



September 25, 2012

Ms. Diane Whittington, President  
Postal Workers, Local 6528  
626 Franklin Avenue  
Kent, OH 44240-9998

Case Number: [REDACTED]  
LM Number: 071621

Dear Ms. Whittington:

This office has recently completed an audit of Postal Workers, Local 6528 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 Financial Secretary Robert Schultz on July 20, 2012, 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 6528's 2011 records revealed the following recordkeeping violations:

#### 1. General Expenses

Local 6528 did not retain adequate documentation for payments of its 2010 and 2011 per capita taxes. The audit revealed that former Financial Secretary [REDACTED] paid these taxes in the amount of \$120 from her personal checking account because she could not locate the union's check book. [REDACTED] submitted a check register, canceled checks and

bank statements from her personal checking account as supporting documentation for these expenses during the audit.

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. Failure to Record Receipts

Local 6528 did not record in its receipts records some employer dues checkoff totaling at least \$278. For example, a receipt for May 2011 was not recorded in the union financial records. Union receipts records 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.

3. Information not Recorded in Meeting Minutes

During the audit, former Financial Secretary [REDACTED] indicated that she and former President [REDACTED] authorized all expenses without approval of the executive board or membership. Article 5 indicates that "all expenses as approved by the President or Executive Board, or by action of a general regular or special membership meeting." In addition, Article 5 indicates that the Secretary-Treasurer/Financial Secretary "must take and maintain in a permanent file the minutes of all Executive Board, and General or Special Membership Meetings and keep a record of all members attending such meetings." Local 6528 maintained no minutes for the fiscal year ending December 31, 2011. Minutes of all membership or executive board meetings must report any disbursement authorizations and/or financial report made at those meetings.

Based on your assurance that Local 6528 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-4) for the fiscal year ended December 31, 2011 had not been filed; however, a copy of the report was given to me on July 20, 2012. The report was deficient in the following area:

Failure to File

The law requires the president and treasurer or corresponding principal officers of each labor organization to file an annual financial report with the Office of Labor-Management

Standards (OLMS) within 90 days after the end of its fiscal year. Any labor organization which has terminated and ceased to exist or lost its identity through merger or consolidation must file a terminal financial report within 30 days of such action. Therefore, your organization's report for fiscal year ending December 31, 2011 was overdue. On July 20, 2012, we received your report and therefore, no action is required at this time.

I want to extend my personal appreciation to Postal Workers, Local 6528 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: Mr. Robert Schultz, Financial Secretary