



June 26, 2013

Ms. Tina M. Freisleben, Secretary-Treasurer
Postal Workers Local 4871

Case Number: 310-23569 [REDACTED]
LM Number: 521572

Dear Ms. Freisleben:

This office has recently completed an audit of Postal Workers APWU LU 4871 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, Secretary Treasurer Tina Freisleben on June 24, 2013, 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

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 Local 4871 for the fiscal year ended December 31, 2012, was deficient in the following areas:

1. Acquire/Dispose of Property

Item 13 [LM-3] (During the reporting period did your organization acquire or dispose of any assets in any manner other than by purchase or sale?) should have been answered, "Yes," because the union raffled assets totaling more than \$1,939 during the year. The union must identify the type and value of any property received or given away in the additional information section of the LM report along with the identity of the recipient(s) or donor(s) of such property. The union does not have to itemize every recipient of such giveaways by name. The union can describe the recipients by broad categories if appropriate such as "members" or "new retirees." In addition, the union must report the cost, book value, and trade-in allowance for assets that it traded in.

2. Disbursements to Officers

Local 4871 did not include some reimbursements to the local's president totaling \$50, and to the secretary treasurer totaling \$8,883 in the amounts reported in Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments in Item 54 (Other Disbursements). As discussed during the exit interview,

Local 4871 must report in Column (E) of Item 24 all direct disbursements to officers for expenses incurred while conducting union business, including mileage, postage, office supplies, meals, transportation, and lodging.

Local 4871 did not report the names of the newsletter editor and the total amounts of payments to her or on her behalf in Item 24 (All Officers and Disbursements to Officers). The union must report in Item 24 all persons who held office during the year, regardless of whether they received any payments from the union. Also, the chief steward is listed as an officer of the local.

3. Disbursements to Employees

Local 4871 reported the name of the chief steward and the total amounts of payments to him or on his behalf in Item 24 (All Officers and Disbursements to Officers). The chief steward is appointed and not a member of the executive board according to the local bylaws. Direct and indirect disbursements to the chief steward and other individuals receiving lost time wages, other than officers, must be reported in Item 46 (To Employees).

The union must report most direct disbursements to Local 4871 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. See the instructions for Item 24 for a discussion of certain direct disbursements to officers that do not have to be reported in Item 24. An "indirect disbursement" to an officer is a payment to another party (including a credit card company) 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).

Local 4871 must file an amended Form LM-3 for the fiscal year ended December 31, 2012, to correct the deficient items discussed above. I encourage Local 4871 to complete, sign, and file its report electronically using the Electronic Forms System (EFS) available at the OLMS website at www.olms.dol.gov. Reporting forms and instructions can be downloaded from the website, if you prefer not to file electronically. The amended Form LM-3 should be filed electronically no later than July 10, 2013 or submitted to this office at the above address by the same date. Before filing, review the report thoroughly to be sure it is complete and accurate. Paper reports must be signed with original signatures.

Other Issues

Expense Policy

As we discussed during the exit interview, the audit revealed that Local 4871 does not have clear policies establishing procedures for authorizing and documenting lost time and reimbursed

expense payments. OLMS suggests that unions adopt detailed, written guidelines concerning lost time and reimbursed expenses. The OLMS Compliance Tips provided to you during the exit interview will help the union frame policies that ensure compliance with the LMRDA and safeguard union assets. You indicated the Local will amend its constitution and bylaws to provide for specific policies regarding lost time and reimbursed expense payments. As part of the policy, you may want to consider identifying the types of compensation authorized for retired officers. A copy of the amended constitution and bylaws must be submitted with the LM-3 for fiscal year ending December 31, 2013; however, please forward a copy of the changes to this office as soon as the local adopts them to ensure the amended bylaws comply with the LMRDA.

I want to extend my personal appreciation to you and to Local 4871 President Linda Turney 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: Ms. Linda J. Turney, President