



September 29, 2022

[REDACTED], President  
Postal Workers, APWU  
State Association of Maine  
[REDACTED]

Case Number: 110-6025078([REDACTED])  
LM Number: 071-988

Dear Mr. Adams:

This office has recently attempted to complete an audit of APWU Local 5998 under the Compliance Audit Program (CAP) to determine that organization's compliance with the provisions of the Labor-Management Reporting and Disclosure Act of 1959 (LMRDA). As Local 5998 terminated in July 2021 and there were no available union records, the audit was limited to a review of bank records obtained for the period January 1, 2016 through July 31, 2022.

#### 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.

With the exception of a checkbook that OLMS was unable to review in the course of the audit, Local 5998 failed to retain union or bank records, including records to support receipts and expenditures, for the required five years.

As Local 5998 has been terminated, OLMS will take no further enforcement action at this time regarding the above violations.

### Reporting Violations

The audit disclosed violations of LMRDA Section 201(b), which requires labor organizations to file annual financial reports accurately disclosing their financial condition and operations. Local 5998 failed to file the Labor Organization Annual Report (Form LM-4) for fiscal years 2019 and 2020 prior to the union's termination in July 2021.

In addition, Local 5998's LM-4 reports for fiscal years ended December 31, 2016, 2017, and 2018 were deficient in the following areas:

1. Total Assets (Item 14)

Local 5998 incorrectly reported total assets in 2016 and 2018. Item 14 should reflect the total value of the labor organization's assets at the end of the reporting period. In 2016, the union reported total assets of \$263,503 while the union's 2016 ending bank balance was \$2,593. In 2018, the union reported total assets of \$6,000 while the union's 2018 ending bank balance was \$5,591.

2. Total Receipts (Item 16)

Local 5998 did not properly report the union's total receipts in Item 16 in 2016, 2017, and 2018. Item 16 should reflect the total amount of all receipts of the labor organization during the reporting period. In 2016, the union deposited \$772 and reported receipts of \$485. In 2017, the union deposited \$1,170 and reported receipts of \$984. In 2018, the union deposited \$1,522 and reported no receipts.

3. Total Disbursements (Item 17)

Local 5998 did not properly report total disbursements in Item 17 in 2016 and 2018. Item 17 should reflect the total amount of all disbursements of the labor organization during the reporting period. In 2016, the union disbursed \$106 and reported disbursements of \$500. In 2018, the union disbursed \$253 and reported disbursements of \$161.

As the union has been terminated, I am not requiring that Local 5998 file the delinquent LM reports for 2019 and 2020, nor amend the reports for the years determined deficient.

### Other Issue

When the union terminated by letter from the APWU State Association of Maine in 2021, the union savings and checking accounts remained open and funded. The OLMS review determined that the accounts are still active and continue to hold Local 5998 funds. The APWU State Association of Maine agreed to work with Local 5998's bank to close the accounts and take

custody of the funds in accordance with the APWU governing documents, policies, and procedures.

I want to extend my personal appreciation to the APWU Maine State Association for your cooperation during this review, and your willingness to comply with the recordkeeping and reporting requirements. I recommend that you make sure this letter is referenced when applicable, and in similar situations, to ensure future compliance of local unions in your governing area. 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 investigator.

Investigator