



December 29, 2023

Mr. Paul Lew, Treasurer  
APWU Local 78  
7901 Oakport St.  
Oakland, CA 94621

Case Number: 530-6027618 [REDACTED]  
LM Number: 511364

Dear Mr. Lew:

This office has recently completed an audit of APWU Local 78 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 President Robert Jeffrey on December 28, 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.

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-2 ) filed by Local 78 for the fiscal year ended December 31, 2022, was deficient in that the cost and book value of investments was underreported. On Schedule 5 (Investments) of the LM-2, the union reported that the cost and book value were both \$39,437. The union's cost was \$55,839. As of December 31, 2022, the account value was \$94,990.61. Per the instructions on the LM-2, the book value is the lower of cost or market value. Therefore, union should report both the cost and book value at \$55,839 on Schedule 5.

I am not requiring that Local 78 file an amended LM report for 2022 to correct the deficient items, but Local 78 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to APWU Local 78 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,

[REDACTED]

Senior Investigator