



August 6, 2014

Ms. Paula Jones, President  
APWU Local 7043  
PO Box 75  
Hazelwood, MO 63042-0075

Case Number: 510-6000672  
LM Number: 509713

Dear Ms. Jones:

This office has recently completed an audit of APWU Local 7043 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 July 7, 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.

#### 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 7043's 2013 records revealed the following recordkeeping violations:

#### 1. General Reimbursed and Credit Card Expenses

Local 7043 did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by union officers and employees totaling at least \$1,314.84 in reimbursed expenses and \$1,139.72 in credit card expenses. For example, an airline ticket

was purchased with the local's credit card for \$433.70 for an officer to attend the APWU National Convention. The local did not retain a receipt from the purchase of the airline ticket.

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. Lost Wages

Local 7043 did not retain adequate documentation for lost wage reimbursement payments to union officers, union officers and employees. The union must maintain records in support of lost wage claims that identify each date lost wages were incurred, the number of hours lost on each date, the applicable rate of pay, and a description of the union business conducted. The OLMS audit found that Local 7043 retained lost time vouchers for nearly all lost time payments; however, in some instances, an adequate description of the union business conducted was not included on the voucher.

During the exit interview, I provided a compliance tip sheet, *Union Lost Time Payments*, that contained a sample of an expense voucher Local 7043 may use to satisfy this requirement. The sample identifies the type of information and documentation that the local must maintain for lost wages and other officer expenses.

## 3. Information not Recorded in Meeting Minutes

During the audit, Ms. Jones advised OLMS that the membership authorized disbursements. However, as president, Jones is permitted to make purchases up to \$200 without membership approval for union business. However, the minutes of the meeting often do not contain specific information regarding the motion to approve, whether or not the motion passed, what was approved for purchase, names of approved travelers, types of expenses approved for travelers, or the amount approved. Minutes of all membership or executive board meetings must report any disbursement authorizations made at those meetings.

Based on your assurance that Local 7043 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 7043 for the fiscal year ended December 31, 2013, was deficient in that:

1. Failure to File Bylaws

The audit disclosed a violation of LMRDA Section 201(a), which requires that a union submit a copy of its revised constitution and bylaws with its LM report when it makes changes to its constitution or bylaws. Local 7043 amended its constitution and bylaws in 2010, but did not file a copy with its LM report for that year.

Local 7043 has now filed a copy of its constitution and bylaws.

I want to extend my personal appreciation to APWU Local 7043 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,



Senior Investigator

cc: Ms. Jeanette Colvin, Secretary-Treasurer