

U.S. Department of Labor

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February 12, 2009

Mr. George Dowling, President
Postal Workers Local 2247
P.O. Box 10324
Green Bay, WI 54307-0324

LM File Number: 072-149
Case Number: [REDACTED]

Dear Mr. Dowling:

This office has recently completed an audit of Postal Workers Local 2247 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 Lucy Hauser on January 13, 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 Local 2247's 2007 records revealed the following recordkeeping violations:

1. Lodging Expenses

Local 2247 did not retain adequate documentation for hotel expenses charged to the union credit card totaling at least \$1,994.87. For example, hotel charges in the amounts of 140.12 and \$70.06 at the Park Plaza Hotel in Oshkosh, Wisconsin, have been charged to the union credit card on February 18, 2007. Documentation has not been maintained in support of these disbursements.

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. Lost Wages

Local 2247 did not maintain adequate documentation for lost wage reimbursement payments to officers totaling at least \$5,544.91. The audit found that Local 2247 maintained lost time vouchers which indicated the dates of the lost time, the hours lost, and the hourly rate of pay. However, the business purpose of each lost wage claim has not been recorded. For example, check # [REDACTED] was paid to Ms. Hauser for lost time. No description of the union business conducted that required the lost wages be incurred was recorded on the voucher. Records in support of lost wage claims that identify each date lost wages were incurred, the number of hours lost on each date, the applicable rate of pay, and a description of the union business conducted must be maintained.

During the exit interview, I provided a sample of an expense voucher Local 2247 may use to satisfy this requirement. The sample identifies the type of information and documentation that the local must maintain for lost wages and other officer expenses.

Based on your assurance that Local 2247 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 LM-3 filed by Local 2247 for fiscal year ending December 31, 2007, was deficient in the following areas:

1. Acquire/Dispose of Property

Item 13 (During the reporting period did your organization acquire or dispose of any assets in any manner other than by purchase or sale?) should have been answered, "Yes," because the union gave away door prizes at the annual union picnic. Records show that Local 2247 disbursed approximately \$625 for door prizes that were given away at the union picnic. The type and value of any property received or given away in the additional information section of the LM report along with the identity of the recipient(s) or donor(s) of such property must be identified. Every recipient of such giveaways need not be itemized by name. The recipients can be described by broad categories if appropriate such as "members" or "new retirees."

2. Payments to Officers

Item 17 (During the reporting period did the labor organization pay any employee salary, allowances, and other expenses which, together with any payments from affiliates, totaled more than \$10,000) should have been answered "No" because you are an officer of Local 2247, not an employee. As noted in LM-3 the instructions, Item 17 should only be answered "Yes" if an employee of your organization received payments totaling \$10,000 or more from your organization or in combination from your organization and an affiliated organization.

Mr. George Dowling
February 12, 2009
Page 4 of 4

I am not requiring that Local 2247 file an amended LM report for 2007 to correct the deficient items, but Local 2247 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to Autoworkers Local 2247 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: Lucy Hauser, Financial Secretary