



September 15, 2011

Mr. Robert R. Garlick, Treasurer  
APWU Local 3902  
P.O. Box 1436  
Slidell, LA 70459-1436

Case Number: [REDACTED]  
LM Number: 514-938

Dear Mr. Garlick:

This office has recently completed an audit of APWU Local 3902 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 and Vice-President Sergio Lanzas on September 15, 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

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 3902's 2010 records revealed the following recordkeeping violations:

1. General Reimbursed Expenses

Local 3902 did not retain adequate documentation for reimbursed expenses incurred by union officers totaling at least \$319.97. For example, dues reimbursement provided to the president and steward and reimbursement for certified mail.

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

Local 3902 did not record in its receipts records some employer dues check-off checks totaling at least \$1,330.58. For example, the union received automatic deposits of dues in May, November, and December 2010 that were not recorded in the union's 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

Article 6, Section A of Local 3902's constitution requires that expenditures over \$50 and up to \$100 be approved by the executive board and expenditures in excess of \$100 be approved by the general membership. This includes total or overall expenses of union trips or conventions. However, the minutes of the 2010 meetings do not contain authorization for the disbursement made to Italian Pie that was \$70.14. Further, the minutes of the 2010 meetings do not contain authorization for the mileage amounts, totaling \$480.70, paid to officers that attended the state training seminar in Lafayette, Louisiana in June 2010. Finally, the minutes of the 2010 meetings do not contain authorization for the eight disbursements in excess of \$100, other than those for lodging and per diem for the June 2010 seminar. Minutes of all membership or executive board meetings must report any disbursement authorizations made at those meetings.

4. Lack of Salary Authorization (Dues Reimbursement)

Local 3902 did not maintain records to verify that the salaries reported in Item 18 (Total Payments to Officers and Employees) of the LM-4 was the authorized amount and therefore was correctly reported. 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.

Based on your assurance that Local 3902 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) filed by Local 3902 for fiscal year ending December 31, 2010, was deficient in the following areas:

Disbursements to Officers

Local 3902 did not include some reimbursements to officers totaling at least \$1,679.30 in the amounts reported Item 18 (Total Payments to Officers and Employees). It appears the union erroneously failed to report these payments.

The union must report most direct disbursements to Local 3902 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. See the instructions for Item 18 for a discussion of certain direct disbursements to officers that do not have to be reported in Item 18. 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).

I am not requiring that Local 3902 file an amended LM report for 2010 to correct the deficient items, but Local 3901 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to APWU Local 3902 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. Mark S. Strecker, President