

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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April 28, 2009

Ms. Deborah Ahearn, Vice President
American Postal Workers, Local 2318
P.O. Box 873
East Greenwich, RI 02818

LM File Number: 092-769

Case Number: [REDACTED]

Dear Ms. Ahearn:

This office has recently completed an audit of American Postal Workers Local 2318 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 April 27, 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.

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 American Postal Workers Local 2318's 2008 records revealed the following recordkeeping violations:

1. Expenses (General and Reimbursed)

Local 2318 did not retain adequate documentation to identify the union purpose for expenses incurred by the union for advertising and a gift to a member undergoing surgery totaling \$100. The local did not retain adequate documentation for reimbursed expenses incurred by the officers totaling at least \$730.58.

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. Failure to Record Receipts and Disbursements

Local 2318 did not maintain a receipts or disbursements journal. 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 Item 16 (Total receipts of the organization during the reporting period) of the LM-4. 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 the fact that Local 2318 has merged with the Rhode Island State APWU, 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. Local 2318 and its responsible officers failed to file the required annual financial report for the fiscal year ending June 30, 2008 with the Secretary of Labor in violation of 29 U.S.C. 431(b). Local 2318 also failed to file a terminal report for the period of July 1, 2008 to November 30, 2008.

American Postal Workers Local 2318 must file a Form LM-4 for fiscal year ending June 30, 2008 to clear the delinquency and a terminal LM-4 from the beginning of the fiscal year to the date of termination. You provided OLMS with the delinquent LM-4 report for the fiscal year ending June 30, 2008, and the terminal LM-4 report for the period ending November 30, 2008, at the exit interview.

I want to extend my personal appreciation to American Postal Workers Local 2318 for the cooperation and courtesy extended during this compliance audit. If we can provide any additional assistance, please do not hesitate to call.

Sincerely,

Mark Letizi
District Director