



August 23, 2012

Mr. John Moore, President
Letter Carriers, Natl Asn, AFL-CIO
State Association

Case Number: [REDACTED]
LM Number: 083466

Dear Mr. Moore:

This office has recently completed an audit of Letter Carriers, Natl Asn., AFL-CIO, State Association (Alabama) 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 Secretary Treasurer David Alexander on August 22, 2012, 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 State Association's 2011 records revealed the following recordkeeping violations:

1. General Reimbursed and Credit Card Expenses

The State Association did not retain adequate documentation for reimbursed and credit card expenses incurred by union officers totaling at least \$1,518.50. For example, a

reimbursement to Former President [REDACTED] on June 25, 2011 in the amount of \$938.83 for union expenses did not have an adequately completed expense voucher; specifically no union purpose was noted for the expense. Additionally, a payment to Union Travel MasterCard, on June 27, 2011 in the amount of \$2,423.30, did not have a hotel invoice or receipt to support the payment..

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. Information not Recorded in Meeting Minutes

During the audit, President John Moore advised OLMS that the membership authorized the purchase of name tags for newly elected officers in the amount of \$120.00 from Omega Engraving in April 2012. Article 12 of the by laws dated August 2010 require all expenses to be approved by the membership. The minutes of the meetings do not contain any reference to this issue. Minutes of all membership or executive board meetings must report any disbursement authorizations made at those meetings.

3. General Disbursements

State Association Alabama did not retain adequate documentation for disbursements totaling at least \$70.04. For example, the union did not maintain an invoice, bill, or receipt for the purchase of seat covers to be used at the National Convention in July 2012. The vendor could not be identified. Check number [REDACTED] was issued on April 2, 2012 in the amount of \$70.04. 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.

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

Reporting Violation

The audit disclosed violations 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 the State Association for fiscal year ending May 31, 2011, was deficient in the following area:

Failure to File By Laws

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. Alabama State Association amended its by laws in 2010 but did not file a copy with its LM report for that year. Alabama State Association took immediate steps to correct the violation and has now filed a copy of its constitution and bylaws.

I am not requiring that the State Association file an amended LM report for 2011 to correct the deficient item, but the State Association has agreed to properly report the deficient item on all future reports it files with OLMS.

I want to extend my personal appreciation to the State Association 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: Mr. David Alexander, Secretary/Treasurer