



June 6, 2012

Mr. Jim Billedo, President
Communication Workers Local 6312
1918 E. Meadowmere Road
Ste. 10
Springfield, MO 65804

Case Number: [REDACTED]
LM Number: 026927

Dear Mr. Billedo:

This office has recently completed an audit of Communication Workers Local 6312 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 Pat Dodd on May 25, 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 6312's records for fiscal year ending September 30, 2011, revealed the following recordkeeping violations:

1. General Expenses and Credit Card Expenses

Local 6312 did not retain adequate documentation for expenses incurred by the local's vice president totaling at least \$883.65. For example, the local did not maintain a receipt or invoice for lodging expenses incurred by the vice president and paid by the local on February 10, 2011, for \$65.77; on February 16, 2011, for \$149.83; on February 21, 2011, for \$186.24; on March 7, 2011, for \$200.30; on June 20, 2011, for \$143.14; and on September 9, 2011, for \$138.37.

Local 6312 did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by the president totaling at least \$733.91. Some receipts and sufficiently itemized meal receipts were not kept. For example, the local did not maintain itemized receipts for a \$578.42 charge at Domenicos Italian restaurant on October 15, 2010; a \$55.76 charge to Mexican Villa on October 28, 2010; and a \$31.53 charge at Ruby Tuesday restaurant on May 2, 2011. The local did not maintain a receipt for a \$68.20 charge to Tan-Tara-Resort on April 23, 2011.

As previously 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. Lack of Salary Authorization

Local 6312 did not maintain records to verify that the salaries reported in Schedule 24 (All Officers 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 allowances authorized by the entity or individual in the union with the authority to establish salaries.

Based on your assurance that Local 318 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 6312 for fiscal year ending September 30, 2011, was deficient in the following areas:

1. Acquire/Dispose of Property

Item 13 [LM-3] (During the reporting period did your organization acquire or dispose of any assets in any manner other than by purchase or sale?) should have been answered, "Yes," because the union gave away \$801.49 worth of gift cards as door prizes when it hosted the District 6 conference. The union must identify the type and value of any property received or given away in the additional information section of the LM report

along with the identity of the recipient(s) or donor(s) of such property. The union does not have to itemize every recipient of such giveaways by name. The union can describe the recipients by broad categories if appropriate such as "members" or "new retirees." In addition, the union must report the cost, book value, and trade-in allowance for assets that it traded in.

2. Local 6312 netted a \$3,208.92 reimbursement it received for hosting a training seminar. Netting is the offsetting of receipts against disbursements and reporting only the balance as either a receipt or disbursement. Consequently the LM-3 report does not reflect the accurate amount of receipts and disbursements. The LM report should reflect all cash flowing in and out of your organization and netting is not permitted.

I am not requiring that Local 6312 file an amended LM report for the fiscal year ending September 30, 2011, to correct the deficient items, but Local 6312 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to Communication Workers Local 6312 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