

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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August 25,2008

Mr. Richard Prouse, President
American Postal Workers Union
Local 380
P O Box 25163
Albuquerque, NM 87125

LM File Number: 511-802
Case Number: [REDACTED]

Dear Mr. Prouse:

This office has recently completed an audit of American Postal Workers Union Local 380 (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 and several of your officers and stewards on August 12,2008, 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.

Record Keeping 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, verified 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 380's 2007 records revealed the following record keeping violation:

Failure to Maintain Records

Local 380 failed to maintain adequate records to verify, explain or clarify total disbursements of \$6,144.63. The checks missing proper documentation were check [REDACTED] for \$700.00; check for \$2,796.97; check [REDACTED] for \$500.00; check for \$198.00; and check for \$1,949.66. As previously noted above, labor organizations must retain receipts, bills and vouchers for all disbursements. The president and treasurer (or corresponding principle officers) of your union, who are required to sign your union's LM report, are responsible for properly maintaining union records.

Based on your assurance that Local 380 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.

Failure to File

Your union has not filed the Labor Organization Annual Report, Form LM-2, for fiscal years ending December 31, 2006 and December 31, 2007, as required by federal law. The law and regulations require the president and treasurer (or corresponding principal officers) of each labor organization to file an annual financial report with the Office of Labor-Management Standards (OLMS) within 90 days after the end of its fiscal year.

In view of the fact that the LMRDA does not provide for any extension of time for filing the delinquent reports, you are hereby officially notified that your union has not completed LM-2 reports for the years above mentioned, and the reports must be received by August 26, 2008. In this regard your attention is directed to Sections 209 and 210 of the LMRDA, which provide penalties for failure to file.

I want to extend my personal appreciation to American Postal Workers Union Local 380 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: Vice-President Christopher E. Fulton
Secretary-Treasurer Valerie Sedillo