



June 7, 2013

Mr. Michael Parker, Treasurer
Communication Workers, AFL-CIO
Local Union 81300
4979 Howlett Hill Road
Marcellus, NY 13108

Case Number: 120-09256()
LM Number: 059-400

Dear Mr. Parker:

This office has recently completed an audit of Communications Workers Local 81300 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 President Richard Golley and you on May 30, 2013, 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 81300's 2012 records revealed the following recordkeeping violations:

1. General Reimbursed Expenses

Local 81300 did not retain adequate documentation for reimbursed expenses incurred by President Richard Golley totaling at least \$451. For example, gas and mileage was reimbursed to Golley totaling \$373.45 without a clear explanation of the miles driven and the locations involved. In addition, no receipt was retained for a lunch reimbursed to Golley at Gallagher's Restaurant in New York, NY.

The union must maintain records which identify the dates of travel, locations traveled to and from, and number of miles driven. The record must also show the business purpose of each use of a personal vehicle for business travel by an officer or employee who was reimbursed for mileage expenses.

As 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. Lost Wages

Local 81300 did not retain adequate documentation for lost wage reimbursement payments to union officers and employees on a couple of occasions. The union must maintain records in support of lost wage claims that identify each date lost wages were incurred, the number of hours lost on each date, the applicable rate of pay, and a description of the union business conducted. The OLMS audit found that Local 81300 completed a voucher for lost time reimbursements, however for union failed to identify the dates the loss was incurred on all vouchers completed for reimbursement.

During the exit interview, I explained the necessary information required for lost time wage reimbursements and provided the OLMS Compliance Tip *Union Lost Time Payments*, which includes a sample voucher completed properly.

Based on your assurance that Local 81300 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 81300 for the fiscal year ended September 30, 2012, was deficient in the following areas:

1. Disbursements to Officers (LM-3)

Local 81300 did not include some reimbursements to officers totaling at least \$1,139 in the amounts reported Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments in Item 48 (Office & Administrative Expense).

The union must report most direct disbursements to Local 81300 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).

2. Deductions and Withholding Taxes

The union did not properly report in Line 10 of Item 24 the total amount of withheld taxes and other payroll deductions during the period. In addition, disbursements for the transmittal of withheld taxes, payroll deductions and other deductions must be reported in Item 54 (Other Disbursements). Local 81300 entered zero in Line 10 of Item 24 and appears to have erroneously reported withheld taxes in Item 48.

3. Dues and Fees

Local 81300 improperly reported the dues and fees established by the organization. The union appears to have averaged the weekly rate of dues and included the amount in Item 23 Line (a) (Regular Dues/Fees). The audit found that more than one rate applies and therefore, the minimum and maximum dues rates should be included on the form.

I am not requiring that Local 81300 file an amended LM report for 2012 to correct the deficient items, but Local 81300 has agreed to properly report the deficient items on all future reports it files with OLMS.

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I want to extend my personal appreciation to CWA Local 81300 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. Richard Golley, President
Mr. Charles Pike, Accountant/Enrolled Agent