



December 18, 2013

Mr. Harry Burrell, President
Postal Workers, American, AFL-CIO
2313 4th Avenue North
Birmingham, AL 35201

Case Number: 430-10560()
LM Number: 072262

Dear Mr. Burrell:

This office has recently completed an audit of Postal Workers, American, AFL-CIO, Local 303, 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, Secretary/Treasurer Terri Steele, and Vice President Camise Samuels on December 17, 2013, 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 Local 303's 2012 records revealed the following recordkeeping violations:

1. Information not Recorded in Meeting Minutes

During the audit Secretary-Treasurer Terri Steele advised OLMS that the membership was not aware of an airline ticket purchased with the union's debit card for Secretary Treasurer Steele's daughter to travel with her to the National Convention in Los Angeles, CA in

August 2012. The cost of the ticket was \$351.20. Past practice by the union had allowed such purchases but the expense should have been annotated in the minutes. Additionally, President Harry Burrell advised OLMS that the membership authorized the purchase of bereavement bibles from "Remembrance" in the amount of \$763.58 on August 28, 2012. Article VII, Section 1, of the bylaws require expenses to be approved by the membership. The minutes of the meetings do not contain any reference to these issues. Minutes of all membership or executive board meetings must report any disbursement authorizations made at those meetings.

2. Lost Wages

Local 303 did not retain adequate documentation for lost wage reimbursement payments to union officers totaling at least \$1,843.11. 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 Local 303 maintained lost time vouchers however the vouchers did not explain the nature of the union business conducted, the reason for the lost time, the date of the claim, or the approving official's signature.

During the exit interview, I provided a compliance tip sheet, *Union Lost Time Payments*, that contained a sample of an expense voucher Local 303 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.

3. General Disbursements

Local 303 did not retain adequate documentation for disbursements totaling at least \$2,475.00. For example, the union did maintain an invoice, bill, or receipt for security services from [REDACTED] on October 16, 2012 in the amount of \$75.00. Additionally the union pays the Birmingham YWCA \$200.00 per month for parking privileges and there was no invoice or receipt for February or April 2012 monthly parking charges.

As 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.

4. Disposition of Property

Local 303 did not maintain an inventory of hats, jackets, and other property it purchased, sold, or gave away. The union must report the value of any union property on hand at the beginning and end of each year in Item 28 of the LM-2. 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 28.

The union must record in at least one record the date and amount received from each sale of union hats, jackets and other items.

Based on your assurance that Local 303 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-2) filed by Local 303, for fiscal year ending December 31, 2012, was deficient in the following areas:

1. Disbursements to Officers and Employees

Local 303 appropriately reported an overpayment to an officer totaling at least \$229.07 in Schedule 11 (All Officers and Disbursements to Officers). It appears that the local erroneously reported this same payment in Schedules 15 through 19.

The union must report in Column F of Schedules 11 and 12 (Disbursements for Official Business) direct disbursements to officers and employees for reimbursement of expenses they incurred while conducting union business. In addition, the union must report in Column F of Schedules 11 and 12 indirect disbursements made to another party (such as a credit card company) for business expenses union personnel incur. However, the union must report in Schedules 15 through 19 indirect disbursements for business expenses union personnel incur for transportation by public carrier (such as an airline) and for temporary lodging expenses while traveling on union business. The union must report in Column G (Other Disbursements) of Schedules 11 and 12 any direct or indirect disbursements to union personnel for expenses not necessary for conducting union business.

2. Failure to File Bylaws

The audit disclosed a violation of LMRDA Section 201(a), which requires that a union submit a copy of its revised constitution and bylaws with its LM report when it makes changes to its constitution or bylaws. Local 303 amended its bylaws in 2009 but did not file a copy with its LM report for that year or any year since.

Local 303 has now filed a copy of its constitution and bylaws.

I am not requiring that Local 303 file an amended LM report for 2012 to correct the deficient items, but Local 303 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to Postal Workers, Local 303, 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. Terri Steele, Secretary Treasurer
Mr. Camise Samuels, Vice President