



March 6, 2012

Ms. Kathy Brown, President
Communications Workers, AFL-CIO
Local Union 84081
305 E. Locust St., Ste. C
DeKalb, IL 60115-3566

Case Number: [REDACTED]
LM Number: 023-560

Dear Ms. Brown:

This office has recently completed an audit of Communications Workers, AFL-CIO 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 Financial Secretary Vonda Lopez on February 7, 2012, 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 84081's 2011 records revealed the following recordkeeping violations:

1. Credit Card Expenses

Local 84081 did not retain adequate documentation for credit card expenses incurred by members of Local 84081's executive board totaling at least \$10,396.28. For example former President [REDACTED] made 23 credit card purchases for airfare totaling approximately \$5,444.50; however, no receipts or invoices were maintained to substantiate for whom the airfare purchases were made.

As noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursement. 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. Failure to Record Income / Receipts

Local 84081 did not maintain a record of any of its income / receipts totaling at least \$24,204. Union receipt records must include an adequate identification of all money the union receives. The records should show the date, amount received, and the source of the money.

Based on your assurances that Local 84081 will retain adequate documentation in the future, OLMS will take no further enforcement action regarding the above violations at this time.

Reporting Violations

1. Acquire / Dispose of Property

Item 13 (During the reporting period did you organization acquire or dispose of any assets in any manner other than by purchase or sale?) should have been answered, "Yes," because the union gave away tee-shirts valued at approximately \$860 during the year. The union must identify the type and value of any property received or given away in the additional information section of the LM report along with the identity of the recipients or donors of such property. The union does not have to itemize every recipient of such giveaways by name. The union can describe the recipients by broad categories if appropriate such as "members" or "new retirees."

2. Disbursements to Officers

Local 84081 did not include some reimbursements to officers totaling at least \$4,293 in the amounts reported in Item 24 (All Officers and Disbursements to Officers). It appears that the union erroneously reported these payments in Item 48 (Office & Administrative) and Item 54 (Other Disbursements).

The union must report most direct disbursements to Local 84801 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).

Local 84081 must file an amended Form LM-3 for the fiscal year ending September 30, 2011, to correct the deficient items noted above. I encourage Local 84081 to complete, sign, and file its report electronically using the Electronic Forms System (EFS) available at the OLMS website at www.dol.gov/olms. Reporting forms and instructions can be downloaded from the website, if you prefer not to file electronically. The amended Form LM-3 should be filed electronically or submitted to this office at the above address by no later than March 16, 2012. Review the report thoroughly before filing to ensure it is complete and accurate. Paper reports must be signed with original signatures.

I want to extend my personal appreciation to Local 84081 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,



Senior Investigator

cc: Ms. Vonda Lopez, Financial Secretary