



March 11, 2016

Vincent Storms, President
IUE-CWA Local 84708
One Marion Ave.
Ste. 318
Mansfield, OH 44993

Case Number: 350-6006736 [REDACTED]
LM Number: 070697

Dear Kimberly Taylor:

This office has recently completed an audit of IUE-CWA Local 84708 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 March 8, 2016, 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.

Reporting Violation

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 84708 for the fiscal year ended September 30, 2015, was deficient in the following areas:

1. Officer Expenses

Reimbursed expenses such as mileage and per diem were not reported on the 2015 LM-3 report under item 24, column E. The union must report most direct disbursements to Local 84708 officers and some indirect disbursements made on behalf of its officers in Item 24. A "direct disbursement" to an officer is a payment made to an officer in the form of cash, property, goods, services, or other things of value. See the instructions for Item 24 for a discussion of certain direct disbursements to officers that do not have to be reported in Item 24. An "indirect disbursement" to an officer is a payment to another party (including a credit card company) for cash, property, goods, services, or other things of value received by or on behalf of an officer. However, indirect disbursements for temporary lodging (such as a union check issued to a hotel) or for transportation by a public carrier (such as an airline) for an officer traveling on union business should be reported in Item 48 (Office and Administrative Expense).

2. Reported Disbursements

The audit determined that total disbursements reported in item 55 were over reported by approximately \$41,000.

3. Fixed Assets

The value of union fixed assets such as office furniture and equipment was not reported under item 29.

Local 84708 must file an amended Form LM-3 for the fiscal year ended September 30, 2015 to correct the deficient items discussed above. I encourage Local 84708 to complete, sign, and file its report electronically using the Electronic Forms System (EFS) available at the OLMS website at www.olms.dol.gov. Reporting forms and instructions can be downloaded from the website, if you prefer not to file electronically. The amended Form LM-3 should be filed electronically no later than April 15, 2016 or submitted to this office at the above address by the same date. Before filing, review the report thoroughly to be sure it is complete and accurate. Paper reports must be signed with original signatures.

Other Violations

The audit disclosed the following other violation(s):

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.

Local 84708's officers and employees are currently bonded for \$15,000 but they must be bonded for at least \$20,480. Local 84708 should obtain adequate bonding coverage for its officers and employees immediately. Please provide proof of bonding coverage to this office as soon as possible, but not later than April 15, 2016.

Other Issues

During the audit, I advised you that authorization for the salary amounts paid to union officers could not be found in union records. I recommend that Local 84708 document the authorized salary amounts in its bylaws or record them in meeting minutes or some other internal document (following discussion in the appropriate membership and/or executive board meeting). When the authorized salary amounts 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.

Kimberly Taylor

June 16, 2016

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I want to extend my personal appreciation to IUE-CWA Local 84708 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

Vincent Storms, President