



May 24, 2016

Mr. Greg Hooten, Treasurer  
Communications Workers of America  
Local 6214  
2816 Roanoke Ln  
Tyler, TX 75701

Case Number: 420-6006899  
LM Number: 032611

Dear Mr. Hooten:

This office has recently completed an audit of Communications Workers of America Local 6214 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 on May 20, 2016, 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.

#### Record Keeping 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 6214's 2015 records revealed the following recordkeeping violations:

1. Failure to Maintain Records for Disbursements

Local 6214 did not maintain supporting documents for check [REDACTED] in the amount of \$498.00 in the union's records. Supporting documents for all disbursements must be maintained. The union agreed to maintain all supporting documents.

2. Lack of Salary and Cell Phone Authorization

Local 6214 did not maintain records to verify that the salaries and cell phone payments reported in Item 24 (All Officer and Disbursements to Officers) of the LM-3 was the authorized amount and therefore was correctly reported. The union must keep a record, such as meeting minutes, to show the current salary and cell phone authorization by the entity or individual in the union with the authority to establish payments.

Based on your assurance that Local 6214 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 6214 for the fiscal year ended September 30, 2015, was deficient in the following areas:

1. Lost Time Payments

The union did not properly report all disbursements to President Glynne Stanley. Stanley received \$8,318.40, but only \$7,873.00 was reported on the 2015 LM-3 report. The union agreed to properly report all disbursements to all officers.

2. Door Prize Payments

The union failed to report eight door prize checks totaling \$80.00 to Andy Addy. Those payments should be reported under "other disbursements" on like item #54. The union agreed to properly report those payments.

I am not requiring that Local 6214 file an amended LM report for 2015 to correct the deficient items, but Local 6214 has agreed to properly report the deficient items on all future reports it files with OLMS.

Other Issue

Signing Blank Checks

During the audit, you advised that Glynne Stanley signs blank checks. Although your union's bylaws do not require that all checks be signed by the president and treasurer, the two signature requirement is an effective internal control of union funds. Its purpose is to attest to the authenticity of a completed document already signed. However, signing a blank check in advance does not attest to the authenticity of a completed check, and negates the purpose of the two signature requirement. OLMS recommends that Local 6214 review these procedures to improve internal control of union funds.

I want to extend my personal appreciation to Communications Workers of America Local 6214 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. Glynne Stanley, President  
Mr. Andy Addy, Vice President  
Ms. Carol Small, Secretary