



May 29, 2012

Mr. Timothy Maynard, President
Postal Workers APWU AFL-CIO SFVA Local 1159
14621 Titus Street
Suite 133
Panorama City, CA 91402-7305

Case Number: [REDACTED]
LM Number: 071884

Dear Mr. Maynard:

This office has recently completed an audit of Postal Workers APWU AFL-CIO SFVA Local 1159 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 Secretary-Treasurer Yolanda (Yoggi) Riley on May 22, 2012, 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.

Record Keeping 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 1159's 2010 records revealed the following record keeping violations:

The union did not have the complete copy (front and back) of canceled checks for the General Fund account for the months of January, April, May, June, July, August, October and November 2010 due to the Check21 regulation and bank policy. This was resolved in part in the course of

the audit by the union requesting and receiving from the bank a sample of 38 canceled checks. The union agreed to keep canceled checks for the entire year of 2012 going forward. Based on your assurance that Local 1159 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Reporting Violation

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. Local 1159 amended its constitution and bylaws in October 2011, but did not file a copy with its LM report for that year. During the course of the audit a copy of the latest version of the bylaws was provided to OLMS.

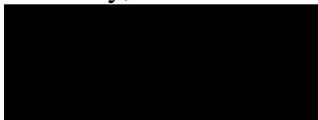
Other Issues

Expense Policy

As I discussed during the exit interview with you and Secretary-Treasurer Riley, the audit revealed that Local 1159 does not have a clear policy regarding the payment of per diem expenses in advance of travel. OLMS recommends that unions adopt written guidelines concerning such matters.

I want to extend my personal appreciation to Postal Workers APWU AFL-CIO SFVA Local 1159 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,

A solid black rectangular box redacting the signature of the investigator.

Investigator

cc: Mr. Buster Donelson, CPA