



June 11, 2015

Mr. James Benning, President
CWA Local 14625
(a.k.a. Tulsa Typographical Union #403)

Case Number: 420-6004194()
LM Number: 030525

Dear Mr. Benning:

This office has recently completed an audit of CWA Local 14625 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 President James Benning and Secretary-Treasurer Jack D. Benning on May 28, 2015, 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 14625's 2014 records revealed the following recordkeeping violations:

1. General Reimbursed Expenses

Local 14625 did not retain adequate documentation for reimbursed expenses incurred by officers totaling at least \$150. For example, on May 1, 2014, President Benning was

reimbursed \$150 for "AFL CIO Convention Food" via Check [REDACTED]. Local 14625 failed to maintain a complete record of this payment stating the travel dates, union purpose, pay rate, and the breakdown of the payment.

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. Fixed Assets

Local 14625 did not maintain a current inventory of their fixed assets. The union must retain an inventory or similar record of property on hand to verify, clarify, and explain the information that must be reported in Item 14. OLMS recommends maintaining a record listing the purchase date, cost, and value of each fixed asset.

3. Information not Recorded in Meeting Minutes

During the audit, President Benning advised OLMS that in a union meeting the executive board voted in favor of changing the secretary-treasurer's \$75 monthly salary to a \$75 monthly allowance. However, Local 14625 maintained no minutes of that meeting. Local 14625 must maintain a record of authorized disbursements that are not stated in their constitution and bylaws. Also, President Benning told OLMS that Local 14625's officers were reelected to office via acclamation in October of 2014. However, Local 14625 maintained no minutes of that meeting. The LMRDA requires unions to maintain election records for at least one year.

4. Lack of Salary Authorization

Local 14625 did not maintain records to verify that the salaries reported in Item 18 of the LM-4 were the authorized amounts and correctly reported. The union must keep a record, such as meeting minutes or their constitution/bylaws, to show the current salary authorized by the entity or individual in the union with the authority to establish salaries. Local 14625 failed to maintain a copy of their current constitution and bylaws.

Based on your assurance that Local 14625 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-4 filed by Local 14625 for the fiscal year ended September 30, 2014, 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 14625 amended its constitution and bylaws in 1998, but did not file a copy with its LM report for that year.

As agreed, Local 14625 will file a copy of its current constitution and bylaws with OLMS as soon as possible but not later than **July 10, 2015**.

2. Total Receipts

Local 14625 did not report all of their receipts totaling \$618 in Item 16 Total Receipts. The union must include all receipts in Item 16.

3. Total Disbursements

Local 14625 did not report all of their disbursements totaling \$6,412 in Item 17 Total Disbursements. The union must include all disbursements in Item 17.

4. Disbursements to Officers

Local 14625 did not include some reimbursements to officers totaling at least \$2,382 in the amounts reported Item 18 Total Payments to Officers and Employees. It appears the union erroneously only reported these payments in Item 17 Total Disbursements.

The union must report most direct disbursements to Local 14625 officers and some indirect disbursements made on behalf of its officers in Item 18. 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. 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.

5. Signatures of Officers

President Benning stated that he hasn't signed Local 14625's LM-4 reports in the last couple years and didn't know his name was being electronically signed onto them. Treasurer Benning stated that he didn't realize he was electronically signing Jim Benning's name twice on Local 14625's LM-4 reports.

The completed Form LM-4 must be signed by both the president and treasurer or corresponding principal officers of your organization. If signed electronically, both the president and treasurer should each have separate log-in credentials and separately sign the report. Treasurer Benning will create his own user registration for OLMS' EFS system. Then, both President Benning and Treasurer Benning will sign Local 14625's annual LM-4

reports.

Local 14625 must file an amended Form LM-4 for the fiscal year ended September 30, 2014, to correct the deficient items discussed above. I encourage Local 14625 to complete, sign, and file its report electronically using the Electronic Forms System (EFS) available at the OLMS website at www.olms.dol.gov. Reporting forms and instructions can be downloaded from the website, if you prefer not to file electronically. The amended Form LM-4 should be filed electronically no later than **July 10, 2015** or submitted to this office at the above address by the same date. Before filing, review the report thoroughly to be sure it is complete and accurate. Paper reports must be signed with original signatures.

Other Issue

As discussed during the exit interview, Local 14625's expenditures have exceeded their income every year since 2003. OLMS recommends that Local 14625 create a budget and closely monitor their spending in order for Local 14625 to stay in existence.

I want to extend my personal appreciation to CWA Local 14625 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: Mr. Jack Benning, Secretary-Treasurer