U.S. Department of Labor

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August 15, 2007

Mr. Paul Romanchuk, Secretary-Treasurer APWU Local 240 Stamford CT Area Local PO Box 195 Stamford, CT 06904

Dear Mr. Romanchuk:

LM File Number: 072-173

Case Number:

This office has recently completed an audit of APWU Local 240 Stamford CT Area Local 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 Darren Galazin and you on July 26, 2007, 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 compliance audit disclosed:

Recordkeeping Violations

Title II of the LMRDA establishes certain reporting and recordkeeping requirements. Section 206 requires, among other things, that adequate records be maintained for at least 5 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, all records used or received in the course of union business must be retained. This includes, in the case of disbursements, not only the retention of original bills, invoices, receipts, and vouchers, but also adequate additional documentation, if necessary, 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 note can be written on it providing the additional information. An exception may be made only in those cases where 1) other equally descriptive documentation has been maintained, and 2) there is evidence of actual oversight and control over disbursements.

In the case of receipts, the date, amount, purpose and source of all money received by the union must be recorded in at least on union record. Bank records must also be retained for all accounts.

The audit of Local 240's records revealed the following recordkeeping violations:

The union failed to keep accurate monthly bank reconciliation records resulting in the misstatement of beginning and ending cash balances in the union's checking account for its fiscal year ended January 31, 2006. The audit disclosed that several checks previously issued by the union and negotiated by the bank months earlier were classified in the union records as uncleared transactions. Additionally the audit identified numerous debit card transactions cleared on previous bank statements but carried as uncleared in the union records. For example, in the record of uncleared checks as of January 31, 2006, a check for \$1,233.38, dated March 30, 2005 and paid to IRS that had cleared in April 2005 was classified as uncleared. Eleven debit transactions, totaling \$1,094.66 that had cleared between March and October 2005 according to bank statements were still carried as "uncleared" in the union records as of January 31, 2006.

As agreed, provided that Local 240 maintains accurate documentation as discussed above in the future, no additional enforcement action will be taken regarding this violation.

Reporting Violations

The CAP 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 240 for fiscal year ending January 31, 2006, was deficient in that it failed to disclose all sources of receipts. The union received but failed to properly report almost \$3,900 from the proceeds of its annual holiday party. In addition, the audit found that the union erroneously reported a \$5,000 loan payable that had been paid back several years previously. The union also erroneously reported \$224,251 in "Other Liabilities" as of the end of the reporting period. Finally the LM-3 Report as filed disclosed no disbursements for Office and Administrative Expense (#48), Professional Fees (#49), Benefits (#50) or Other Disbursements (#54). The audit disclosed substantial payments in all of these categories.

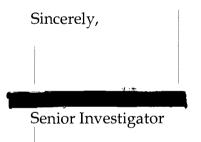
Local 240 has filed an amended Form LM-3 for fiscal year ending January 31, 2006 to correct the deficient items discussed above. No further action on your part is necessary.

Other Violations

The CAP disclosed the following other violation:

The audit found that in the reporting year the union paid compensation to officers that was not authorized. Local 240's bylaws provides for salaries for local officers. In addition the local follows a practice of compensating its officials and/or members for any wages lost from their employer as a result of their union activities. However, the audit disclosed that the union made additional compensation payments to local officials who performed union work during non-work or personal time. This practice is not currently authorized in your local bylaws. These compensation payments were paid to the local president, the newsletter editor and others. During the audit President Galazin advised me that this practice had been discontinued in January 2007 after discussions with the local's audit committee representatives. Therefore, no additional remedial action in this matter is necessary.

I want to extend my personal appreciation to APWU Local 240 Stamford CT Area Local 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.



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Mr. Darren Galazin, President