

## U.S. Department of Labor

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July 12, 2007

Joseph Cannizzaro, President  
Communications Workers, AFL-CIO  
Buffalo Mailers Local 14169  
166 Windmill Road  
West Seneca, NY 14218-3776

LM File Number 045-840

Case Number: [REDACTED]

Dear Mr. Cannizzaro:

This office has recently completed an audit of CWA Local 14169 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 on July 6, 2007 with Treasurer Borys Sharvan, 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 Violation

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 14169's 2006 records revealed the following recordkeeping violation:

#### 1. Meal Expenses

Local 14169 did not require officers and employees to submit itemized receipts for meal expenses totaling at least \$250. 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 14169 records of meal expenses did not include written explanations of union business conducted or the names and titles of the persons incurring the restaurant charges. For example, meals and drinks paid for by the union for membership meetings did not include sufficient descriptions and sometimes the name of the restaurant was missing. 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. Lost Wages

Local 14169 did not retain adequate documentation for lost wage (Official Union Business – OUB) reimbursement payments to union officers totaling at least \$2,000. 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 14169 officers did not use itemized statements (vouchers) when paying for lost wages..

During the exit interview, I explained that an expense/lost wage voucher should be used to satisfy this requirement. The sample voucher enclosed identifies the type of information and documentation that the local must maintain for lost wages and other officer expenses.

Based on your assurance that Local 14169 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

### 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 14169 for fiscal year ending September 30, 2006, was deficient in that:

#### Disbursements to Officers

Local 14169 did not properly report payments to officers totaling at least \$2,000 in Item 24 (All Officers and Disbursements to Officers). The union reported lost wage payments to officers in Column E (Allowances and Other Disbursements) rather than in Column D (Gross Salary).

I am not requiring that Local 14169 file an amended LM report for 2006 to correct the deficient items, but Local 14169 has agreed to properly report the deficient items on all future reports it files with OLMS.

Mr. Joseph Cannizzaro  
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I want to extend my personal appreciation to CWA Local 14169 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 be of any additional assistance, please do not hesitate to call.

Sincerely,

  
Investigator

cc: Borys Sharvan – Treasurer  
Curtis Nestark – Vice President

Enclosures as stated