



November 27, 2018

Ms. Barbara Barrett, Treasurer
Postal Workers Local 210
P.O.Box 794
424 South Michigan Street
South Bend, IN 46624

Case Number: 310-6012326 [REDACTED]
LM Number: 505689

Dear Ms. Barrett:

This office has recently completed an audit of Postal Workers Local 210 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, President George Riebel, and Secretary Kimberly Patchek on October 2, 2018, 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 210's 2016 records revealed the following recordkeeping violations:

Credit Card Expenses

Local 210 did not retain adequate documentation for union credit card charges incurred by officers totaling at least \$1,501.93. In support of expenses charged to the union credit card, Local 210 only retained the monthly statements, which is not sufficient. For example, the Local did not retain receipts or invoices explaining the purpose of credit card purchases totaling \$463.05 from multiple vendors in December 2016. The purchases appear to be related to a membership appreciation party.

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.

Based on your assurance that Local 210 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 210 for the fiscal year ended December 31, 2016 was deficient in the following areas:

1. Disbursements to Officers

Local 210 did not include some payments to the president totaling at least \$2,561.92 and the secretary treasurer \$741.62 in the amounts reported Item 24 (All Officers and Disbursements to Officers). It appears the union did not report two checks to cash totaling \$2,058.61 as disbursements to the president. Note that checks to cash that are negotiated by an officer must be reported as payments to the officer. OLMS recommends Local 210 review the procedure of writing checks to cash in order to improve internal control of union funds.

The union must report most direct disbursements to Local 210 officers and some indirect disbursements made on behalf of its officers 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. See the instructions for Item 24 for a discussion of certain direct disbursements to officers that do not have to be reported in Item 24. An "indirect disbursement" to an officer is a payment to another party (including a credit card company) 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).

Local 210 must file an amended Form LM-3 for the fiscal year ended December 31, 2016, to correct the deficient items discussed above. The report must be filed electronically using the Electronic Forms System (EFS) available at the OLMS website at www.olms.dol.gov. The amended Form LM-3 must be filed no later than December 17, 2018. Before filing, review the report thoroughly to be sure it is complete and accurate.

2. 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 210 amended its constitution and bylaws in 2010 and 2017, but did not file a copy of the bylaws with its LM reports for those years.

Local 210 has now filed a copy of its constitution and bylaws.

Other

Union Credit Card Policy

OLMS recommends unions adopt policies and procedures for the use of union credit cards. The Compliance Tip on Union Credit Card Policy provided during the exit interview outlines questions that should be addressed when developing a credit card policy, such as who are the authorized users, how are the credit cards safeguarded, the circumstances under which the credit cards should be used, and what documentation are users required to submit.

I want to extend my personal appreciation to you, Mr. Riebel, and Ms. Patcheak 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. George Riebel, President
Ms. Kimberly Patcheak, Secretary