U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Denver District Office
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July 20, 2007

Mr. Fred Dietz, Secretary-Treasurer
APWU
Local 539
P.O. Box 270555
Fort Collins, CO 80527

Re: Case Number: [redacted]

Dear Mr. Dietz:

This office has recently completed an audit of APWU Local 539 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 Fred Dietz on July 19, 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 received, 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 539's 2006 records revealed the following recordkeeping violations:

1. An expense voucher for a local officer showed an incorrect date and check number. The voucher showed that check #[redacted] for $1,268.01, was the check issued to pay for the expense voucher. However, the bank statement showed that check #[redacted] was the check that was actually used to pay for the $1,268.01 voucher. The information on the voucher was not updated.

2. The local did not retain the check stubs for $21, 123 in dues received between January and November 2006.

3. The local failed to retain records to support the December 2006's dues rebates payments to officers and stewards in the amount of $1,837.47.

4. The local's monthly meetings are held at Canino's Italian Restaurant. During 2006, the local made disbursements to Canino's Italian Restaurant in the amount of $3,710.50 for union meetings but failed to keep the receipts.

Based on your assurance that Local 539 will retain adequate documentation in the future, the Office of Labor-Management Standards (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 your labor organization to file its annual financial report Form LM-3 with OLMS within 90 days after the end of its fiscal year. The union explained that the report was filed timely, but OLMS never received it. The 2006 LM-3 Report was obtained during the exit interview.

I want to extend my personal appreciation to APWU LU 539's officers 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: Mark Tindall, President