



October 17, 2011

Ms. Glenda Keeler, President & Secretary-Treasurer
APWU Local 1402
P.O. Box 42
El Reno, OK 73036

Case Number: [REDACTED]
LM Number: 505839

Dear Ms. Keeler:

This office has recently completed an audit of APWU Local 1402 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 September 28, 2011, 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.

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-3 filed by Local 1402 for the fiscal year ended December 31, 2010 was deficient in the following areas:

1. Disbursements to Officers and Employees

Local 1402 did not include some payments made to officers and employees totaling at least \$600 in the amounts reported in Items 24, 45, and 46 of Form LM-3. It appears the union erroneously reported these payments in Item 51 Contributions, Gifts, and Grants of Form LM-3. Local 1402 should have reported those payments in Item 18 of Form LM-4.

The union must report most direct disbursements to Local 1402 officers and some indirect disbursements made on behalf of its officers in Item 18. A "direct disbursement" to an officer is a payment made to an officer in the form of cash, property, goods, services, or other things of value. An "indirect disbursement" to an officer is a payment to another party (including a credit card company) for cash, property, goods, services, or other things of value received by or on behalf of an officer. However, indirect disbursements for temporary lodging (such as a union check issued to a hotel) or for transportation by a public carrier (such as an airline) for an officer traveling on union business should be reported in Item 17 (Total disbursements).

2. Per Capita Dues

Local 1402 failed to report their per capita dues in Item 47 Per Capita Tax of Form LM-3. It appears that Local 1402 erroneously reported this in Item 49 Professional Fees of Form LM-3. Local 1402 should have reported this in Item 17 of Form LM-4.

3. 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 constitution or bylaws. Local 1402 amended its constitution and bylaws in 2002, but did not file a copy with its LM report for that year. Local 1402 has now filed a copy of its constitution and bylaws.

At the closing interview, Local 1402 agreed to file an amended Form LM-4 for the fiscal year that ended December 31, 2010, to correct the deficient items discussed above and has since submitted that amended report.

Other Issues

1. Expense Policy

As I discussed during the exit interview with you, the audit revealed that Local 1402 does not have a clear policy regarding the types of expenses personnel may claim for reimbursement. OLMS recommends that unions adopt written guidelines concerning such matters.

2. Audits

During the opening interview, you stated that Local 1402's financial records are never audited. OLMS recommends that Local 1402 have their membership review and audit Local 1402's financial records at least biannually. Audits are an effective internal control of union funds.

3. LM report

Local 1402's 2009 and 2010 LM reports were only signed by one officer, Glenda Keeler who serves as Local 1402's president and secretary-treasurer. OLMS recommends having a second officer, such as the vice-president, sign the annual LM reports to attest to the authenticity of a completed document.

I want to extend my personal appreciation to Local 1402 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,

A black rectangular redaction box covering the signature of the sender.

Senior Investigator

cc: Ms. Cassandra Halpainy, Vice-President