

**U.S. Department of Labor**

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August 31, 2007

Mr. David Steinbach, President  
APWU Local 3477  
PO Box 260211  
Littleton, CO 80613-0211

LM File Number: 507-547

Case Number: [REDACTED]

Dear Mr. Steinbach,

This office has recently completed an audit of American Postal Workers Local 3477 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 David Steinbach on August 31, 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 Local 3477's 2006 records revealed the following recordkeeping violations:

1. Failure to Maintain Union Records, Credit Card Receipts

Local 3477 officers failed to maintain adequate documentation for credit card expenses for travel expenses that were direct-paid by the union. The date, amount, and business purpose of every expense must be recorded on at least one union record. The union had multiple purchases of, but did not maintain a receipt for the purchase and simply kept a copy of the reservations as proof of the purchase. The local used a credit card monthly billing statement as the receipt which was inadequate because the billing statement did not specifically list what items were purchased, who traveled and where the travel was to. The audit showed that these disbursements were made to purchase airline tickets for officer travel. However, the local only maintained a credit card billing statement as a receipt and did not have the original signed receipt or confirmation from the website used to make the reservations.

The union must maintain itemized receipts provided by vendors to officers and employees. These itemized receipts are necessary to determine if such disbursements are for union business purposes and to sufficiently fulfill the recordkeeping requirement of LMRDA Section 206.

2. Failure to Maintain Union Records, Union Meeting Minutes

Local 3477 failed to maintain meeting minutes for monthly membership meetings held in June, August, and November 2006. The LMRDA does not require that local unions hold monthly meetings, but it does require that if the local does hold a membership meeting, minutes be taken and maintained for five years. .

Based on your assurance that Local 3477 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

I want to thank you and APWU Local 3477 officers for your cooperation and courtesy during this compliance audit. If we can be of any assistance in the future, please do not hesitate to contact me or any other representative of our office.

Sincerely,

[REDACTED]

Investigator

cc: Joanne Pearlman, Secretary Treasurer