

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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April 27, 2009

Mr. William McNally, President
American Postal Workers, AFL-CIO
Local 366
2500 Main Street, Suite 202
Tewksbury, MA 01876

LM File Number 092-566
Case Number: [REDACTED]

Dear Mr. McNally:

This office has recently completed an audit of Postal Workers Local 366 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, Treasurer John O'Neill, and Vice President Domenic Ferullo on March 27, 2009, 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 366's 2008 records revealed the following recordkeeping violations:

Lost Wages

Local 366 did not retain adequate documentation for lost wage reimbursement payments to Treasurer John O'Neill and Vice President Domenic Ferullo totaling at least 53 times. 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 conducted. The OLMS audit found that Local 366 officers did not identify on the lost wage vouchers the union business conducted. Local 366 must describe the reason for lost wage reimbursements for both LWOP and the "hour for hour" lost time claims.

During the exit interview, you provided a sample of an updated lost time voucher that Local 366 will use to satisfy this requirement. The revised voucher now allows for the identification of the business conducted while receiving lost wages.

Based on your assurance that Local 366 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violation.

I want to extend my personal appreciation to Postal Workers Local 366 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,

Mr. William McNally
April 27, 2009
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Investigator

cc: John O'Neill, Treasurer