U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Cleveland District Office
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January 8, 2007

Ms. Karen See, President
American Postal Workers Union
Local 903
P.O. Box 1211
Mansfield, OH 44901-1211

Re: Case Number: [redacted]

Dear Ms. See:

This office has recently completed an audit of APWU Local 903 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, [redacted], and [redacted] on September 21, 2006, 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.

Title II of the LMRDA establishes certain reporting and recordkeeping requirements. Section 206 requires, among other things, that adequate records be maintained for at least 5 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, all records used or received in the course of union business must be retained. This includes, in the case of disbursements, not only the retention of original bills, invoices, receipts, and vouchers, but also adequate additional documentation, if necessary, 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 note can be written on it providing the additional information. An exception may be made only in those cases where 1) other equally descriptive documentation has been maintained, and 2) there is evidence of actual oversight and control over disbursements.

In the case of receipts, the date, amount, purpose, and source of all money received by the union must be recorded in at least one union record. Bank records must also be retained for all accounts. The audit of Local 903's 2005 records revealed the following recordkeeping violations:

- Union officers and employees failed to maintain adequate documentation for paid and/or reimbursed expenses. Sufficiently descriptive receipts must be retained for all such reimbursed expenses.

- Local 903 failed to produce its meeting minutes for the months of March, September, November and December for the audit year.

As agreed, provided that Local 903 maintains adequate documentation as discussed above in the future, no additional enforcement action will be taken regarding this violation.

The CAP disclosed a violation of LMRDA Section 201(b), because the Labor Organization Annual Report (Form LM-3) filed by APWU Local 903 for fiscal year ending December 31, 2005 was deficient in the following areas:

- All direct disbursements to Local 903 officers and some indirect disbursements made on behalf of its officers must be reported 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. An "indirect disbursement" to an officer is a payment to another party (including credit card companies) 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). The local failed to report gross salary on the LM report, and reported net salary instead. The LM report requires that gross salary be used for officers' salaries.

- All payments to officers, including payments for travel expenses, were reported as salary in Item 24 of the LM report. Officers' gross salaries (including payments for lost time or time devoted to union activities) should be placed in the Gross Salary column, and all other payments to officers should be placed in the Allowances and Other Disbursements column.

- Item 24 further showed that, while all of the local's officers were included on the LM report, some of them were listed multiple times since they held more than one position during the year. Each officer only needs to be listed once, and they can be listed for the position they last held before the end of the fiscal year. If the officer was a steward for part of the year or held some other union employee position, include any payments received by the officer while serving as a steward or employee with their payments received while serving as an officer.

APWU Local 903 has submitted an amended 2005 LM-3 Report to the Cleveland District Office correcting the errors listed above. Therefore, no further action is being considered regarding the violations at this time.

I want to extend my personal appreciation to APWU Local 903 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,

Fred Vaudrin
District Director

cc: Vickie Wagner, Secretary-Treasurer