

U.S. Department of Labor

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August 21, 2007

Mr. Joseph Myers, Secretary/Treasurer
American Postal Workers Union
Utah State Association
PO Box 711323
Salt Lake City, Utah 84171-1323

LM File Number 086-275

Case Number: [REDACTED]

Dear Mr. Myers:

This office has recently completed an audit of the APWU Utah 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 and Michael Reece on August 16, 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 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 Utah State Association's records revealed the following recordkeeping violations:

- No documentation was found for at least 14 charges on the union's credit card.
- No documentation was found to support the \$600 purchase of lapel pins.
- No documentation was found to support the \$1,208.49 purchase of two Dell notebook computers. Documentation supporting this purchase was obtained from Dell during the audit at the request of OLMS.
- Dues checkoff records were not kept for every month in the audit period. You stated that you did not know that they were supposed to be kept, and that you will keep them in the future.
- No documentation was found to support the union's payment to you for two days of lost time. At the request of OLMS, you provided a copy of your time and attendance record showing time lost from work. You agreed to keep time and attendance records (Form 3971) for all lost time claims in the future.

Based on your assurance that the Utah 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 - 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. The Utah State association amended its constitution and bylaws in April 2006, but did not file a copy with its LM report for that year. The constitution and bylaws were obtained during the audit.

Other Issues

You personally collect dues from the various locals in the Utah State Association at the annual convention, and deposit the money you collect in the Association's bank account shortly thereafter. However, you do not record these dues as they are paid, nor do you provide the locals with receipts for their payments. I recommend that you devise a system or a log that records the receipts from the locals, so that you will know which locals paid their dues and which did not. I also recommend that you issue duplicate receipts to any person or entity who make a payment to the Association.

I want to extend my personal appreciation to the APWU Utah 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,



Investigator

cc: Michael Reece, President