

U.S. Department of Labor

Office of Labor-Management Standards
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August 14, 2012

Brenda Cronin, President
APWU LU 826
PO Box 8084
Longview, TX 75607-8084

Case Number: [REDACTED]
LM Number: 514724

Dear Brenda Cronin:

This office has recently completed an audit of APWU LU 826 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 Deanna Brown on July 21, 2012, 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 826's 2011 records revealed the following recordkeeping violations:

1. Failure to Record Receipts

Local 826 failed to maintain a member ledger or receipt card for manual dues receipts totaling at least \$469.00 paid by Molly Mason. A ledger or some other form of identification will account for and track the dues paid by Mason.

2. General Reimbursed Expenses

Local 826 failed to maintain supporting documents for reimbursement check # [REDACTED] paid to Molly Mason which did not include the receipt for her registration fee of \$50.00 for the Shreveport conference. The supporting documents for reimbursement check # [REDACTED] paid to Brenda Cronin in the amount of \$167.60 was missing from the union records.

Based on your assurance that Local 826 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-3 filed by Local 826 for the fiscal year ended December 31, 2011, was deficient in the following areas:

1. Disbursements to Officers

Local 826 did not include some reimbursements to officers totaling at least \$395.19 in the amounts reported Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments in Item 48 (Office and Administration).

The union must report most direct disbursements to Local 826 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).

2. Contributions, Gifts, and Grants

Local 826 failed to properly report the gift donations to the Angel Tree under Item 51 (Contributions, Gifts, & Grants). Those disbursements were inaccurately reported under Item 48 (Office and Administration.)

3. Money Market Account Reported As Investments

Local 826 improperly included the value of its money market as an investment in Item 28 (Investments). For LM reporting purposes, OLMS considers funds in a money market account to be cash and should be reported in Item 25 (Cash). Furthermore, the transfer of cash from one account to another should not be reported as receipts or disbursements.

4. Steward Dues Reimbursements

Dues refunds to stewards in the amount of \$486.86 were not reported in Item 46 (Employees). It appears those payments were reported under Item 48 (Office and Administration).

5. Benefits

Payments totaling \$222.24 made to the American Benefit Association and Rooker, Downing, & Booth Insurance were not reported under Item 50 (Benefits) of the LM3 report. The local inaccurately reported those disbursements under Item 48 (Office and Administration).

Local 826 must file an amended Form LM-3 for the fiscal year ended December 31, 2011, to correct the deficient items discussed above. I encourage Local 826 to complete, sign, and file its report electronically using the Electronic Forms System (EFS) available at the OLMS website at 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 August 24, 2012 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.

Other Issue

Former Secretary Treasurer [REDACTED] is a current signatory on the local's bank account. [REDACTED] should have been removed immediately after her resignation. You agreed to remove her as a signatory on the local's bank account after the conclusion of the OLMS audit.

I want to extend my personal appreciation to APWU LU 826 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: Amelia Czarniecki, Vice President
Deanna Brown, Secretary Treasurer