

U.S. Department of Labor

Office of Labor-Management Standards
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September 15, 2023

Mr. Michael Coco, Treasurer
National Association of Letter Carriers (NALC)
Branch 217
P.O. Box 2150
Jackson, MS 39225-2150

Case Number: 420-6026344()
LM Number: 089866

Dear Mr. Coco:

This office has recently completed an audit of NALC BR 217 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 President Moses Bolar on September 21, 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.

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 Branch 217's 2022 records revealed the following recordkeeping violations:

1. General Reimbursed and Credit Card Expenses

Branch 217 did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by officers who are authorized to use the union's credit card totaling at least \$29,580.65. For example, there were seven large dollar amount purchases made at Kroger

during November 2022. There were no receipts retained for any of these purchases. The itemized receipts for these purchases were subpoenaed and revealed that a total of 300 \$25 gift cards were purchased. This purchase was authorized during the November executive board meeting.

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. Meal Expenses

Branch 217 did not require officers and employees to submit itemized receipts for meal expenses totaling at least \$10,947.48. The union must maintain itemized receipts provided by restaurants to officers and employees. These itemized receipts are necessary to determine if such disbursements are for union business purposes and to sufficiently fulfill the recordkeeping requirement of LMRDA Section 206.

3. Reimbursed Auto Expenses

President Moses Bolar, Vice President Chiquanita Chambers, Chief Shop Steward Jimmy Frierson, Trustee Jay Gaston, Shop Steward Clifton Willis, and Tommy Hairston all received reimbursement for business use of their personal vehicles and did not retain adequate documentation to support payments to them totaling at least \$6,286.98 during 2022. The union must maintain records which identify the dates of travel, locations traveled to and from, and number of miles driven. The record must also show the business purpose of each use of a personal vehicle for business travel by an officer or employee who was reimbursed for mileage expenses.

4. Failure to Record Receipts

Branch 217 did not record any receipts for the 2022 fiscal year. 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.

5. Receipt Dates not Recorded

Branch 217 does not have a receipts journal to reflect the date the union deposited money. Union receipts records must show the date of receipt. The date of receipt is required to verify, explain, or clarify amounts required to be reported in Statement B (Receipts and Disbursements) of the LM-3. The LM-3 instructions for Statement B state that the labor organization must record receipts when it actually receives money and disbursements when it actually pays out money. Failure to record the date money was received could result in the union reporting some receipts for a different year than when it actually received them.

6. Disposition of Property

Branch 217 did not maintain an inventory of \$25 Visa and Mastercard gift cards it purchased and gave away. The union must report the value of any union property on hand at the beginning and end of each year in Item 30 (Other Assets) of the LM-3. The union must retain an inventory or similar record of property on hand to verify, clarify, and explain the information that must be reported in Item 30. The union must record in at least one record the date and amount received from each sale of gift cards, union hats, jackets, and other items.

In addition, in the case of items given away to members, the union must retain records that identify the date the items were given away and the recipients of those items.

7. Information not Recorded in Meeting Minutes

During the audit, President Moses Bolar and Treasurer Michael Coco did not inform OLMS that Secretary Glenn Greer received additional payments and mileage outside of his secretary salary. Article 5 Section 3 of the Branch's Bylaws states that, "the Branch Secretary's compensation shall be \$150.00 monthly, subject to appropriate taxes, to be paid quarterly at that month's regular Branch meeting, (March, June, September and December)." The minutes of the meeting do not contain any reference to approved additional payments being made to Secretary Greer. Minutes of all membership or executive board meetings must report any disbursement authorizations made at those meetings.

Based on your assurance that Branch 217 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 217 for the fiscal year ended December 31, 2022, was deficient in the following areas:

1. Disbursements to Officers

Branch 217 did not include some reimbursements to officers totaling at least \$1,852.44 in the amounts reported Item 24 (All Officers and Disbursements to Officers). Item 24(F) under reports Treasurer Michael Coco's expenses by \$352.37, President Moses Bolar's expenses by \$129.77, Vice President Chiquanita Chambers' expenses by \$96.50, Secretary Glenn Greer's expenses by \$44.74, and Trustee Jay Gaston's expenses by \$1,229.06.

The union must report most direct disbursements to Branch 217 officers and some indirect disbursements made on behalf of its officers in Item 24. 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. See the instructions for Item 24 for a discussion of certain direct disbursements to officers that do not have to be reported in Item 24. 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. However, indirect disbursements for

temporary lodging (such as a union check issued to a hotel) or for transportation by a public carrier (such as an airline) for an officer traveling on union business should be reported in Item 48 (Office and Administrative Expense).

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 217 amended its constitution and bylaws in 2012, but did not file a copy with its LM report for that year.

Branch 217 has now filed a copy of its constitution and bylaws.

Branch 217 must file an amended Form LM-3 for the fiscal year ended December 31, 2022, 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. The amended Form LM-3 must be filed no later than September 25, 2023. Before filing, review the report thoroughly to be sure it is complete and accurate.

I want to extend my personal appreciation to NALC BR 217 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 black rectangular box redacting the signature of the investigator.

Investigator

cc: Mr. Moses Bolar, President