



September 30, 2014

Mr. Richard Haefner, President
APWU MN State Association
8009 34th Ave. S
Suite 1050
Bloomington, MN 55425

Case Number: 320-6001136 ()
LM Number: 087786

Dear Mr. Haefner:

This office has recently completed an audit of APWU MN State Association 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 Secretary-Treasurer Sharon Colonna on September 23, 2014, 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-3 filed by APWU MN State Association for the fiscal year ended March 31, 2014, was deficient in that or deficient in the following areas:

1. Disbursements to Officers

APWU MN State Association did not include some reimbursements to officers totaling at least \$1,827.88 in the amounts reported Item 24 (All Officers and Disbursements to Officers). As an example, you were reimbursed \$2,761 during the audit year, but the amount reported in Item 24 Column E (Allowances and Other Disbursements) for you was \$1,577, a difference of \$1,184. It appears the union erroneously reported these payments in Item 54 (Other Disbursements).

The union must report most direct disbursements to APWU MN State Association 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. Per Capita Tax Payments to Minnesota AFL-CIO

APWU MN State Association did not include some disbursements totaling at least \$77.30 for per capita tax payments to the Minnesota AFL-CIO in the amount reported in Item 47 (Per Capita Tax). It appears the union erroneously reported these payments in Item 54 (Other Disbursements). All disbursements for per capita tax paid as a condition or requirement of your organization's affiliation with your parent, state and local central bodies, etc., must be reported in Item 47.

I am not requiring that APWU MN State Association file an amended LM report for 2014 to correct the deficient items, but APWU MN State Association 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 MN State Association 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: Ms. Sharon Colonna, Secretary-Treasurer