

**U.S. Department of Labor**

Employment Standards Administration  
Office of Labor-Management Standards  
Philadelphia District Office  
170 S. Independence Mall West  
Room 760 W  
Philadelphia, PA 19106  
(215)861-4818 Fax: (215)861-4819



August 18, 2006

Ms. Karen Freeman, Treasurer  
American Postal Workers, AFL-CIO  
Scranton Local 101  
PO Box 3331  
Scranton, PA 18505

Re: Case Number:                     

Dear Ms. Freeman:

This office has recently completed an audit of APWU Local 101 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 Karen Freeman on July 17, 2006, 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 CAP disclosed the following

**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 one union record. Bank records must also be retained for all accounts.

- Local 101 did not maintain adequate documentation for all credit card disbursements. On four different occasions union officers made credit card disbursements to pay for meals and did not maintain backup documentation for the disbursements. [REDACTED] made credit card disbursements to pay for meals on 01/06/05 at the Stadium Club Restaurant for \$39.00 and on 05/04/05 at the Macaroni Grill for \$51.04. [REDACTED] also made credit card disbursements to pay for meals on 03/13/05 for 16.92 and on 05/21/05 for \$51.04. Union records did not contain any backup documentation for these disbursements.

As agreed, provided that Local 101 maintains adequate documentation as discussed above in the future, no additional enforcement action will be taken regarding these violations.

I want to extend my personal appreciation to APWU Local 101 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,

[REDACTED]  
Investigator

cc: President Kevin Gallagher