



March 4, 2011

LilyAnn Jolley, Secretary-Treasurer  
APWU LU 3463  
13600 NE 65th Street  
Vancouver, WA 98682

Case Number: [REDACTED]  
LM Number: 506062

Dear LilyAnn Jolley:

This office has recently completed an audit of APWU LU 3463 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 February 25, 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.

#### Recordkeeping 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 3463's 2010 records revealed the following recordkeeping violations:

##### 1. General and Reimbursed Expenses

Local 3463 did not retain adequate documentation for general and reimbursed expenses

incurred by union officers totaling at least \$1,119.49. For example, 6 out of 46 disbursements were not supported with a union record. These payments were for monthly meeting expenses, per capita payments, a human relations payment, and an officer reimbursement.

## 2. Lack of Salary Authorization

Local 3463 did not maintain records to verify that the monthly salaries totaling \$8,789 was the authorized amount. The union must keep a record, such as meeting minutes to show the current salary authorized by the entity or individual in the union with the authority to establish salaries.

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.

### Reporting Violations

#### Delinquent Form LM-3

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. At the start of the compliance audit, the Labor Organization Annual Report (Form LM-3) for the period ending 1/31/2010 was delinquent. The form LM-3 has now been filed and forwarded to the Office of Disclosure.

I want to extend my personal appreciation to APWU LU 3463 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 large black rectangular redaction box covering the signature of the investigator.

Investigator