U.S. Department of Labor

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July 6, 2007

Ms. Judy Lewis, Treasurer
Postal Workers, American, AFL-CIO
Nevada State Association
P.O. Box 97313
Las Vegas, NV 89193

LM File Number 506-132
Case Number: [redacted]

Dear Ms. Lewis:

This office has recently completed an audit of Nevada State APWU 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, former President Joe Lewis, and former Treasurer Denise Walker-Hoffman on May 9, 2007, 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 Nevada State APWU's 2005 records revealed the following recordkeeping violations:

1. General Expenses

   Nevada State APWU did not retain adequate documentation for disbursements totaling at least $1,795.00. For example, there were no receipts for $1,100.00 paid by the union to the Las Vegas Postmaster and for $392.20 paid in quarterly taxes to the Internal Revenue Service (IRS).

   As previously noted above, 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

   Article X, Section 3 of the Nevada State APWU's bylaws requires that expenditures other than the cost of printing and mailing of the Nevada state newsletter, professional fees, taxes, I.E. contracts with CPA and/or attorney, and salaries of over $200.00 shall be approved by the members in meetings, or in emergencies, by the executive board. The union paid at least $426.03 to Top USA for portfolios. However, the minutes of the membership and executive board meeting for 2005 do not contain any reference to that expense. Minutes of all membership or executive board meetings must report any disbursement authorizations made at those meetings.

Based on your assurance that Nevada State APWU 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(a), which requires that a union submit a copy of its revised constitution and bylaws with its LM report when it makes changes to its constitution or bylaws. Nevada State APWU amended its constitution and bylaws in 2005, but did not file a copy with its LM report for that year. Nevada State APWU has now filed a copy of its constitution and bylaws. As a result, OLMS will take no further enforcement action regarding this issue.

Other Violations

The audit disclosed the following other violation:

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 Nevada State APWU's officers and employees were not bonded for the minimum amount required at the time of the audit. 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 Nevada State APWU 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,

[redacted]
Investigator

cc: Paul Maille, President