



January 23, 2015

Case Number: 520-6002939  
LM Number: 506305

Ms. Lorena Morrison, Secretary-Treasurer  
American Postal Workers Union Local 0543  
2300 Redondo Ave  
Long Beach, CA 90809

Dear Ms. Morrison:

This office has recently completed an audit of American Postal Workers Union 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 President Mae Rishel and Secretary-Treasurer Lorena Morrison on January 16, 2015, 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.

#### Record Keeping 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 0543's 2013 records revealed the following recordkeeping violations:

1. General Reimbursed and Credit Card Expenses

Local 0543 did not retain adequate documentation for credit card expenses incurred by Secretary-Treasurer Lorena Morrison totaling at least \$254.69 for ink supplies. Specifically, receipts or invoices for purchases made with vendor 4 Ink Jet were not maintained within the union's records.

As noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. The president and treasurer of your union, who are required to sign your union's LM report, are responsible for properly maintaining union records.

## 2. Wages

Local 0543 did not retain adequate documentation for reimbursement payments to union officers during the audit period. The union must maintain records for all officers in support of salary claims or paid leave that identify each date wages were incurred, the number of hours on each date, the applicable rate of pay, and a description of the union business conducted. The OLMS audit found that APWU Local 0543 only retained vouchers with the amount of hours claimed for the pay period. The union should retain records that include the date, the number of hours worked and the type of business that was conducted.

During the exit interview, I provided a compliance tip sheet, *Union Lost Time Payments*, that contained a sample of an expense voucher APWU Local 0543 may use to satisfy this requirement. The sample identifies the type of information and documentation that the local must maintain for claimed wages and other officer expenses.

## Other Issues

The audit revealed that no deposit slips were maintained for deposits made to the Local's checking account during the audit period. Additionally, the union did not properly identify the source of incoming deposits (receipts). OLMS recommends that the union identifies all deposits and their source in their record keeping system in addition to maintaining copies of deposit slips.

I want to extend my personal appreciation to American Postal Workers Union 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. Mae M. Rishel, President