



January 5, 2012

Mrs. Elizabeth R. Van Der Woude, President
Communications Workers, AFL-CIO
Local Union 4250
3055 Glenwood-Dyer Road
Lynwood, IL 60411

Case Number: [REDACTED]
LM Number: 011-302

Dear Mrs. Van Der Woude:

This office has recently completed an audit of Communications Workers Local 4250 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 Secretary-Treasurer Debra Slimko on December 20, 2011, the following problems were disclosed during the compliance audit. 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 4250's 2011 records revealed the following recordkeeping violations:

1. Meal Expenses

Local 4250 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. For example, the members of the executive board attended an \$889.69 meal at Buca Di Beppo in Orland Park, IL on January 15, 2011. The attached supporting documentation noted the individuals attending the meeting; however, it did not note the union business discussed at the meeting. It was also noted that approval of this meal expense was not present in any local record.

Union records of meal expenses must include written explanations of the union business conducted and the full names and titles of the persons who incurred the restaurant charges. Also, the records retained must identify the names of the restaurants where the officers or employees incurred the meal expenses.

2. Inventory of Assets

Local 4250 does not maintain a list of property that it has purchased. The union must report the value of any and all union property on hand at the beginning and end of each fiscal year in item 30 (Other Assets) on the Labor Organization Annual Report (Form LM-3). The union must retain an inventory or similar record of property on hand to verify, clarify, and explain the information that must be reported.

Based on your assurance that Local 4250 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Other Issue

Credit Card Meal Purchases / Per Diem

During the audit, it was determined that Local 4250 officers were paid per diem to cover meals and other miscellaneous expenses when the officers traveled on union business. However, a review of Local 4250's credit card statements and supporting documentation identified seven meal purchases totaling approximately \$1,776 that were made by Local 4250 officers while the officers were traveling on union business and had already received a per diem payment from the local. You informed me that the previously noted meal expenses were business meals between Local 4250 officers and other individuals. As such, it was the local's practice not to count the meal against the officers' per diem. OLMS recommends that Local 4250 establish written guidelines for per diem / meal expense payments to officers on travel status.

I want to extend my personal appreciation to Local 4250 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: Debra Slimko, Secretary-Treasurer