



November 30, 2010

Mr. Michael Kinsella, Secretary-Treasurer
St. Louis Mailers Union No. 3, CWA Local 14620
4111 Green Park Road
St. Louis, MO 63125

Case Number: [REDACTED]
LM Number: 038768

Dear Mr. Kinsella:

This office has recently completed an audit of St. Louis Mailers Union No. 3, CWA Local 14620 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 Robert Mielziner, Jr. on November 30, 2010, 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 14620's 2009 records revealed the following recordkeeping violations:

1. Failure to Maintain Receipts and Disbursements Journals

Local 14620 did not maintain receipts and disbursement journals for the audit year. Union receipts records must include an adequate identification of all money the union receives.

The records should show the date and amount received, and the source of the money, and the date the union deposited money. The date of receipt is required to verify, explain, or clarify amounts required to be reported in Statement B (Receipts and Disbursements) of the LM-3. The LM-3 instructions for Statement B state that the labor organization must record receipts when it actually receives money and disbursements when it actually pays out money. Failure to record the date money was received could result in the union reporting some receipts for a different year than when it actually received them.

2. Failure to Maintain Bank Statements and Check Register (Stubs)

The audit revealed that Local 14620 did not maintain bank statements or check stubs for its General Checking account from October through December 2008. The local reportedly created a register of each check issued in the form of a check stub. The local had check stubs from January 2009 through September 2009, but could not explain what happened to the check stubs from October 2008 through December 2008. Local 14620 should retain all types of records used in the normal course of doing business including bank statements and check stubs.

3. Lost Wages

Local 14620 did not retain adequate documentation for lost wage reimbursement payments on at least ten occasions. 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 14620 failed to consistently retain the required information.

During the exit interview, I provided a sample of an expense voucher Local 14620 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.

Based on your assurance that Local 14620 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

I want to extend my personal appreciation to St. Louis Mailers Union No. 3, CWA Local 14620 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

