

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Dallas District Office
525 S. Griffin St., Suite 300
Dallas, TX 75202
(972) 850-2520 / FAX: (972) 850-2501



May 31, 2005

Melvin Jones, President
Communications Workers. LU-86106
Professional Building, Suite 8
Grant / Division
Forrest City, AR 72335

Re: _____

Dear Mr. Jones:

This office has recently completed an audit of LU-86106 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 April 20, 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 CAP audit of Local 86106's FYE 2003 records: Savings, Certificate of Deposits and Strike Fund accounts lacked necessary information or a ledger to determine when the union received or withdrew funds from those accounts.

Disbursements ledger did not have a beginning balance were the union starts subtracting funds. Only the check book stubs reflected beginning and ending balances.

The audit revealed a violation of LMRDA Section 502 (Bonding), which requires that the union's officers and employees be bonded for no less than 10% of the total funds handled by those individuals or their predecessors during the preceding fiscal year. Local 86106's officers and employees were bonded for \$10,000, but they must be bonded for at least \$11,000. Your office provided proof of adequate bonding coverage to this office before the audit was concluded.

COMMUNICATIONS WORKERS

LU-86106

May 31, 2005

Page 2 of 2

During the audit, I advised you that authorization of the \$75.00 salary amounts or time lost paid to the union president could not be found in union records. I suggest that Local 86106 take steps to record the authorized salary amounts by discussing them at a future meeting and recording them in meeting minutes or some other internal document. When the authorized salaries have been recorded in union records, I would appreciate it if you would forward a copy of the record documenting the authorization to me at the above address.

As agreed, provided that Local-86106 maintains adequate documentation for its disbursements in the future, no additional enforcement action will be taken regarding this violation.

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. Louise Fields's successors at whatever time you may leave office.

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

Sincerely,

FLL

Investigator

cc: President/Financial Secretary