

U.S. Department of Labor

Office of Labor-Management Standards
Denver District Office
1999 Broadway, Suite 1150
Denver, CO 80202-5712
(720) 264-3232 Fax: (720) 264-3230



September 26, 2012

Mr. Dale Atchison, Treasurer
Communications Workers AFL-CIO NABET
Local Union 57052
P.O. Box 9795
Denver, CO 80209-0795

Case Number: [REDACTED]
LM Number: 012650

Dear Mr. Atchison:

This office has recently completed an audit of Communications Workers AFL-CIO NABET Local Union 57052 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 CWA LU 57052 President Gilbert Maestas on September 17, 2012, 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 57052's records for fiscal year ending September 30, 2011 revealed the following recordkeeping violations:

1. General Reimbursed and Credit Card Expenses

Local 57052 did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by President Maestas for his airfare on United Airlines to Las Vegas, Nevada on July 6, 2011 and July 10, 2011 and for your cash withdrawal for \$62.00 at the Corner Store on July 15, 2011.

As 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 57052 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. The local had 24 receipts that were missing the required information. 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. 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 57052 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-3 filed by Local 57052 for the fiscal year ended September 30, 2011, was deficient in the following areas:

1. Item 9 – Are your organization's records kept at its mailing address?

Local 57052 incorrectly answered Item 9, because the local's financial records are not stored at its post office box and the address where they records are stored was not entered in Item 56, Additional Information

2. Item 23 – What are you organization's rates of dues and fees?

Local 57052 incorrectly answered Item 23(a) because dues were based upon a percentage of gross hourly wages worked and not a set amount per month. Also, Item 23(c) and 23(d) were not answered

3. Item 24 – All Officers and Disbursements to Officers

Local 57052 did not include lost time in Item 24 (D) and some reimbursements to officers in Item 24 (E) in the amounts reported. The local also incorrectly reported the amounts paid to former CWA LU 57052 Vice President Karyn Diesburg in that payments made to her after her resignation from office for her union work union should have been reported in Item 46 (. It appears the union erroneously reported these payments in Items 48 and 50.

The union must report most direct disbursements to Local 57052 officers and some indirect disbursements made on behalf of its officers in Item 24. 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. See the instructions for Item 24 for a discussion of certain direct disbursements to officers that do not have to be reported in Item 24. 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. However, indirect disbursements for temporary lodging (such as a union check issued to a hotel) or for transportation by a public carrier (such as an airline) for an officer traveling on union business should be reported in Item 48 (Office and Administrative Expense).

4. Items 31(B) – Total Assets at the Ended of Reporting Period

The assets were added incorrectly and should have been \$42,448.

5. Items 37(B) – Total Assets at the Ended of Reporting Period

The assets were added incorrectly and should have been \$42,448.

Local 57052 must file an amended Form LM-3 for the fiscal year ended September 30, 2011, to correct the deficient items discussed above. I encourage Local 57052 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-3 should be filed electronically no later than October 9, 2012 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.

I want to extend my personal appreciation to Communications Workers AFL-CIO Local Union

Mr. Dale Atchison
September 26, 2012
Page 4 of 4

57052 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. Gilbert Maestas, Treasurer