

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Denver District Office
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April 28, 2005

Mrs. Susan McAllister, Financial Officer
Communication Workers Association AFL-CIO
Local 7704
939 Edison Street
Salt Lake City, UT 84111

Re: Case No. 510-06342-77

Dear Ms. McAllister:

This office has recently completed an audit of the Communication Workers Association Local 7704 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 yourself and Kent Anderson on March 24, 2005, 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.

The CAP disclosed a violation of LMRDA Section 502 (Bonding), which requires that the union's officers and employees be bonded for no less than 10% of the total funds handled by those individuals or their predecessors during the preceding fiscal year. Local 7704's officers and employees are currently bonded for \$65,000, but they must be bonded for at least \$85,000. The union should obtain adequate bonding coverage for its officers and employees immediately. Please provide proof of bonding coverage to this office as soon as adequate coverage has been obtained.

The CAP disclosed a violation of LMRDA section 209 (False Reporting). The union reported a lease agreement for a copy machine as a loan obtained. However, there was no loan obtained, so this is a violation of section 209 because it is a false entry. In addition, the union must retain records which adequately account for all property that is purchased, sold, and given away.

It will be necessary for Local 7704 to file an amended LM-2 report for 2004 to correct the deficient items discussed above. The necessary reporting forms and instructions are enclosed for your use. You may also use the new electronic forms software available from OLMS to complete the amended reports. One copy of each amended report should be submitted to this office at the above address as soon as possible, but no later than 04/28/05. Before mailing, review the reports thoroughly to be sure they are complete, accurate, and signed properly with original signatures.

I strongly recommend that you make sure that this letter and the compliance assistance materials that were provided to you are passed on to your and Mr. Anderson's successors at whatever time you may leave office.

I want to thank Susie. McAllister and Local 7704 for their cooperation and courtesy during this compliance audit. If we can be of any assistance in the future, please do not hesitate to contact me or any other representative of our office.

Sincerely

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Investigator