

U.S. Department of Labor

Office of Labor-Management Standards
Denver District Office
1999 Broadway, Suite 2435
Denver, CO 80202-5712
(720) 264-3232 Fax:(720) 264-3230



February 8, 2010

Ms. Jill Taulbee, Secretary-Treasurer
APWU SA
1721 South Laredo St.
Aurora, CO 80017

LM File Number: 506-131
Case Number: |||||

Dear Ms. Taulbee:

This office has recently completed an audit of APWU State Association 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 5, 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.

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's 2008 records revealed the following recordkeeping violations:

1. Debit Card Expenses

APWU did not retain adequate documentation for expenses paid with the union's debit card incurred by the union officers totaling at least \$880. For example the union purchased a new computer but failed to preserve the original receipt.

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 did not require officers and employees to submit itemized receipts for meal expenses totaling at least \$400. 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's 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. Union records of meal expenses must include written explanations of the union business conducted and the full names, titles of all persons who incurred the restaurant charges and must be dated. Also, the records retained must identify the names of the restaurants where the officers or employees incurred meal expenses.

3. Gifts

APWU did not maintain an inventory of t-shirts and jackets given away in 2008. In addition, the union failed to keep a list with the names of the members that received the t-shirts and the items raffled during the 2008 State Convention. The union must report the value of any union property on hand at the beginning and

end of each year in Item 30 (Other Assets) of the LM-3. The union must retain an inventory or similar record of property on hand to verify, clarify, and explain the information that must be reported in Item 30.

Other Issue

1. Executive Board Approval

As discussed during the exit interview, Article VII, Section 5, of APWU's 2008 Constitution states that any officer of the association will be reimbursed for lost time at his or her regular hourly rate. The president can be reimbursed for not more than 25 days and other officers no more than 14 days per year. In cases when an officer uses more than the established limit, a majority of the Executive Board must approve any additional LWOP.

In 2008, President Prusak used 35.25 days of LWOP but failed to obtain the Executive Board's authorization for 10 additional days of LWOP. OLMS suggests that the union take the steps to record the additional days by discussing them at a future meeting and recording them in meeting minutes or some other internal document.

Based on your assurance that APWU will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

I want to extend my personal appreciation to APWU 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,

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Investigator

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February 8, 2010
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cc: Mr. George Prusak, President