

**U.S. Department of Labor**

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February 26, 2010

Mr. Ed Harshbarger, President  
Communication Workers Local 14705  
360 Acoma St., Room 107  
Denver, CO 80223

LM File Number: 032-203  
Case Number: [REDACTED]

Dear Mr. Harshbarger:

This office has recently completed an audit of Communication Workers (CWA) Local 14705 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, Vice President Charles Noah, and CWA Representative Billy Austin on January 22, 2010, 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 14705's 2009 records revealed the following recordkeeping violations:

1. General Reimbursed and Credit Card Expenses

Local 14705 did not retain adequate documentation for reimbursed expenses incurred by union officers and members totaling at least \$988. For example, the union did not obtain receipts for hotel and airfare charges reimbursed to President [REDACTED] for attending a union convention.

As previously noted, 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. Information not Recorded in Meeting Minutes

During the audit, Mr. Harshbarger advised OLMS that the membership authorized union expenditures at the monthly membership meetings. Article IX, Section 4 of the local's bylaws require the local president to make authorized disbursements on behalf of the local and to report at every regular meeting the expenditures made that month. However, the minutes of the meetings do not contain details of expenditures made and authorizations for those expenditures. Minutes of all membership or executive board meetings must report any disbursement authorizations made at those meetings.

Based on your assurance that Local 14705 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 14705 for fiscal year ending December 31, 2008, was deficient in the following areas:

#### Failure to Report Accounts Payable

Local 14705 did not include obligations to reimburse President [REDACTED] for \$988 in union travel expenses incurred June 2008, and not paid until December, 2008, in the accounts payable section of its LM-3 report for the year ending September 30, 2008.

The union must report in Item 32, Column D of the Statement of Assets and Liabilities, the sum of all accounts payable at the end of the reporting year.

I am not requiring that Local 14705 file an amended LM report for 2008 to correct the deficient items, but Local 14705 has agreed to properly report the deficient items on all future reports it files with OLMS.

### Other Violations

The audit disclosed the following other violations:

#### Inadequate Bonding

The audit revealed a violation of LMRDA Section 502 (Bonding), which requires that union officers and employees be bonded for no less than 10 percent of the total funds those individuals or their predecessors handled during the preceding fiscal year.

The audit revealed that Local 14705's officers and employees were not bonded for period of October 4, 2009 through January 19, 2010. However, the union obtained adequate bonding coverage and provided evidence of this to OLMS during the audit. As a result, OLMS will take no further enforcement action regarding this issue.

I want to extend my personal appreciation to Communications Workers Local 14705 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,



Supervisory Investigator

cc: Mr. Charles Noah, Vice President