



July 14, 2022

Ms. Cynthia Smith, Treasurer
Letter Carriers, NATL ASN, AFL-CIO Branch 588
P.O. Box 81104
Athens, GA 30608

Case Number: 410-6023455()
LM Number: 082066

Dear Ms. Smith:

This office has recently completed an audit of Letter Carriers (NALC) AFL-CIO Branch 588 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 President Richard Burton and Chief Trustee Wyukun Mahoney on June 14, 2022, 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 National Association of Letter Carriers (NALC) AFL-CIO Branch 588 for fiscal year 2020 records revealed the following recordkeeping violations:

1. Lack of Salary Authorization

Branch 588 did not maintain records to verify that the salaries reported in Item 24 (All Officer and Disbursements to Officers) of the LM-3 was the authorized amount and therefore was correctly reported. The union must keep a record, such as meeting minutes, to show the current salary authorized by the entity or individual in the union with the authority to establish salaries.

The audit found that officers of Branch 588 were not being compensated according to the Local Bylaws, Article 8. Currently, the officers receive a flat rate. OLMS found no documentation supporting what these flat rates were based on in union records. OLMS found two officers received additional compensation for performing duties as stewards. However, the authorized amount in Article 8 is only \$50. Union Records show that during Fiscal Year 2020, Vice President Shaliah Houston, Recording Secretary Chagari Jhaveri both received monthly payments of \$125 in addition to their officer salaries. According to current Branch 588 President Richard Burton, the practice of paying these officers for work done as stewards has stopped.

Based on your assurance that Branch 588 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violation.

Reporting Violations

Labor Organization Annual Report (Form LM-3) filed by Branch 588 for the fiscal years ending December 31, 2020, and December 31, 2021, were deficient in the following areas:

1. Disbursements to Officers (LM-3)

Branch 588 did not report the total amounts of payments to officers or on their behalf in Item 24 (All Officers and Disbursements to Officers). The union must report in Item 24 all persons who held office during the year, regardless of whether they received any payments from the union.

OLMS found that Branch 588 failed to report cash advances for travel to the following: Patrick Daniel, Charagi Jhaveri, and others for at least \$9,507 in unreported payments to Branch 588 Officers during fiscal year 2020.

In addition, Branch 588 failed to report lost wage payments and mileage expense payments during fiscal year 2020 to former President Patrick Daniel totaling \$1,217.17.

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. Branch 588 amended its constitution and bylaws but did not file a copy with its LM report.

Branch 588 has now filed a copy of its constitution and bylaws.

Branch 588 must file an amended LM-3 for the fiscal years ending December 31, 2020 and December 31, 2021, to correct the deficient items discussed above. The report must be filed electronically using the Electronic Forms System (EFS) available at the OLMS website at www.olms.dol.gov. Before filing, review the report thoroughly to be sure it is complete and accurate. The amended Form LM-3 Reports must be filed no later than July 30, 2022.

Other issues

1. Branch 588 failed to maintain adequate meeting minutes. OLMS was able to utilize the personal notes of Treasurer Smith in combination with union records. But no official minutes were available for review.
2. The branch failed to either recoup or resolve cash advances made to officers and stewards for the canceled National Convention.

Branch 588 has discussed this issue in recent membership meetings and currently plans on recouping the funds. The 2020 and 2021 LM-3 Reports will be amended to reflect these outstanding funds.

I want to extend my personal appreciation to Letter Carriers (NALC) AFL-CIO Branch 588 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