



October 27, 2015

Ms. Kimberly Miller, President  
APWU Local 1566  
4401 Linglestown Road, Ste. A  
Harrisburg, PA 17112

Case Number: 140-6005389( )  
LM Number: 506940

Dear Ms. Miller:

This office has recently completed an audit of APWU Local 1566 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 on October 22, 2015, 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 1566's 2014 records revealed the following recordkeeping violations:

1. General Reimbursed and Debit Card Expenses

Local 1566 did not retain adequate documentation for reimbursed expenses and debit card expenses incurred by union officers and employees totaling at least \$2,500. For example, per diem in the amount of \$450 was paid to each officer and employee who attended the

national convention in Chicago, Illinois. Expense vouchers were not maintained for all officers and employees who attended the convention and received per diem. Also, no backup documentation was retained for a \$440 debit card disbursement to the United States Postal Service on December 31, 2014.

As 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 Time

Local 1566 did not retain adequate documentation for lost time reimbursement payments to union officers and employees on at least nine occasions. The union must maintain records in support of lost time claims that identify each date lost time was 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 1566 did not maintain vouchers for some instances of lost time. Additionally, multiple lost wage vouchers that were maintained by Local 1566 did not contain all of the required information listed above.

During the exit interview, I provided a compliance tip sheet, *Union Lost Time Payments*, that contained a sample of an expense voucher Local 1566 may use to satisfy this requirement. The sample identifies the type of information and documentation that the local must maintain for lost wages and other officer expenses.

Based on your assurance that Local 1566 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

### Reporting Violation

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-2) filed by Local 1566 for the fiscal year ended December 31, 2014, was deficient in that:

#### Cash Reconciliation

The figures reported in Statements A (Assets and Liabilities) and B (Receipts and Disbursements) of Local 1566's 2014 LM-2 report were not the correct figures according to Local 1566's books after reconciliation to the bank statements.

Local 1566 filed an amended 2014 LM-2 report on September 24, 2015. OLMS will take no further enforcement action at this time regarding this violation.

Other Issues

1. Credit/Debit Card Policy

As I discussed during the exit interview with you, the audit revealed that Local 1566 does not have a clear policy regarding the types of expenses that may be charged to union credit/debit cards. OLMS recommends that unions adopt written guidelines concerning such matters. During the exit interview, I provided a compliance tip sheet, *Union Credit Card Policy*, which may be used to help the local draft a policy.

2. Officer travel/expense reimbursement policy

As I discussed during the exit interview with you, the audit revealed that Local 1566 does not have a clear policy regarding the types of expenses, including travel expenses, for which the local's officers and employees may be reimbursed. OLMS recommends that unions adopt written guidelines concerning such matters. During the exit interview, I provided compliance tip sheets, *Authorization and Documentation of Expenditures* and *Reimbursed Travel Expense Payments*, which may be used to help the local draft a policy.

I want to extend my personal appreciation to APWU Local 1566 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