

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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January 6, 2010

Mr. Dana Coletti, President
Postal Workers, American, AFL-CIO
New Hampshire State Association
PO Box 4033
Manchester, NH 03108

LM File Number 507-299
Case Number: ||| ||| ||| |||

Dear Mr. Coletti:

This office has recently completed an audit of APWU NH SA 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 Secretary-Treasurer Roland Bussiere and you on January 6, 2010, 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.

The CAP disclosed recordkeeping and reporting 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 APWU NH SA's 2008 records revealed the following recordkeeping violations:

1. General Reimbursed and Credit Card Expenses

APWU NH SA did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by union officers and employees totaling at least \$650. For example, expenses lacking adequate documentation included airfare to the APWU National Convention, office supplies, and petty cash fund purchases.

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. Meal Expenses

APWU NH SA did not require officers and employees to submit itemized receipts for meal expenses totaling at least \$50. The union must maintain itemized receipts provided by restaurants to officers and employees. These itemized receipts are necessary to determine if such disbursements are for union business purposes and to sufficiently fulfill the recordkeeping requirement of LMRDA Section 206.

APWU NH SA records of meal expenses did not always include written explanations of union business conducted or the names and titles of the persons incurring the restaurant charges. For example, a meal charged by a union officer did not contain any information on the retained receipt regarding individuals incurring the restaurant charges or the union business conducted. Union records of meal expenses must include written explanations of the union business conducted and the full names and titles of all persons who incurred the restaurant charges. Also, the records retained must identify the names of the restaurants where the officers or employees incurred meal expenses.

3. Lost Wages

AWPU NH SA did not retain adequate documentation for lost wage reimbursement payments to Vice President Dale Metzler totaling at least \$300. The union must maintain 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. The OLMS audit found that APWU NH SA did not retain any documentation to identify the union business conducted for one lost wage reimbursement payment.

During the exit interview, I provided a sample of an expense voucher APWU NH SA 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.

4. Local Receipts

APWU NH SA did not retain adequate documentation for local receipts totaling at least \$8,800. These receipts included per capita payments from NH state locals to the state association.

Labor organization must retain at least one record showing the date, amount, purpose, and source of money received. The president and treasurer (or corresponding principal officers) or your union, who are required to sign your union's LM report, are responsible for properly maintaining union records.

Based on your assurance that APWU NH SA 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 APWU NH SA for fiscal year ending December 31, 2008, was deficient in the following areas:

1. Failure to Report Receipts and Disbursements

APWU NH SA did not report at least \$430 in local receipts and \$430 in local disbursements in Statement B of the local's LM-3 filed for the fiscal year ending December 31, 2008. The Statement B instructions state that receipts must be recorded when money is actually received by the labor organization and disbursements must be recorded when money is actually paid out by the labor organization.

2. Failure to Properly Categorize Receipts

APWU NH SA did not correctly categorize at least \$7,000 in per capita payments received in Item 39 (Per Capita Tax). It appears as though the union erroneously reported these receipts in Item 38 (Dues). The instructions for Item 39 state the total per capita tax received by your organization if your organization is an intermediate or parent body must be entered in Item 39, including the per capita tax portion of dues received directly by your organization from members of affiliates, or through intermediaries, and the per capita tax portion of dues received through a checkoff arrangement whereby local dues are remitted directly to an intermediate or parent body by employers.

I am not requiring that APWU NH SA file an amended LM report for 2008 to correct the deficient items, but the APWU NH SA has agreed to properly report the deficient items on all future reports it files with OLMS.

Mr. Dana Coletti
January 6, 2010
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I want to extend my personal appreciation to APWU NH SA 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,

Mark Letizi
District Director

cc: Roland Bussiere, Secretary-Treasurer