



April 13, 2011

Ms. Julie Galley, Secretary-Treasurer  
Communication Workers of America, AFL-CIO  
Local 1133  
821 Elk Street, #A  
Buffalo, NY 14210

Case Number: [REDACTED]  
LM Number: 529191

Dear Ms. Galley:

This office has recently completed an audit of Communication Workers, Local 1133 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, President Margaret Chadwick, Vice President Karen Enright and Executive Board Member Vanessa Quinn on March 31, 2011, 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 1133's 2010 records revealed the following recordkeeping violations:

1. General Reimbursed and Credit Card Expenses

Local 1133 did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by President Peggy Chadwick and Vice President Karen Enright totaling at least \$750. For example, President Chadwick did not submit hotel bills for a trip to Washington D.C. for attendance to a conference for two rooms. Only one bill was submitted. Further, Vice President Enright did not provide a receipt for a purchase at Big Lots for office supplies.

As previously noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. 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. Meal Expenses

Local 1133 did not require officers and employees to submit itemized receipts for meal expenses totaling at least \$250. The union must maintain itemized receipts provided by restaurants to officers and employees. These itemized receipts are necessary to determine if such disbursements are for union business purposes and to sufficiently fulfill the recordkeeping requirement of LMRDA Section 206.

Local 1133 records of meal expenses did not always include written explanations of union business conducted or the names and titles of the persons incurring the restaurant charges. For example, on a couple of occasions in October 2009, restaurant charges paid for by the local did not provide an itemized receipt that identified who was present and the purpose of meeting. Union records of meal expenses must include written explanations of the union business conducted and the full names and titles of all persons who incurred the restaurant charges. Also, the records retained must identify the names of the restaurants where the officers or employees incurred meal expenses.

3. Reimbursed Auto Expenses

Several officers received reimbursement for business use of their personal vehicles did not retain adequate documentation to support payments to them during 2010. The union must maintain records which identify the dates of travel, locations traveled to and from, and number of miles driven. The record must also show the business purpose of each use of a personal vehicle for business travel by an officer or employee who was reimbursed for mileage expenses.

Based on your assurance that Local 1133 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

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-2 filed by Local 1133 for fiscal year ending September 30, 2010, was deficient in the following area:

Disposal of Property

Item 15 (During the reporting period did your 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 T-shirts and gift cards to the stewards for Christmas. In the March 24, 2010 membership meeting minutes it was noted that T-shirts had been raffled, but does not identify how many shirts or the value of the shirts. Also, there was approval to present the stewards with gift cards to a local grocery store for Christmas, but it was unclear if that occurred.

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 recipient(s) or donor(s) 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."

I want to extend my personal appreciation to CWA, Local 1133 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: Ms. Margaret Chadwick, President  
Ms. Karen Enright, Vice President  
Ms. Vanessa Quinn, Executive Board Member