

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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September 16, 2008

Mr. Richard Haefner, President
American Postal Workers, AFL-CIO
Minnesota State Association
P.O. Box 6753
Rochester, MN 55903

LM File Number: 097-786

Case Number: [REDACTED]

Dear Mr. Haefner:

This office has recently completed an audit of American Postal Workers Minnesota 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 Treasurer Judy McCann on September 2, 2008, the following problem was 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 Violation

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 American Postal Workers Minnesota State Association's 2008 records revealed the following recordkeeping violation:

Meal Expenses

American Postal Workers Minnesota State Association did not require officers and employees to submit itemized receipts for reimbursed meal expenses and meals purchased with the union credit card totaling at least \$500. For example, a meal purchased at Jackpot Junction for a labor management meeting totaling \$53 did not have an itemized receipt. Itemized receipts provided by restaurants to officers and employees must be maintained. 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.

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, the records retained must identify the names of the restaurants where the officers or employees incurred meal expenses.

I want to extend my personal appreciation to American Postal Workers Minnesota 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: Judy McCann, Treasurer