



March 18, 2024

Mr. Tom Thomas, President  
Communications Workers of America (CWA)  
Local 81495  
[REDACTED]

Case Number: 110-6027986( [REDACTED] )  
LM Number: 526851

Dear Mr. Thomas:

This office has recently completed an audit of CWA Local 81495 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 David Englerth, and Recording Secretary Jeff Freeman on March 13, 2024, 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 81495's fiscal year ended 2023 records revealed the following recordkeeping violations:

1. Lost Wages

Local 81495 did not maintain adequate documentation for lost wage reimbursement payments to union officers totaling at least \$6,187. The union must maintain records in support of lost wage claims that identify each date lost wages were incurred, the number of hours lost on each date, the applicable rate of pay, and a description of the union business conducted. The OLMS audit found that Local 81495 maintained a lost-time voucher which included a summary of lost wages incurred by the individual, the number of hours, and applicable rate of pay. However, the officers did not identify the date lost time was lost, or sufficiently identify the union business conducted on each day.

During the exit interview, I identified the type of information and documentation that the local must maintain for lost wages and other officer expenses. I provided a compliance tip sheet, Union Lost Time Payments, that contained a sample of an expense voucher Local 81495 may use to satisfy this requirement.

## 2. Receipt Dates not Recorded

Entries in Local 81495's QuickBooks journal reflect the date the union deposited money, but not the date money was received. Union receipts records must show the date of receipt. The date of receipt is required to verify, explain, or clarify amounts required to be reported in Statement B (Receipts and Disbursements) of the LM-3. The LM-3 instructions for Statement B state that the labor organization must record receipts when it actually receives money and disbursements when it actually pays out money. Failure to record the date money was received could result in the union reporting some receipts for a different year than when it actually received them.

## 3. Meal Expenses

Local 81495 did not require officers and employees to submit itemized receipts for meal expenses totaling at least \$193. 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 81495 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, a receipt from Mecate Mexican Restaurant totaling \$99.18 did not include the union business conducted and the full names and titles of all persons who incurred the expense. 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.

Based on your assurance that Local 593 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 81495 for the fiscal year ended September 30, 2023, was deficient in the following areas:

1. Address of Record

Local 81495 did not accurately report the place where records are kept in Item 9. The union reported in Item 9, “yes,” stating the records are kept at the address included in Item 8 (Mailing Address), however, you disclosed the records are maintained at another location. Therefore, the union must report in Item 9 “no” and include in Item 56 (Additional Information) the address of the building and room number where union records are kept.

2. Failure to Report “Less Deductions” on Line 10 of Item 24

Local 81495 did not report the total amount of withheld taxes, payroll deductions, and all other deductions, withheld from officers and employees in “Less Deductions” on Line 10 of Item 24. The union must report on Line 10 of Item 24, the total amount of withheld taxes, payroll deductions, and all other deductions. Disbursements for the transmittal of withheld taxes, payroll deductions, and other deductions must be reported in Item 54 (Other Disbursements).

I am not requiring that Local 81495 file an amended LM report for 2023 to correct the deficient items, but Local 81495 has agreed to properly report the deficient items on all future reports it files with OLMS. Local 81495 has also agreed to file all future reports electronically.

### Other Issue

#### Expense Policy

As I discussed during the exit interview with those present, the audit revealed that Local 81495 does not have a clear policy regarding the types of expenses personnel may claim for reimbursement and the types of expenses that may be charged to the union’s debit cards. OLMS recommends that unions adopt written guidelines concerning such matters.

I want to extend my personal appreciation to CWA Local 81494 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,



Investigator