



September 29, 2015

Mr. David Steinbach, President  
APWU Local 3477  
PO Box 630211  
Littleton, CO 80163-0211

Case Number: 510-6002429( )  
LM Number: 506-547

Dear Mr. Steinbach:

This office has recently completed an audit of APWU Local 3477 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 Joanne Jakicic on July 29, 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 3477's 2013 records revealed the following recordkeeping violations:

1. General Expenses and Credit Card Expenses

Local 3477 did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by Local 3477 President David Steinbach totaling \$2,833.77. For example, in 2013, the local paid \$723.15 for the president's cell phone without ever receiving copies of the bills. If the union pays for the cell phone of an officer, the bill for the cell phone should be part of the union's documentation for that expense. The LMRDA requires the union to keep the bills as part of the

local's records to document this expense.

2. Meal Expenses

Local 3477 did not require President Steinbach to submit proper documentation for meal expenses charged to the union's credit card totaling \$787.68. A portion of the expenses, \$392.52, did not include itemized receipts and the other portion, \$395.16, did not include any type of receipts. The union must maintain receipts for all expenses. Itemized receipts for meal expenses are necessary to determine if such disbursements are for union business purposes and to sufficiently fulfill the recordkeeping requirement of the LMRDA Section 206.

3. Failure to Record Receipts

Local 3477 did not keep records for the dues payments received from the National APWU via direct deposits for approximately \$21,000 in 2013. Union receipts must include an adequate identification of all money the union receives. The records should show the date and amount received, and the source of the money, which in this case can be a list of members that paid dues plus a document showing the amount of the remittance for the specific period.

4. Receipt Dates not Recorded

Local 3477 records included deposit slips for reimbursements received from the State Association but failed to record the date the money was received. Union receipts records must show the date of receipt. The date of receipt is required to verify, explain, or clarify amounts required to be reported in Statement B (Receipts and Disbursements) of the LM-3. The LM-3 instructions for Statement B state that the labor organization must record receipts when it actually receives money and disbursements when it actually pays out money. Failure to record the date money was received could result in the union reporting some receipts for a different year than when it was actually received.

5. Reimbursed Auto Expenses

President David Steinbach who received reimbursement for business use of his personal vehicles did not retain adequate documentation to support payments totaling approximately \$367. The union must maintain records, which identify the dates of travel, locations traveled to and from, and number of miles driven. The record must also show the business purpose of each use of a personal vehicle for business travel by an officer or employee who was reimbursed for mileage expenses.

6. Reimbursement to President Steinbach for the Employee Surveys

President Steinbach claimed \$240 that he paid to members that turned in their employee survey from the United States Postal Service. The records consisted of the top part of each survey, but President Steinbach failed to document the amount that he gave to each member, a confirmation of receipt from each member, or date that he made each disbursement.

Based on your assurance that Local 3477 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 revised constitution and bylaws with its LM report when it makes changes to its constitution or bylaws. Local 3477 amended its bylaws in 1988, but did not file a copy with its LM report for that year.

A copy of your new bylaws was obtained during the audit and will be forwarded to our National Office in Washington, D.C. to be associated with your disclosure file. In the future, it is understood that if you have changes to your bylaws you will check yes in "Item 21" of your LM-3 or corresponding report filed during the year the bylaws are changed and will file a copy of your amended bylaws with our National Office.

Other

OLMS does not require a particular travel expense reimbursement policy, but suggests that each union adopt a policy that answers the following questions in as much detail as possible. OLMS strongly recommends Local 3477 to adopt a clear travel reimbursement policy. The policy should establish who is eligible to receive reimbursed travel expenses; under what circumstances may reimbursed travel expenses be paid out; type of travel expenses that are covered by the policy; when to authorize the expense; how long does the member or officer has to submit the required documentation for reimbursement.

I want to extend my personal appreciation to APWU Local 3477 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: Mrs. Carrie Garcia, Vice President  
Ms. Joanne Jakicic, Secretary Treasurer