

**U.S. Department of Labor**

Employment Standards Administration  
Office of Labor-Management Standards  
Honolulu Resident Investigative Office  
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August 30, 2006

Ms. Laurie Bautista, President  
American Postal Workers Union, AFL-CIO  
Local Union 6255  
P.O. Box 24823  
Barrigada, GU 96921-4823

Re: Case Number                     

Dear Ms. Bautista:

This office has recently completed an audit of APWU Local 6255 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 Treasurer Eugenio Taijeron on August 2, 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 Violation**

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.

#### Officer Expenses

Union officers failed to maintain adequate documentation for reimbursed expenses, including no receipt for the reimbursement to you for the purchase of airline tickets totaling \$3,356. The date, amount, and business purpose of every expense must be recorded on at least one union record. In addition, the names of individuals present for meal expenses and the locations (names of restaurants) where meal expenses were incurred must be recorded.

#### Meeting Minutes

As discussed during the exit interview, the Local 6255 Bylaws provides for general membership meetings and Executive Board meetings be held at least quarterly. However, during the audit year, no executive board meetings and only two membership meetings were held. Of these, minutes could not be located for the May 14, 2005 meeting. Minutes are essential records that often document the discussion, approval, and authorization of important financial transactions.

As agreed, provided that Local 6255 maintains adequate documentation as discussed above in the future, no additional enforcement action will be taken regarding these violations.

#### Other Violation

The CAP disclosed the following other violation:

#### Inadequate Bonding

The audit revealed a violation of LMRDA Section 502 (Bonding), which requires that union officers and employees be bonded for no less than 10 percent of the total funds


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handled by those individuals or their predecessors during the preceding fiscal year. Local 6255's officers are currently bonded for \$2,500, but they must be bonded for at least \$3,500.

Local 6255 should obtain adequate bonding coverage for its officers and employees immediately. Please provide proof of bonding coverage to this office as soon as adequate coverage has been obtained, but not later than September 15, 2006.

I want to extend my personal appreciation to APWU Local 6255 and Treasurer Eugenio Taijeron, in particular, 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: Eugenio Taijeron, Treasurer