

U.S. Department of Labor
Cleveland District Office

Employment Standards Administration
Office of Labor Management Standards
Cleveland District Office
1240 East Ninth Street, Suite 831
Cleveland, Ohio 44199
(216) 357-5455 / FAX: (216) 357-5425



January 9, 2009

Mr. Steven Brown, Treasurer
Communication Workers of America AFL-CIO
Local 4379
5946 Blossman Avenue
Toledo, OH 43617

LM File Number 067-692
Case Number: [REDACTED]

Dear Mr. Brown:

This office has recently completed an audit of Communication Workers Local 4379 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 Recording Secretary Kyle Doyle on August 8, 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 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 4379's 2006-2007 records revealed the following recordkeeping violations:

1. Failure to Record Receipts

Local 4379 did not record in its receipts records four deposits made by the CWA International into the local's checking account from June 2007 through September 2007, totaling \$2,758.74. In addition, Local 4379 did not record in its receipts records monies received from a union-operated vending machine. Recording Secretary Doyle told OLMS that the machine takes-in about \$30.00 per six weeks, and that the money is then used to replenish the machine. Union receipts records must include adequate identification of all money the union receives. The records should show the date and amount received, and the source of the money.

2. Meal Expenses

Local 4379 officers did not submit itemized receipts for meal expenses totaling at least \$428.91. This included two purchases made by President Grimes for refreshments at a union meeting, which totaled \$153.64. 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.

Based on your assurance that Local 4379 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Reporting Violation

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 4379 for fiscal year ending September 30, 2007, was deficient in the following area:

Dues Predicated on Percentage of Wages

Local 4379's LM-3 report for fiscal year ending September 30, 2007, indicated in item 23(a) that union dues are equal to 2.25% of a member's base pay per month. The audit revealed that dues are actually a flat rate of 2.25 hours wages per month per member. Recording Secretary Doyle stated that this would be corrected on all future reports. OLMS will take no further enforcement action on this violation at this time.

I want to extend my personal appreciation to Communication Workers Local 4379 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,

Brian A. Pifer
District Director

cc: James Grimes, President