

**U.S. Department of Labor**

Employment Standards Administration  
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November 12, 2008

Mr. Richard Dunleavy, Secretary-Treasurer  
National Association of Letter Carriers, AFL-CIO  
Branch 17  
2800 Stafford Avenue  
Scranton PA, 18505

LM File Number 081-030  
Case Number: [REDACTED]

Dear Mr. Dunleavy:

This office has recently completed an audit of National Association of Letter Carriers Branch 17 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 on October 31, 2008, 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 Violation

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 LM-3 filed by Branch 17 for fiscal year ending December 31, 2007, was deficient in the following areas:

**Disbursements to Officers**

Branch 17 did not include some reimbursements to officers totaling at least \$1,411 in the amounts reported Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments in Item 54 (Other Disbursements).

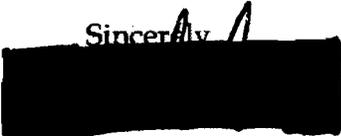
Mr. Richard Dunleavy  
November 12, 2008  
Page 2 of 2

The union must report most direct disbursements to Branch 17 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).

I am not requiring that Branch 17 file an amended LM report for 2007 to correct the deficient items, but Branch 17 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to National Association of Letter Carriers Branch 17 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: Thomas Gavin, President