

**U.S. Department of Labor**  
Office of Labor-Management Standards  
Washington District Office



USPS Only:  
200 Constitution Avenue, NW  
Suite 11-200  
Washington, DC 20210-0001

Visitors/UPS/FedEx:  
375 E Street, SW, Suite 11-200  
Washington, DC 20024-3221  
Phone (202) 513-7300  
Fax: (202) 513-7301

August 26, 2020

Ms. Regina Rogers, Treasurer  
American Postal Workers Union  
Maryland-District of Columbia State Association  
PO Box 5405  
Capitol Heights, MD 20791

Case Number: 450-6017473  
LM Number: 086-058

Dear Ms. Rogers:

This office has recently completed an audit of the American Postal Workers Union (APWU) Maryland-District of Columbia State Association (State Association) 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 14, 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 the State Association's 2019 records revealed the following recordkeeping violations:

1. General Reimbursed and Credit Card Expenses

The State Association did not retain adequate documentation for some reimbursed expenses and credit card charges incurred by union officers. For example, the union did not retain receipts for credit card purchases at the U.S. Postal Service and From You Flowers.

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.

2. Failure to Maintain Records

The State Association failed to maintain a receipt for a check written to a vendor for computer maintenance. All union records must be maintained.

3. Failure to Retain Receipt Records

The State Association did not retain the bills that they provided to the local unions stating the per capita amount that the local owed to the State Association. In addition, the State Association did not keep some deposit slips and the union's records did not indicate the source of the items included in each deposit. All union records must be retained.

4. Information Not Recorded in Meeting Minutes

During the audit, you advised OLMS that the executive board authorized the purchases of a cellular phone for Clerk Craft Director Stephanie Young-Falcon to use for union business and a laptop and laptop bag for you to conduct your treasurer duties. However, the minutes of the executive board meetings do not contain any reference to those issues. Minutes of all membership or executive board meetings must report any disbursement authorizations made at those meetings.

Based on your assurance that the State Association 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 the State Association for the fiscal year ended March 31, 2019, was deficient in the following areas:

1. Officers' Salaries

The State Association did not correctly report the lost time payments to Young-Falcon in Item 24, (All Officers and Disbursements to Officers), Column D (Gross Salary). The union must report the gross salary of each officer before tax withholdings and other payroll deductions in Item 24, Column D. This amount should include disbursements for "lost time" or time devoted to union activities.

2. Disbursements to Officers

The State Association did not include some reimbursements to officers in the amounts reported in Item 24 (All Officers and Disbursements to Officers). Such payments appear to have been erroneously reported in Item 48 (Office and Administrative Expenses).

The union must report most direct disbursements to the State Association 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. An "indirect disbursement" to an officer is a payment to another party (including check card companies) 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).

3. Ending Cash Balances

The audit revealed that the ending cash balance reported in Item 25, Column B (Ending Cash) of the 2019 LM-3 report was not correct. The union reported its ending cash as \$56,822 on the LM-3 report. However, the audit revealed that the union's actual ending cash was \$63,218. Item 25, Column B should include the total of all your organization's cash on hand and on deposit at the end of the reporting period.

4. Total Receipts

The total receipts reported in Item 44 (Total Receipts) on the union's LM-3 report does not match the figure calculated by OLMS during the audit.

The State Association reported \$49,048 in total receipts on its LM-3 report, but OLMS calculated total receipts during the audit period to be \$55,729. All money received by the union during the audit period must be reported in Items 38 through 43 of the LM-3 report.

5. Failure to File Constitution and 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. The State Association amended its constitution and bylaws in 2011, but did not file a copy with its LM report for that year. The State Association has now filed a copy of its constitution and bylaws.

The State Association must file an amended Form LM-3 for fiscal year ending March 31, 2019 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](http://www.olms.dol.gov). The amended Form LM-3 must be filed no later than September 25, 2020. Before filing, review the report thoroughly to be sure it is complete and accurate.

I want to extend my personal appreciation to the American Postal Workers Union Maryland-District of Columbia State Association 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,



Auditor

cc: Mr. Edwin Butler, President