



December 31, 2014

Mr. Gary Horton, President
Postal Workers Local 6005
25 Tobey Road
Wareham, MA 02571

Case Number: 110-6002589
LM Number: 071-583

Dear Mr. Horton:

This office has recently completed an audit of Postal Workers Local 6005 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 Treasurer Lorraine Sawyer on December 18, 2014, 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 Postal Workers Local 6005's 2013 records revealed the following recordkeeping violations:

1. Meal and Credit Card Expenses

Local 6005 did not retain adequate documentation for meal expenses incurred by union officers and employees totaling at least \$567.57. The local did retain one meal receipt

totaling \$16.80 but it was not properly documented with the names of the participants or the union purpose. Union records of meal expenses must include written explanations of the union business conducted and the full names and titles of all persons who incurred the restaurant charges. Also, the records retained must identify the restaurants where the officers or employees incurred meal expenses. The local also did not retain receipts or invoices for credit card purchases totaling \$6,629.99. The audit determined that all purchases were for a union purpose.

As previously noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. The president and treasurer (or corresponding principal officers) of your union, who are required to sign your union's LM report, are responsible for properly maintaining union records.

2. Lost Wages

Local 6005 did not retain adequate documentation for lost wage disbursements for officers and employees in 11 instances. 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 6005 did use lost wage vouchers but did not retain them in three cases totaling \$75.46 and eight vouchers did not note the hourly rate of pay and/or the date wages were lost.

Based on your assurance that Local 6005 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Reporting 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 LM-3 filed by Postal Workers Local 6005 for fiscal year ending December 31, 2013, was deficient in the following areas:

1. Cash Receipts

Local 6005 did not properly report cash receipts. The local reported \$1,022 less in dues than was actually received in Item 38 (Dues). The local also erroneously reported \$1,023 as new receipts in Item 43 (Other Receipts). These receipts were actually voided check amounts from end of year outstanding checks that were added back to the local's account.

2. Disbursements to Officers

Local 6005 did not include some disbursements made by and for the benefit of the officers totaling at least \$987 in the amounts reported in Item 24 (All Officers and Disbursements to Officers). It appears that the union erroneously reported these payments in Item 54 (Other Disbursements).

3. Contributions, Gifts, and Grants

Local 6005 did not report \$3,000 in gift cards purchased as retirement gifts in Item 51 (Contributions, Gifts, and Grants). It appears that the local erroneously reported this disbursement in Item 50 (Benefits) or Item 54 (Other Disbursements).

Postal Workers Local 6005 must file an amended Form LM-3 for fiscal year ending December 31, 2013, to correct the deficient items discussed above. I advised you that the reporting forms and instructions are available on the OLMS website (www.olms.dol.gov). The amended Form LM-3 should be submitted to this office at the above address as soon as possible, but not later than January 19, 2015. Before filing, review the report thoroughly to be sure it is complete, accurate, and signed properly with original signatures.

I want to extend my personal appreciation to Postal Workers Local 6005 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: Lorraine Sawyer, Treasurer