

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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February 3, 2009

Ms. Diane Wilson, Treasurer
American Postal Workers, AFL-CIO, Local Union 6669
San Mateo Postal Data Center
PO Box 5092
San Mateo, CA 94402-0092

LM File Number: 514-609

Case Number: [REDACTED]

Dear Ms. Wilson:

This office has recently completed an audit of American Postal Workers, AFL-CIO, Local Union 6669 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 Edwin Cox on January 16, 2009, 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 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.

The audit of Local 6669's 2007 records revealed the following recordkeeping violations:

General Reimbursed and Credit Card Expenses

Local 6669 did not retain adequate documentation for credit card expenses for travel and other expenses incurred by officers and employees totaling at least \$2,274.58.

As previously 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.

Based on your assurance that Local 6669 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 6669 for fiscal year ending December 31, 2007, was deficient in the following areas. The audit of Local 6669's 2007 records revealed the following reporting violations:

Disbursements to Officers and Employees

The salary of \$4,211.69 paid to the vice-president was not correctly reported in Item 24 (All Officers and Disbursements to Officers). Only part of the salary, \$1,001.00, was reported in item 24 and the remainder, \$3,210.69, was reported in other categories.

All direct disbursements to Local 6669 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).

I am not requiring that Local 6669 file an amended LM report for 2007 to correct the deficient items, but Local 6669 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to American Postal Workers, AFL-CIO, Local Union 6669 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: Mr. Edwin Cox, President