

**U.S. Department of Labor**

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July 30, 2009

Ms. Patricia Ahern, Local President  
American Postal Workers Union AFL-CIO  
Local 230  
PO Box 4101  
Manchester, NH 03108-4101

LM File Number 072-475  
Case Number: [REDACTED]

Dear Ms. Ahern:

This office has recently completed an audit of APWU Local 230 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, Local Treasurer Stephen Marchut, and Local Vice President Christopher Howe on July 30, 2009, 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.

The CAP disclosed recordkeeping violations and reporting violations.

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 230's 2008 records revealed the following recordkeeping violations:

1. General Expenses

Local 230 did not retain adequate documentation for at least \$800 in local expenses during the audit period. These expenses included donations made by the local and expenses for the local's holiday party. As previously noted above, labor organizations must retain adequate documentation to sufficiently fulfill the recordkeeping requirements of LMRDA Section 206.

2. Receipt Dates not Recorded

Entries in Local 230's receipts journal reflect the date the union deposited money, but not the date 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-2. The LM-2 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 actually received them.

Based on your assurance that Local 230 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 (Form LM-2) filed by Local 230 for fiscal year ending December 31, 2008, was deficient in that:

#### Failure to Report Receipts and Disbursements

Local 230 did not report at least \$920 in local receipts and at least \$1,120 in local disbursements in Statement B of the local's LM-2 filed for the fiscal year ending December 31, 2008. The Statement B instructions state that receipts must be recorded when money is actually received by the labor organization and disbursements must be recorded when money is actually paid out by the labor organization.

I am not requiring that Local 230 file an amended LM report for 2008 to correct the deficient items, but Local 230 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to APWU Local 230 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,

Mark Letizi  
District Director

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July 30, 2009  
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cc: Stephen Marchut, Local Treasurer  
Christopher Howe, Local Vice President