

U.S. Department of Labor

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January 3, 2008

Mr. Dan Van Minnen, Secretary/Treasurer
American Postal Workers Union (APWU)
Aurora Local 6315
1010 South Joliet Street, Suite 201
Aurora, Colorado 80012-3150

LM File Number 071-886
Case Number: [REDACTED]

Dear Mr. Van Minnen:

This office has recently completed an audit of APWU Local 6315 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 December 18, 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.

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 Postal Workers Local 6315's records revealed the following recordkeeping violations:

- Four receipts were found that had no purpose or source listed for them. The purposes were disclosed after OLMS inquired about them. You agreed to annotate the purpose and source of all incoming funds in the future.
- There was no Executive Board authorization in the minutes for check [REDACTED] made out to Varecha and Associates for \$817.50, for the purchase of lapel pins to wear at conventions. You agreed to document all Executive Board authorizations in the future.
- One voided check was missing. You agreed to keep all voided checks.
- Two credit card receipts were missing, both dated August 7, 2006, according to the credit card statement in file. You explained that these were for additional air travel charges incurred by Shelly Alvarado. You could not find the actual charge slips/receipts, but agreed to keep them in the future.

Based on your assurance that Local 6315 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-3) filed by Local 6315 for fiscal year ending December 31, 2006 was deficient in that:

- In Statement A, the local reported its CDs as other assets instead of cash.
- The approximate value of a computer donated to the local was not shown in Statement A, Item 29(B).
- The month of the local's election was not shown in Item 22.
- Items 23(b) - 23(d) need to be completed with zeroes.

I am not requiring that Local 6315 file an amended LM report for 2006 to correct the deficient items, but you agreed to properly report the deficient items on all future reports you file with OLMS.


Other Issues

- The local does not have a receipt book and does not issue receipts for incoming funds.
Recommendation: Obtain a duplicate receipt book and issue a receipt for all non-dues checkoff monies.
- The local writes checks to cash for its members who are travelling.
Recommendation: Do not write checks to cash. Make out the check either to the vendor or the traveller.
- The union's checking account checks do not require two signatures, even though it is the local's practice to have two officers sign each check. In addition, if two officers are not available, only one officer signs checks.
Recommendation: Change the account so that two signatures are required. If necessary, add an additional officer to the authorized signatories so that if one officer is unavailable, two can still sign the checks.

At the conclusion of the interview, you agreed to implement the above recommended practices.

I want to extend my personal appreciation to APWU Local 6315 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: Shelly Alvarado, President