

## U.S. Department of Labor

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Office of Labor-Management Standards  
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May 13, 2005

Lynda Nordyke, President  
CWA Local 1302  
One Market Street, Ste. 3  
Lynn, MA 01901-1044

Re: 2

Dear Ms. Nordyke:

This office has recently completed an audit of CWA Local 1302 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, as Amended (LMRDA). As discussed during the exit interview with you on this date, 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.

Title II of the LMRDA establishes certain reporting and record keeping requirements. Section 206 requires, among other things, that adequate records be maintained 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, all records used or received in the course of union business must be retained. This includes, in the case of disbursements, not only the retention of original bills, invoices, receipts, and vouchers, but also adequate additional documentation, if necessary, showing the nature of the union business requiring the disbursement, the goods or services received, and the identity of the recipients of the goods or services.

The following record keeping violations were revealed during the audit of Local 1302's 2002/2003 records:

1. Per the information provided on the union vouchers, former president and advisor, Julie Comperchio, received paid vacation days in excess of the agreed upon 25 vacation days per year. Review of union vouchers for a period spanning from 10/1/99 to 1/31/04 disclosed that Ms. Comperchio received three extra days for 1999, 3 extra days for 2000, 2 extra days for 2001, 2 extra days for 2002, and 5 extra days for 2003. This is a total of 15 extra paid vacation days at a value of approximately \$2,632.11. Additionally, there were discrepancies on the union vouchers as to the number assigned to each vacation day. For example, three different days in one year were assigned "VD #10." This was a fairly frequent discrepancy throughout each of the five years.

Upon examining Ms. Comperchio's payroll ledger for 2000, which she claimed to be the more accurate record, it was disclosed that there were discrepancies between the dates on the ledger and the union

vouchers for that year. Vacation day numbers were repeated on the payroll ledger as well. Payroll ledgers for 2001, 2002, and 2003 had been created, but were unable to be located.

Examination of Ms. Comperchio's personal calendar for 1999, 2000, 2001, and 2003 creates even further confusion as to the number of paid vacation days that Ms. Comperchio actually received and as to the dates and number assignments of these vacation days. Ms. Comperchio only possessed certain pages from her personal calendars and was, therefore, unable to provide a clear comparison between the calendar, the payroll ledger, and the vouchers.

Due to the failure to maintain proper records documenting Ms. Comperchio's vacation time, it is difficult to ascertain the exact number or dollar amount of extra vacation days that Ms. Comperchio actually received. It will be at Local 1302's discretion whether they wish to further pursue this matter. However, it is essential that the local maintain better records documenting officer and employee salaries, lost-time, and benefits in order to be in compliance with the law and create better internal controls within the union.

2. Union officers and employees failed to retain adequate documentation for expenses charged to union credit cards and various other expenses which were direct-paid by the union. The date, amount, and business purpose of every expense must be recorded on at least one union record. In addition, the names of individuals present for meal expenses paid for by the union and the locations (names of restaurants) where meal expenses were incurred must also be recorded.

With respect to documentation retained in support of specific disbursements (including those in payment of credit card charges), the record retention requirement includes not only the retention of original bills, invoices, receipts, and vouchers, but also additional documentation, if necessary, showing the nature of the union business requiring the disbursement, the goods or services received, and all the recipients of the goods or services. In most instances, this documentation requirement can be most easily satisfied with a sufficiently descriptive receipt.

The union officers were able to obtain the majority of the missing receipts and provide the necessary explanations for any undocumented expenses. As agreed, provided that Local 1302 maintains adequate documentation for its disbursements in the future, no additional enforcement action will be taken regarding this violation.

The CAP disclosed a violation of LMRDA section 201(b), because the Labor Organization Annual Report (Form LM-3) filed by Local 1302 for fiscal year ending September 30, 2003 was deficient in the following areas:

1. The names of some officers who held office during the year (trustees and former president) were not reported in Item 24 with the total amount of payments to or for them. The names of all persons who held office at any point during the year must be reported in Item 24 regardless of whether or not they received any payments from the union.

2. All direct disbursements to your union's officers and some indirect disbursements made by your organization on behalf of its officers must be included in the amounts reported in Item 24. A "direct disbursement" to an officer is a payment made by your organization 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 made by your organization to another party (including credit card companies) 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 Expenses).

I am not requiring that Local 1302 file an amended LM-3 report for 2003 to correct the deficient items, but as agreed, your union will properly report the deficient items on all future reports filed with this agency.

I strongly recommend that you make sure that this letter and the compliance assistance materials that were provided to you are passed on to yours and Ms. Andrew's successors at whatever time you may leave office.

I want to thank you and Ms. Andrews for your cooperation and courtesy during this compliance audit. If I can be of any assistance in the future, please do not hesitate to contact me or any other representative of this office.

Sincerely,

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Investigator

cc: Eva Andrews, Secretary-Treasurer