



June 21, 2016

Ms. Lauro Castro-Wyllie, Secretary-Treasurer  
American Postal Workers Union (APWU)  
Local 739  
430 West Hwy 6  
Waco, TX 76702-1212

Case Number: 420-6006484 [REDACTED]  
LM Number: 506117

Dear Ms. Castro-Wyllie:

This office has recently completed an audit of APWU Local 739 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 May 20, 2016, 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 Violation

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 739's 2015 records revealed the following recordkeeping violation:

### Credit Card Transactions

Local 739 failed to retain receipts for at least 16 credit card transactions totaling \$1,464.97, to pay for airfare to Chicago for Officers Guadalupe Olvera, Joan Olvera, and what appears to be for food purchased for monthly membership meetings, and failed to retain adequate documentation to verify the accuracy of the purchase of 60 holiday gift cards (totaling \$4,200) from H.E.B., and distributed to its membership. The credit card used by Local 739 is held in the name of former president, [REDACTED].

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. In addition, the credit card held in the former president's name should be terminated.

Based on your assurance that Local 739 will retain adequate documentation in the future and terminate the visa card, 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-3 filed by Local 739 for the fiscal year ended April 30, 2015, was deficient in the following areas:

1. 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 739 amended its constitution and bylaws in 2014, but did not file a copy with its LM report for that year.

2. Disbursements to Officers

Local 739 did not include some reimbursements to officers (Laura Castro, Joann Olvera, and Guadalupe Olvera, totaling at least \$3,242.02 in the amounts reported in Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments in Item 38 and 54.

Local 739 did not report the names of some officers ([REDACTED]), and Davy Wright and the total amounts of payments (\$2,717.22) to them or on their behalf in Item 24 (All Officers and Disbursements to Officers). The union must report in Item 24 all persons who held office during the year regardless of whether they received any payments from the union.

The union must report most direct disbursements to Local 739 officers and some indirect disbursements made on behalf of its officers in Item 24. 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 24 for a discussion of certain direct disbursements to officers that do not have to be reported in Item 24. 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 48 (Office and Administrative Expense).

Local 739 must file an amended Form LM-3 for the fiscal year ended April 30, 2015, to correct the deficient items discussed above. I encourage Local 739 to complete, sign, and file its report electronically using the Electronic Forms System (EFS) available at the OLMS website at [www.olms.dol.gov](http://www.olms.dol.gov). Reporting forms and instructions can be downloaded from the website, if you prefer not to file electronically. The amended Form LM-3 should be filed electronically no later than July 2, 2016 or submitted to this office at the above address by the same date. Before filing, review the report thoroughly to be sure it is complete and accurate. Paper reports must be signed with original signatures.

I want to extend my personal appreciation to APWU Local 739 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: Ms. Guadalupe Olvera, President