

U.S. Department of Labor

Office of Labor-Management Standards
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April 4, 2014

Mr. Robert Leroux, President
Postal Workers, American, AFL-CIO
PO Box 1663
Northampton, MA 01606

Case Number: 110-1117674 [REDACTED]
LM Number: 092-588

Dear Mr. Leroux:

This office has recently completed an audit of Postal Workers, American, AFL-CIO 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 Treasurer David James on March 19, 2014, 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 755's 2012 records revealed the following recordkeeping violations:

1. General Reimbursed and Credit Card Expenses

Local 755 did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by David James and Walter LaFlamm totaling at least \$97.33.

As 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.

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 755 for the fiscal year ended December, 31 2012 was deficient in that:

1. Local 577 did not report the names of some officers and the total amounts of payments to them or on their behalf in Item 24 (All Officers and Disbursements to Officers). The union must report in Item 24 all persons who held office during the year, regardless of whether they received any payments from the union.

The union must report most direct disbursements to Local 577 officers and some indirect disbursements made on behalf of its officers in Item 24, including, but not limited to union stewards. A "direct disbursement" to an officer is a payment made to an officer in the form of cash, property, goods, services, or other things of value. See the instructions for Item 24 for a discussion of certain direct disbursements to officers that do not have to be reported in Item 24. An "indirect disbursement" to an officer is a payment to another party (including a credit card company) for cash, property, goods, services, or other things of value received by or on behalf of an officer. However, indirect disbursements for temporary lodging (such as a union check issued to a hotel) or for transportation by a public carrier (such as an airline) for an officer traveling on union business should be reported in Item 48 (Office and Administrative Expense).

Local 577 must file an amended Form LM-3 for the fiscal year ended December 31, 2012 to correct the deficient items discussed above. I encourage Local 577 to complete, sign, and submit its amended Form LM-3 to this address no later than April 11, 2014. Before filing, review the report thoroughly to be sure it is complete and accurate. Reports must be signed with original signatures.

Mr. Robert Leroux

April 4, 2014

Page 3 of 3

I want to extend my personal appreciation to Postal Workers Local 577 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

cc: Mr. David James, Treasurer