



July 31, 2023

Mr. Winston Lewis, Jr., President
Postal Workers, American, AFL-CIO
Local 8008
PO Box 50001
Kalamazoo, MI 49005

Case Number: 320-6023522()
LM Number: 544727

Dear Mr. Lewis:

This office has recently completed an audit of Postal Workers Local 8008 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 Vice President Isaac Anderson on July 13, 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 8008's 2021 records revealed the following recordkeeping violation:

Disbursements to Vendors

Local 8008 did not retain adequate documentation for disbursements to vendors totaling at least \$9,958. For example, adequate supporting documentation was not retained for 69 debit card charges totaling \$8,208 that the union made to MetroPCS, Best Buy, Enterprise Rent-a-Car, and various other vendors for union business expenses. In support of these expenses, Local 8008 only retained bank statements, which is not sufficient. As another example, adequate supporting documentation was not retained for a \$1,750 disbursement to [REDACTED] for arbitration expenses. In support of this expense, Local 8008 only retained a photocopy of the cleared check issued to [REDACTED], which is not sufficient.

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.

Based on your assurance that Local 8008 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. The Labor Organization Annual Report (Form LM-3) filed by Local 8008 for the fiscal year ended (FYE) December 31, 2021, was deficient in the following areas:

1. Disbursements to Employees

Local 8008 did not include payments it made to employees totaling at least \$2,010 in the amount reported in Item 46 (Disbursements to Employees). Local 8008's disbursements records indicate that its employees received payments totaling at least \$2,010; however, the total amount report in Item 46 was \$0. It appears that Local 8008 erroneously reported the payments it made to its employees in Item 48 (Office and Administrative Expense).

Local 8008 must report in Item 46 all salaries, allowances, travel advances which are not considered loans as explained in the instructions for Item 18 (Loans), and other direct and indirect disbursements (less deductions for FICA, withheld taxes, etc.) to employees of your organization during the reporting period. Include disbursements to individuals other than officers who receive lost time payments even if your organization does not consider them to be employees or does not make any other direct or indirect disbursements to them.

2. Disbursements to Officers

Local 8008 over reported disbursements to you, Mr. Anderson, and former Treasurer Terry Jakushevich by at least \$1,608 in the amounts reported in Item 24 (All Officers and Disbursements to Officers), Column D (Gross Salary). Local 8008's disbursements records indicate that you, Mr. Anderson, and Mr. Jakushevich received gross salary (including lost time) totaling at least \$2,975; however, the total amount reported in Column D of Item 24 for you, Mr. Anderson, and Mr. Jakushevich was \$4,583.

In addition, Local 8008 over reported reimbursements it made to you, Mr. Anderson, and Mr. Jakushevich by at least \$8,457 in the amounts reported in Item 24, Column E (Allowances and Other Disbursements). Local 8008's disbursements records don't indicate that you, Mr. Anderson, or Mr. Jakushevich received any reimbursed expenses; however, the total amount reported in Column E of Item 24 for you, Mr. Anderson, and Mr. Jakushevich was \$8,457.

At the exit interview, you admitted that you were unsure how to complete the LM-3 report and just entered information until the report reconciled enough to be accepted.

Local 8008 must report in Column D of Item 24 gross salaries (before tax withholdings and other payroll deductions) of union officers, including disbursements for lost wages. Local 8008 must report in Column E of Item 24 direct disbursements to officers for reimbursement of expenses they incurred while conducting union business. In addition, the union must report in Column E of Item 24 indirect disbursements made to another party (such as a credit card company) for business expenses union personnel incur. 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).

I am not requiring that Local 8008 file an amended LM report for 2021 to correct the deficient items, but Local 8008 has agreed to properly report the deficient items on all future reports it files with OLMS.

Other Violation

The audit disclosed the following other violation:

Failure to File

The audit also disclosed a violation of the LMRDA, which requires the president and treasurer, or corresponding principal officers, of each labor organization to file an annual financial report accurately disclosing the union's financial conditions and operations. Local 8008 failed to file its annual financial report for FYE December 31, 2022 with OLMS by the due date required by Section 201(b) of the LMRDA. Section 201(b) requires that annual financial reports be filed

within 90 days after the end of the labor organization's fiscal year. Local 8008's fiscal year ends on December 31, and it must file its annual financial report by March 31 of each year (or by March 30 in a leap year).

Local 8008 filed its Labor Organization Annual Report, Form LM-3, for FYE December 31, 2022 on May 22, 2023.

Other Issues

1. Debit Card Policy

You and Mr. Anderson have union debit cards assigned to you that are associated with Local 8008's checking account at Chase Bank. During the audit period, Local 8008 disbursed at least \$8,208 for union debit card charges incurred by you and Mr. Anderson. However, the audit found that Local 8008 has no written policy governing the use of its debit cards.

To ensure compliance with the LMRDA and safeguard union assets, OLMS recommends that Local 8008 establish a clear written policy or procedure for debit card use. The policy should include as much detail as possible, including identification of authorized users, authorized and prohibited uses of the debit card, limitation on expenditure amounts, and documentation requirements. Please refer to the OLMS Compliance Tip Publication *Union Credit Card Policy* for additional information regarding such policies.

2. Lost Wage Policy

The audit revealed that Local 8008 reimburses members for wages lost at B & B Trucking on occasions they are absent from work to conduct union business; however, the union does not have written policies that document its lost wage reimbursement policies.

To ensure compliance with the LMRDA and to safeguard union assets by promoting transparency and accountability, labor organizations should establish best practices for administering lost time payments. OLMS recommends that unions: (1) adopt clear policies and procedures for making lost time or similar payments, and (2) use vouchers that require detailed information to support lost time payments. These practices will allow the union to properly report lost time payments of this type on the Form LM-3.

OLMS recommends that union policies and procedures for lost wages be reduced to writing and added to your union's bylaws or discussed at an executive board or membership meeting where they can be supported by entries in the meeting minutes. Once established, it is important that your union consistently follow its procedures for handling payments for lost time. You may want to have your union's trustees or auditors compare the steps taken to pay lost time with the union's policies to make sure that all required procedures are being followed.

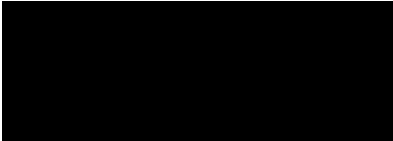
Mr. Winston Lewis

July 31, 2023

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I want to extend my personal appreciation to Postal Workers Local 8008 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. Isaac Anderson, Vice President