



Sent via email to [REDACTED]

July 6, 2020

Ms. Linda Sarratt, President
Postal Workers, American, AFL-CIO
Local 143
2970 South 9th Street
Kalamazoo, MI 49009

Case Number: 320-6018222 [REDACTED]
LM Number: 071924

Dear Ms. Sarratt:

This office has recently completed an audit of Postal Workers, American, AFL-CIO Local 143 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 July 1, 2020, 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 143's 2019 records revealed the following recordkeeping violations:

1. Lost Wages

Local 143 did not retain adequate documentation for lost wage reimbursement payments to you and Business Agent Thomas Lothamer totaling at least \$1,720 during the audit year.

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 being conducted. The audit found that the union retained vouchers for lost wage reimbursements, but in many instances the vouchers were not sufficient because you and Mr. Lothamer did not always adequately describe the union business conducted.

During the exit interview, I provided a compliance tip sheet, *Union Lost Time Payments*, which contained a sample of an expense voucher Local 143 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.

2. Fixed Assets

The LM-3 filed by Local 143 reported fixed assets totaling \$1,000 at the beginning of the year (Item 29 (A) Fixed Assets, Start of Reporting Period) and \$800 at the end of the audit year (Item 29 (B) Fixed Assets, End of Reporting Period); however, Local 143 failed to retain any records to verify the accuracy of those figures. During the organizational interview, you indicated that you thought that the local's trustees prepared an inventory of the local's computers and office furniture; however, the inventory was not located in the documents provided during the audit.

In the case of fixed assets, including office furniture and equipment, Local 143 must maintain an inventory or other similar record(s) identifying each fixed asset and the cost and depreciation of each fixed asset. Such records are required to be retained to verify, clarify, and support information required to be reported in Item 29 of the Form LM-3. During the exit interview, you indicated that you would direct Local 143's trustees to prepare a new inventory of the union's fixed assets.

Based on your assurance that Local 143 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 Postal Workers Local 143 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