



February 13, 2023

Ms. Jenie Frazier, President
APWU Local 418
PO Box 3975
Shreveport, LA 71133

Case Number: 420-6025741()
LM Number: 071960

Dear Ms. Frazier:

This office has recently completed an audit of APWU Local 418 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, Vice President Rodney Carter, and Secretary Treasurer Donicka Page on February 9, 2023, 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 418's 2021 records revealed the following recordkeeping violations:

1. General Union Expenses and Reimbursed Expenses to Officers

Local 418 did not retain adequate documentation for union expenses and reimbursed expenses to officers totaling at least \$8,881.17. For example, Local 418 failed to maintain

documentation for a \$1,671 payment to CPA [REDACTED], several per diem and mileage reimbursements to officers, postage expenses, fuel purchases, and phone service payments. A \$300 check to President Frazier for presidential expenses was not supported with documentation.

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.

2. Meal Expenses

Local 418's records of meal expenses did not include written explanations of the union business conducted during these meals. For example, the union failed to maintain this information for the \$296.07 in meal expenses it incurred in 2021. 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.

3. Lost Wages

Local 418 did not retain adequate documentation for lost wage reimbursement payments to union officers for no less than five instances. 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 418, usually maintained vouchers and USPS Form 3971s for lost wage reimbursement payments, but often did not completely fill out the information on these vouchers. The union's failure to properly record this information apparently was the reason the union erroneously issued President Frazier a \$451.14 duplicate lost wage reimbursement during the audit year. President Frazier reimbursed Local 418 \$451.14 during the compliance audit. No other duplicate lost wage reimbursements were found during the compliance audit.

During the exit interview, I provided a compliance tip sheet, *Union Lost Time Payments*, that contained a sample of an expense voucher Local 418 may use to satisfy this requirement. The sample identifies the type of information and documentation that the local must maintain for lost wages and other officer expenses.

The proper maintenance of union records is the personal responsibility of the individuals who are required to file Local 418's LM report. You should be aware that under the provisions of Section 209(a) of the LMRDA and Section 3571 of Title 18 of the U.S. Code, willful failure to maintain records can result in a fine of up to \$100,000 or imprisonment for not more than one year, or both. Under the provisions of Section 209(c) of the LMRDA and Section 3571 of Title 18 of the U.S. Code, willful destruction or falsification of records can result in a fine of up to \$100,000 or imprisonment for not more than one year, or both.

The penalties provided in Section 209(c) and Section 3571 of Title 18 apply to any person who caused the violations, not just the individuals who are responsible for filing the union's LM report.

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 418 for the fiscal year ended December 31, 2021, was deficient the following areas:

1. Disbursements to Officers

Local 418 did not include some reimbursements and expenses, direct and indirect, to officers totaling at least \$2,883.56 in the amounts reported Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments in Item 54.

The union must report most direct disbursements to Local 418 officers and some indirect disbursements made on behalf of its officers in Item 24. 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).

2. Location of Union Records

Local 418 erroneously reported that the union's records are kept at the LM-3's mailing address instead of correctly reporting the records are kept at 2443 Texas Avenue, Shreveport, Louisiana.

I am not requiring that Local 418 file an amended LM report for 2021 to correct the deficient items, but Local 418 has agreed to properly report the deficient items on all future reports it files with OLMS. Local 418 has also agreed to file all future reports electronically.

I want to extend my personal appreciation to APWU Local 418 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,

A solid black rectangular box used to redact the signature of the sender.

Senior Investigator