



December 8, 2015

Mr. Theodore Brookes, Treasurer  
Communications Workers, Local 81496  
340 Meadow Ave  
Edison, NJ 81496

Case Number: 130-6000415 [REDACTED]  
LM Number: 051599

Dear Mr. Brookes:

This office has recently completed an audit of Communications Workers, Local 81496 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 Investigator [REDACTED] of my staff on November, 2015, 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.

#### Record Keeping 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 disbursements, 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 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.

#### 1. Meal Expenses

Local 81496 did not require officers and employees to submit itemized receipts for meal expenses totaling at least \$261.00. The union must maintain itemized receipts provided by restaurants to officers and employees. These itemized receipts are necessary to determine if such disbursements are for union business purposes and to sufficiently fulfill the recordkeeping requirement of LMRDA Section 206.

Local 81496 records of meal expenses did not always include written explanations of union business conducted or the names and titles of the persons incurring the restaurant charges. For example, on 06/24/2014, the union spent \$261.00 at Edison Pizza. Union records of meal expenses must include written explanations of the union business conducted and the full names and titles of all persons who incurred the restaurant charges. Also, the records retained must identify the names of the restaurants where the officers or employees incurred meal expenses.

2. Failure to Record Receipts

Local 81496 did not record in its receipts records some employer dues checkoff checks and some checks received from banks for interest earned on certificates of deposit totaling at least \$6,641.02. For example, on 03/10/2014, a deposit was made, at a Wells Fargo branch in the amount of \$6,641.02. 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.

3. Information not Recorded in Meeting Minutes

During the audit, Mr. Brookes advised OLMS that the membership voted on large purchases. For example the union purchased a computer after it was voted on by the members. A record of this meeting could not be provided. The union must maintain a record of each meeting. Minutes of all membership or executive board meetings must report any disbursement authorizations made at those meetings.

Reporting Violations

The CAP 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 audit revealed the following reporting violations:

1. Incorrect LM Report

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 LM-4 filed by Local 81496 for the fiscal year ended 12/31/2014, was incorrect. Local 81496 must file the LM-3 report with receipts over \$10,000.

I explained to you the filing procedures and the availability of the filing software on the OLMS website ([www.olms.dol.gov](http://www.olms.dol.gov)). Before filing, review the report thoroughly to be sure it is complete and accurate, and properly signed with electronic signatures.

I want to extend my personal appreciation to Communication Workers Local 81496, 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 me or Investigator [REDACTED] at 646-264-3190.

Sincerely,

Andriana Vamvakas  
District Director

cc: Mr. Peter Trezza, President