



November 22, 2023

Mr. Jon A. Arnold, Treasurer
Postal Workers, American, AFL-CIO State Association, Iowa
P.O. Box 539
Des Moines, IA 50302

Case Number: 510-6027610()
LM Number: 516508

Dear Mr. Arnold:

This office has recently completed an audit of Postal Workers, American, AFL-CIO State Association, Iowa (Postal Workers State Association, Iowa) 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 on November 17, 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 Postal Workers State Association, Iowa's 2022 records revealed the following recordkeeping violations:

1. General Reimbursed and Credit Card Expenses

Postal Workers State Association, Iowa did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by union officers and employees totaling at least \$14,530.80. For example, there were five occasions when President Kimberly Karol used the union's credit card to purchase airline tickets totaling at least \$2,292.78, and on eight occasions when she booked lodging for herself and others totaling

at least \$10,613.94, but receipts and invoices were not maintained. In addition, on five occasions, totaling at least \$173.49, Ms. Karol used the union's credit card to pay for Lift rideshare services, but receipts were not maintained.

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

Postal Workers State Association, Iowa did not always require officers and employees to submit itemized receipts for meal expenses on 26 occasions totaling at least \$1,333.97. The union must maintain itemized receipts provided by restaurants to officers and employees. These itemized receipts are necessary to determine if such disbursements are for union business purposes and to sufficiently fulfill the recordkeeping requirement of LMRDA Section 206.

Postal Workers State Association, Iowa's records of meal expenses did not always include written explanations of union business conducted or the names and titles of the persons incurring the restaurant charges. For example, there were eight occasions, totaling at least \$612.10 when Ms. Karol purchased meals at restaurants but did not record the full name and title or written explanations of the official union business conducted. 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, on one occasion, the name of the restaurant was not identified on the receipt. The records retained must identify the names of the restaurants where the officers or employees incurred meal expenses.

The officers understand that Postal Workers State Association, Iowa must maintain original itemized receipts provided by restaurants to officers and employees. In the future, itemized receipts will be maintained as part of the union's records. In addition, the officers understand that Postal Workers State Association, Iowa must include written explanations of union business conducted and the names and titles of the persons incurring the restaurant charges.

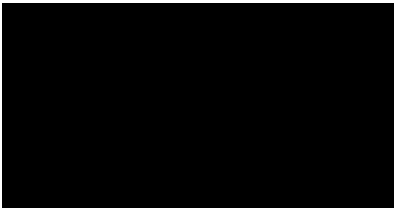
3. Receipt Dates not Recorded

Entries in Postal Workers State Association, Iowa's QuickBooks Deposit Detail Report reflects the date the union deposited money, but not the date money was received. Union receipts records must show the date of receipt. The date of receipt is required to verify, explain, or clarify amounts required to be reported in Statement B (Receipts and Disbursements) of the LM-3. The LM-3 instructions for Statement B state that the labor organization must record receipts when it actually receives money and disbursements when it actually pays out money. Failure to record the date money was received could result in the union reporting some receipts for a different year than when it actually received them.

Based on your assurance that Postal Workers State Association, Iowa will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

I want to extend my personal appreciation to Postal Workers State Association, Iowa 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,



cc: Ms. Kimberly Karol, President