

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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September 27, 2007

Mr. Ted Keahiolalo, President
Postal Workers, American, AFL-CIO
Local 664
P.O. Box 1120
Kealakekua, HI 96750-1120

LM File Number: 507-480
Case Number: [REDACTED]

Dear Mr. Keahiolalo:

This office has recently completed an audit of American Postal Workers Union (APWU) Local 664 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 on August 7, 2007, 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 Local 664's 2006 records revealed the following recordkeeping violation:

Disposition of Property

Local 664 did not maintain an inventory of shirts it purchased, sold, or gave away. The union must report the value of any union property on hand at the beginning and end of each year in Item 30 (Other Assets) of the LM-3. The union must retain an inventory or similar record of property on hand to verify, clarify, and explain the information that must be reported in Item 30.

The union must record in at least one record the date and amount received from each sale of shirts and other items.

Based on your assurance that Local 664 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Reporting Violation

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 664 amended its constitution and bylaws in 2004, but did not file a copy with its LM report for that year.

Local 664 has now filed a copy of its constitution and bylaws. In addition, Local 664 has agreed to submit a copy of any revised constitution and bylaws with its LM report in the future.

I want to extend my personal appreciation to APWU Local 664 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,


Senior Investigator

cc: Ms. Kay Tanaka, Secretary-Treasurer
 Former Secretary-Treasurer