



September 11, 2012

Mr. Henry Vitale, President  
Communication Workers, AFL-CIO  
ITU Local 13  
520 Dorchester Ave  
Boston, MA 02127

Case Number: [REDACTED]  
LM Number: 024846

Dear Mr. Vitale:

This office has recently completed an audit of ITU Local 13 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 September 7, 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 13's 2010 records revealed the following recordkeeping violations:

#### 1. Failure to Record Receipts

Local 13 did not record in its receipts records some employer dues check-off checks totaling at least \$499.23. For example, dues check # [REDACTED] from the City of Boston in the

amount of \$499.23 dated 11/13/09 was issued to ITU Local 13 and deposited into the union's bank account, but not recorded in the union's deposit ledger. Union receipts records must include an adequate identification of all money the union receives. The records should show the date and amount received, and the source of the money.

2. General Reimbursed and Credit Card Expenses

Local 13 did not retain adequate documentation for checks made to cash for the union's petty cash fund. For example, Check # [REDACTED] dated 11/23/09 in the amount of 953.18 made payable to cash was documented as being for petty cash, but no entry in the disbursement journal was found corresponding to this payment.

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.

Based on your assurance that Local 13 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 13 for the fiscal year ended 09/30/10, was deficient in the following area:

Cash Reconciliation

It appears that the cash figures reported in Item 25 (Cash) are not the figures according to Local 13's books after reconciliation to the bank statements. The instructions for Item 25 state that the union should obtain account balances from its books as reconciled to the balances shown on bank statements. Local 13 book records contained multiple clerical errors that are the most probable cause for the cash reconciliation reporting error.

I am not requiring that Local 13 file an amended LM report for 2010 to correct the deficient item because the discrepancy in reporting appears to be clerical in nature and was unresolved during the course of the audit. Local 13 has indicated that future LM Reports will be prepared by Typographical Union Local 6 in New York, NY, with whom the Local 13 has merged.

Other Issues

1. Personal use of Credit Cards

The audit revealed that Local 13 permitted President Vitale to use the union's credit card to pay for personal expenses at Pep Boys Auto Repair in the amount of \$1,050.65. Although Vitale promptly repaid the union's credit card provider for the personal expenses he incurred, and the credit card use was explained as being for an emergency vehicle repair while traveling on union business, OLMS does not recommend that personnel make personal purchases with union credit cards because this may lead to a misuse of union funds.

I want to extend my personal appreciation to Local 13 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,

A solid black rectangular box redacting the signature of the investigator.

Investigator