



April 2, 2013

Mr. Brent Eastom, President
Communication Workers, AFL-CIO, Local 84901
1427 Broadway
Fort Wayne, IN 46802

Case Number: 310-23531 [REDACTED]
LM Number: 021520

Dear Mr. Eastom:

This office has recently completed an audit of Communication Workers, AFL-CIO, Local 84901 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 Ronald Scher on March 19, 2013, 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 84901's 2012 records revealed the following recordkeeping violation:

Union Hall Rental Contracts

Local 84901 did not maintain the rental contracts to verify that the income for renting the Local's hall reported in Item 42 (Rents) of the LM-2 was the authorized amount and therefore was correctly reported. Although Local 84901 keeps duplicate copies of the

rental receipts and deposit slip confirmations to confirm the funds were deposited, the union must keep a record, such as the rental contract to show the terms of the rental income. We discussed this during the exit interview and you agreed to keep this record in the future.

Based on your assurance that Local 84901 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violation.

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 125 for fiscal year ending June 30, 2011, was deficient in the following areas:

1. 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 84901 amended its constitution and bylaws since 1999, but did not file a current copy with its LM report. A current copy (2012) was provided to me during the audit and you agreed during the exit interview if it changes in the future a new copy will be filed with your local's LM report.

2. Disbursements to Officers and Employees

Local did not properly report payments to officers totaling at least \$38,000 in Schedule 11 (All Officers and Disbursements to Officers). It appears that the local erroneously reported these payments in Schedules 15 through 19.

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

Local 84901 must file an amended Form LM-2 for the fiscal year ended September 30, 2012, to correct the deficient items discussed above. The report must be filed electronically using the Electronic Forms System (EFS) available at the OLMS website at

www.olms.dol.gov. The amended Form LM-2 must be filed no later than April 19, 2013. Before filing, review the report thoroughly to be sure it is complete and accurate.

I want to extend my personal appreciation to Communication Workers, AFL-CIO, Local 84901 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

cc: Mr. Ronald Scher, Financial Secretary