

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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November 17, 2008

Mr. Randy Tayloe, President
IUE-CWA AFL-CIO Local 84800
1104 Wisconsin Ave
Sheboygan, WI 53081

LM File Number: 036-612
Case Number: [REDACTED]

Dear Mr. Tayloe:

This office has recently completed an audit of IUE-CWA Local 84800 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 Financial Secretary Mary Gilsdorf, David Larsen, and you on September 12, 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 Violation

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 84800's 2007 records revealed the following recordkeeping violation:

Officer and Employee Expenses

Union officers and employees failed to keep the itemized receipts from restaurants for a few charges of meals made using Local 84800's credit card. The only receipt maintained in these instances was the signature receipt which did not provide details of the transactions. In the case of records maintained in support of meal expenses, the names of individuals present for meal expenses and the locations (names of restaurants) where meal expenses were incurred must also be recorded.

Based on your assurance that Local 84800 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violation.

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 Local 84800 for fiscal year ending September 30, 2007, was deficient in the following areas:

1. Schedule 3 (Sale of Investments and Fixed Assets)

Local 84800 failed to report on line 14 of Schedule 3 the amount of the total it received from the sale of assets that was reinvested. The amount received from the sales which was used to purchase additional assets must be included on line 14 and subtracted from the total amount received so that only the net amount sold is reported on line 43 of Statement B (Receipts and Disbursements).

2. Schedule 4 (Purchase of Investments and Fixed Assets)

Local 84800 failed to report on line 14 of Schedule 4 the amount of the total it paid for the purchase of assets which was from funds received from the sale of similar assets. Funds used to pay for these assets which were received by the union from the sale of similar assets must be reported on line 14 and subtracted from the total amount paid so that only the net amount purchased is reported on line 60 of Statement B.

3. Schedule 11 (All Officers and Disbursements to Officers)

Local 84800 failed to include some indirect disbursements to officers for food and drinks which were charged to the union's credit card for President Randy Tayloe and Business Agent David Larsen totaling \$642.10 in Column F of Schedule 11 (All Officers and Disbursements to Officers). Such payments appear to have been erroneously reported in Schedules 15 through 19. For meals during which union business is discussed, the union may either report the exact amount charged for each officer during the meal, or the total amount of the meal may be divided equally by the number of persons present.

Direct disbursements to officers and employees for reimbursement of expenses incurred while conducting union business must be reported in Column F of Schedules 11 and 12 (Disbursements for Official Business). In addition, indirect disbursements made to another party (such as a credit card company) for business expenses incurred by union personnel must also be reported in Column F of Schedules 11 and 12. However, indirect disbursements for business expenses incurred for transportation by public carrier (such as an airline) and for temporary lodging expenses incurred while traveling on union business must be reported in Schedules 15 through 19. Any direct or indirect disbursements to union personnel for expenses not necessary for conducting union business must be reported in Column G (Other Disbursements) of Schedules 11 and 12.

4. Schedule 12 (Disbursements to Employees)

Local 84800 failed to report in Schedule 12 - (Disbursements to Employees) payments to Weyerhaeuser Company totaling \$809.58 to reimburse the company for wages it paid to two members for time the members spent conducting union business. Although the payments were made to Weyerhaeuser, they are considered indirect disbursements to employees for LM reporting purposes, and therefore the amounts paid must be included on line 7 (Total Received by All Other Employees) in Schedule 12. The names of the members for whom the lost wages were paid need not be listed since Local 84800 paid neither member \$10,000 or more during the fiscal year.

Local 84000 also failed to report direct payments of lost wages to members on the line 7 which totaled \$16,685. All payments to non-officers for lost wages, both direct and indirect, must be reported in Schedule 12. Since none of the members

were paid \$10,000 or more during the fiscal year, as indicated above, their names need not be reported.

5. Failure to File Bylaws

The CAP 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 constitution or bylaw changes are made. Local 84800 amended its constitution and bylaws in 2005, but a copy was not filed with its LM report for that year. A copy of Local 84800's constitution and bylaws has now been filed.

I am not requiring that Local 84800 file an amended LM report for 2007 to correct the deficient items, but Local 84800 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to IUE-CWA Local 84800 for the cooperation and courtesy extended during this compliance audit. I strongly recommend that you make sure this letter is passed on to future officers. If we can provide any additional assistance, please do not hesitate to call.

Sincerely,



Investigator

cc: Mary Gilsdorf, Financial Secretary