

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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February 1, 2005

Jerry Butler
President
Communication Workers
Local Union 6009
1303 W. Gore, Ste 4
Lawton, OK 73501

Re: 2

Dear Mr. Butler:

This office has recently completed an audit of Communication Workers LU6009 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 January 28, 2005, 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 LU6009's records for fiscal year ending September 30, 2004:

1. Union officers failed to retain adequate documentation for expenses charged to the union credit card. Specifically, some hotel and airline receipts were missing.
2. Some union officers failed to record the date and/or purpose of some lost wage claims on records submitted for such expenses. Records that identify the date, number of hours lost, rate of pay, and business purpose (reason) for all lost wages must be retained.
3. LU6009 failed to retain an inventory of their fixed assets. Office equipment comprises LU6009's fixed assets. Records must be retained which account for all union property. In the case of union equipment, a record should include the date bought and the cost of each item.
4. LU6009 failed to maintain a record for their savings accounts ie. a savings book or equivalent.

As agreed, provided that LU6009 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 LU6009 for fiscal year ending September 30, 2004 was deficient in the following areas:

1. Item 14 should have been answered "Yes" instead of "No" because LU6009 has accounting firm Pazoureck & Feeback, PC (P&F) maintaining their financial records and completing quarterly reports. In addition, accounting firm Fite, Stabler, and Furh audit P&F's records annually.
2. Item 43 Other Receipts should have reported the income received from t-shirt sales and reimbursements.
3. Item 44 Total Receipts should have included income received from t-shirt sales or reimbursements. LU6009 received reimbursement from District 6, other unions, and union officers for various expenses. Kathy Pazoureck, LU6009's CPA, advised that reimbursement income was applied toward those expenses. OLMS considers all deposits income except for money moved between accounts.

I am not requiring that LU6009 file an amended LM- report fiscal year ending September 30, 2004 to correct the deficient items, but as agreed, your union will properly report the deficient items on all future reports filed with this agency.

The CAP disclosed a violation of LMRDA section 201(a) which requires that unions submit a copy of their current constitution and bylaws with its LM report when bylaw changes are made. LU6009 amended its constitution and bylaws in 2003, but a copy of the constitution and bylaws was not filed with Local 6009's LM-3 report for fiscal year ending September 30, 2004. As agreed, LU6009 will file two copies of its current bylaws with this agency as soon as they are printed.

The CAP revealed one other deficiency as described below:

1. Your lost time and expense vouchers are only signed you (Butler). The Secretary/Treasurer Susan Stoll's lost time and expense vouchers are only signed by her. A second signature is an internal control technique. Its purpose is to attest to the authenticity of a completed document already signed. You may wish to revise this aspect of your voucher payment procedures.

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. Stoll's successors at whatever time you may leave office.

I want to extend my personal appreciation for your cooperation and courtesy during this compliance audit. If we can be of any assistance in the future, please do not hesitate to call.

Sincerely,

FCC

Investigator

cc: Susan Stoll