



March 11, 2011

Ms. Lisa Wojnarowski, President
Letter Carriers, Rural, IND
Wisconsin State Association
1202 S. 49th Street
Milwaukee, WI 53215

Case Number: [REDACTED]
LM Number: 089050

Dear Ms. Wojnarowski:

This office has recently completed an audit of Letter Carriers, Rural, IND 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 Lois Graper, Vice President Louan Friend, Committeeman Vicki Galgowski, Committeeman Charles Groth, Committeeman Ronald Berg, Committeeman Tom Bittner, State Steward Linda Vanden Plas, and you on February 28, 2011, 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 Wisconsin Rural Letter Carriers Association's (WI RLCA) 2010 records revealed the following recordkeeping violations:

1. General Reimbursed and Credit Card Expenses

The WI RLCA did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by former Secretary-Treasurer Karen Schauer totaling at least \$337.

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

2. Reimbursed Auto Expenses

You, Ms. Schauer, Secretary-Treasurer Lois Graper, and Committeeman Ronald Berg received reimbursement for business use of your personal vehicles, but did not retain adequate documentation to support payments totaling at least \$3,465 during 2009 and 2010. For example, supporting documentation retained for at least \$2,700 in mileage paid to Ms. Schauer and you failed to identify the locations traveled to and from and a sufficient description of the union business conducted requiring the mileage expenses to be incurred.

The WI RLCA must maintain records which identify the dates of travel, locations traveled to and from, and number of miles driven. The record must also show the business purpose of each use of a personal vehicle for business travel by an officer or employee who was reimbursed for mileage expenses.

3. Lost Wages

The WI RLCA did not retain adequate documentation for lost wage reimbursement payments and Daily Rate of Pay (DROP) payments, which you stated are payments to officers and employees for working on union business for periods of time that they would not be compensated by the U.S. Postal Service, to Ms. Schauer, Ms. Graper, Steward Roger Schewe, and you totaling at least \$20,296. The audit found that the WI RLCA retained vouchers for lost wage and DROP payments, but the officers and employees were not required to provide a business purpose that adequately described the union business conducted requiring the lost wage/DROP payments. For example, Ms. Schauer recorded a union business purpose of "Sec/Treas," which does not sufficiently describe the union business being conducted, for lost wage and DROP payments reimbursed to her totaling at least \$16,000.

Records must be maintained 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.

4. Lack of Salary Authorization

The WI RLCA did not maintain records to verify that the salaries reported in Schedule 11 (All Officers and Disbursements to Officers) of the LM-2 were the authorized amounts and were therefore correctly reported. During the exit interview, you confirmed that the WI RLCA did not retain any documentation authorizing the \$25.00 monthly salary paid to you as the WI RLCA's webmaster. In the case of all other officers and employees, the authorized monthly salary amounts of between \$98.00 and \$563.00 were identified in Section 4 of the WI RLCA's constitution. The WI RLCA must keep a record, such as meeting minutes, to show the current salary for each officer and employee or say each position authorized by the entity or individual with the authority to establish salaries.

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

Other Issue

During the opening interview, Ms. Graper indicated that the WI RLCA only requires one signature on checks issued from State Association's checking account. Requiring two signatures on all checks issued by the WI RLCA is an effective internal control of union funds. Its purpose is to attest to the authenticity of a completed document already signed. OLMS recommends that the WI RLCA review these procedures to improve internal control of union funds.

I want to extend my personal appreciation to WI RLCA 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,



Senior Investigator

cc: Ms. Louis Graper, Secretary-Treasurer
Ms. Louan Friend, Vice President
Ms. Linda Vanden Plas, State Steward
Ms. Vicki Galgowski, Committeeman
Mr. Charles Groth, Committeeman
Mr. Ronald Berg, Committeeman
Mr. Thomas Bittner, Committeeman