

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Cleveland District Office
1240 East Ninth Street
Room 831
Cleveland, OH 44199
(216)357-5455 Fax: (216)357-5425



January 18, 2008

Ms. Barbara Conrad, Financial Secretary/Treasurer
Communication Workers AFL-CIO
Local Union 84-708
30 East Cook Road
Mansfield, OH 44907

LM File Number 070-697
Case Number: [REDACTED]

Dear Ms. Conrad:

This office has recently completed an audit of 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 Barbara Conrad, Vincent Storms, and Kathy Wolf on January 8, 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.

Reporting Violations

The audit disclosed a violation of LMRDA Section 202, which requires labor organization officers and employees to file annual Labor Organization Officer and Employee Report Form (LM-30) for certain financial interests held, income received, and transactions engaged in by labor organization officers and employees and their spouses and minor children. The Local 84-708 Bookkeeper Kathy Wolf must file a Form LM-30 for fiscal years ending September 30, 2006 and September 30, 2007, to report payments totalling \$250 or more per year received by her spouse's business, "All Decked Out," from the union. Mrs. Wolf was provided with blank forms and

instructions, and advised her that the reporting forms and instructions are available on the OLMS website (www.olms.dol.gov). The Form LM-30 should be submitted to this office at the above address as soon as possible, but not later than January 31, 2008. Before filing, review the report thoroughly to be sure it is complete, accurate, and signed properly with original signatures.

The audit also disclosed violations 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 84-708 for fiscal year ending September 30, 2007, was deficient in the following areas:

1. Disbursements to Officers

Local 84-708 did not include some reimbursements to officers for office and administrative purchases in the amounts reported in Item 24 - Column E (All Officers and Disbursements to Officers - Allowances and Other Disbursements). It appears the union erroneously reported these payments in Item 48. The union must report most direct disbursements to Local 84-708 officers and some indirect disbursements made on behalf of its officers in Item 24. A "direct disbursement" to an officer is a payment made to an officer in the form of cash, property, goods, services, or other things of value. See the instructions for Item 24 for a discussion of certain direct disbursements to officers that do not have to be reported in Item 24. An "indirect disbursement" to an officer is a payment to another party (including a credit card company) for cash, property, goods, services, or other things of value received by or on behalf of an officer. However, indirect disbursements for temporary lodging (such as a union check issued to a hotel) or for transportation by a public carrier (such as an airline) for an officer traveling on union business should be reported in Item 48 (Office and Administrative Expense).

2. Certificates of Deposit Reported As Investments

Local 84-708 improperly included the value of two certificates of deposit investments in Statement A (Assets and Liabilities). For LM reporting purposes, OLMS considers a certificate of deposit to be cash. The purchase or redemption of a certificate of deposit is a transfer of cash from one account to another and, therefore, the local should not report these transactions as receipts or disbursements.

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As agreed, Local 84-708 is not required to file an amended LM-3 report for 2007 to correct the deficient items, but Local 84-708 has agreed to properly report the deficient items on all future reports it files with OLMS.

Other Issues

The audit disclosed that access to the union's bank accounts at Key Bank had not been updated to prevent access by unauthorized users and to allow current officers access to the accounts. The union was advised to update signatories whenever officers or employees vacate their positions and after officer elections. The bank confirmed that officers updated the account signatories on December 28, 2007.

I want to extend my personal appreciation to [redacted] 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,

Fred Vaudrin
District Director

cc: Vincent Storms, President