writer obtained a sampling of Local 76B Building Corporation checks payable to the union regarding monthly loan repayment of \$3,200 for fiscal years 1996, 1997, 2006, 2007, and 2009. As of fiscal year end September 30, 2009, the outstanding loan amount was \$277,290.

Reporting Violations

The CAP 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-2) filed by Communications Workers Local 81076 for fiscal year ending September 30, 2009, was deficient in that Item 44 (Loans Obtained) on Statement B - Receipts and Disbursements incorrectly reflected \$38,934 as monies received by the union for the approved purchase of a new automobile in February 2009 for the use by then Secretary-Treasurer De Silva. The union entered into a loan agreement to finance the purchase of the automobile but did not actually receive the funds into its bank account from the finance company.

Communications Workers Local 81076 must file an amended Form LM-2 for fiscal year ending September 30, 2009, to correct the deficient item discussed above. The amended Form LM-2 should be electronically filed as soon as possible, but not later than June 30, 2010.

I want to extend my personal appreciation to Communications Workers Local 81076 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