



April 29, 2011

Mrs. Anita Vawter, Secretary/Treasurer  
Communication Workers Local 6401  
3320 SW Harrison  
Suite 5  
Topeka, KS 66611

Case Number: [REDACTED]  
LM Number: 047169

Dear Mrs. Vawter:

This office has recently completed an audit of Communication Workers Local 6401 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 August 9, 2011, 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.

#### Reporting Violations

The audit disclosed violations 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 6401 for fiscal year ending September 30, 2010, was deficient in the following areas:

##### 1. Officer Expenses

Local 6401 did not include some reimbursements and expense payments made to officers totaling at least \$5,000 in the amounts reported in Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments in Item 48. The union must report most direct disbursements to Local 6401 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). I met with your accountant who will be assisting you in filing your amended Form LM-3 and she will also be receiving a copy of this letter; as we

discussed during the exit interview, I will be happy to answer any questions you may have in completing the amended form.

2. Failure to File Bylaws

The audit disclosed a violation of LMRDA Section 201(a), which requires that a union submit a copy of its revised constitution and bylaws with its LM report when it makes changes to its constitution or bylaws. Local 6401 amended its bylaws in 2006, but did not file a copy with its LM report for that year. I received a copy of the updated bylaws during the audit so no further action will be necessary.

Local 6401 must file an amended Form LM-3 for fiscal year ending September 30, 2010, to correct the deficient items discussed above. The amended Form LM-3 should be submitted to this office at the above address as soon as possible, but not later than September 9, 2011. Before filing, review the report thoroughly to be sure it is complete, accurate, and signed properly with original signatures.

I want to extend my personal appreciation to Communication Workers Local 6401 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. Jason Burns, President  
Ms. Steffani Shelton, CPA