



February 28, 2023

Delano Wilson, President
National Association of Letter Carriers
Branch 2611
13447 New Hampshire Ave
Silver Spring, MD 20904

Case Number: 450-6023751()
LM Number: 083-310

Dear Mr. Wilson:

This office has recently completed an audit of National Association of Letter Carriers (NALC) Branch 2611 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 and Treasurer Llyod Deckman on February 15, 2023, 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.

Reporting 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 Branch 2611's 2021 records revealed the following recordkeeping violations:

1. General Reimbursed and Credit Card Expenses

Branch 2611 did not retain adequate documentation for reimbursed expenses and credit card charges incurred by union officers. For example, the union did not keep receipts for cell phone payments to a union officer, payments to officers for expenses incurred while attending a convention, and charges incurred at a florist.

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.

2. Failure to Maintain Receipt Records

Branch 2611 did not retain some deposit slips for deposits into the union's bank account. All union receipt records must be maintained. Union receipts records must include an adequate identification of all money the union receives. The records should show the date and amount received, and the source of the money.

3. Lost Wages

Branch 2611 did not retain adequate documentation for lost wage reimbursement payments to union officers. 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.

Based on your assurance that Branch 2611 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 Branch 2611 for the fiscal year ended December 31, 2021, was deficient in the following areas:

1. Disbursements to Officers

Branch 2611 did not report some payments to officers and some credit card charges incurred by officers in the proper columns in Item 24 (All Officers and Disbursements to Officers).

Other than salary, the union must report most direct and indirect disbursements to Branch 2611 officers in Item 24, Column E (Allowances and Other Disbursements). A "direct disbursement" to an officer is a payment made to an officer in the form of cash, property, goods, services, or other things of value. An "indirect disbursement" to an officer is a

payment to another party (including a credit card company) for cash, property, goods, services, or other things of value received by or on behalf of an officer.

2. Failure to Accurately Report Receipts

Branch 2611 did not properly report receipts received by the union in Item 43 (Other Receipts). The audit revealed that the union received non-dues receipts from members which should have been reported in Item 43.

The union must enter in Item 43 all receipts other than those reported in Items 38 through 42, including proceeds from the sale of supplies, loans obtained, repayments of loans made, rents, and funds collected for transmittal to third parties.

3. 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 2611 amended its constitution and bylaws in 2021 but did not file a copy with its LM report for that year. Branch 2611 has now filed a copy of its constitution and bylaws.

I am not requiring that Branch 2611 file an amended LM report for fiscal year ending December 31, 2021 to correct the deficient items, but Branch 2611 has agreed to properly report the deficient items on all future reports it files with OLMS.

Other Issues

1. Officer Salaries

The audit revealed that the gross salary amounts paid to some officers during the fiscal year were more than the amounts listed in the union's bylaws. The officers stated that the salary amounts in the bylaws were outdated. The union must adhere to the salary rates listed in the bylaws. If the officers want to change those amounts, the union must follow the procedures for amending its bylaws.

2. Personal Use of Credit Card


Branch 2611 has a policy that the union credit cards cannot be used for personal use. However, the audit revealed that an officer used his union credit card to make two personal charges in fiscal year 2021. The officer promptly disbursed a check directly to the union's credit card issuer for the personal expenses. OLMS does not recommend policies that allow union personnel to make personal purchases with union credit cards because this may lead to the misuse of union funds.

3. Past Officer on Union Credit Card Account

The audit revealed that a former Branch 2611 officer is still listed as an active card holder on the union's credit card account. Union credit card accounts should be limited to the current union officers.

I want to extend my personal appreciation to NALC Branch 2611 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,

A solid black rectangular box used to redact the signature of the investigator.

Investigator