



August 21, 2019

Ms. Sandra Payne, Treasurer
American Postal Workers Union
LU 6551
PO Box 3333
Bryan, TX 77805

Case Number: 420-6016552 [REDACTED]
LM Number: 508534

Dear Ms. Payne:

This office has recently completed an audit of American Postal Workers Union (APWU) LU 6551 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 President [REDACTED] on August 2, 2019, 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 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 APWU LU 6551's 2018 records revealed the following recordkeeping violation:

Lack of Salary Authorization

APWU LU 6551 did not maintain records to verify that the salaries reported on Line 18 of the LM-4 was the authorized amount and therefore was correctly reported. The union must

keep a record, such as meeting minutes, to show the current salary authorized by the entity or individual in the union with the authority to establish salaries.

Based on your assurance that APWU LU 6551 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violation.

Reporting Violation

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-4 filed by APWU LU 6551 for the fiscal year ended December 31, 2018, was deficient in that:

Total Disbursements Not Reported

APWU LU 6551 failed to report all disbursements totaling \$9,299.50 on Line 17 on the LM-4 Report for FYE 12/31/18. The union did not include the disbursements to officers, which were listed separately on Line 18.

APWU LU 6551 must file an amended Form LM-4 for the fiscal year ended December 31, 2018, to correct the deficient items discussed above. The report has now been amended and filed electronically.

I want to extend my personal appreciation to APWU LU 6551 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,

[REDACTED]

[REDACTED]

Investigator

cc: [REDACTED] President
[REDACTED], Vice President