

**U.S. Department of Labor**

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July 8, 2009

Mr. Robert Edwards, President  
Letter Carriers Branch 539  
P.O. Box 3216  
North Attleboro, MA 02761

LM File Number: 083-264

Case Number: [REDACTED]

Dear Mr. Edwards:

This office has recently completed an audit of Letter Carriers Branch 539 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 July 6, 2009, 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 Letter Carrier s Branch 539's 2008 records revealed the following recordkeeping violations:

#### 1. Meal Expenses

Branch 539's records of meal expenses were not always itemized, and did not always include written explanations of the union business conducted and the name of the persons incurring the restaurant charges. For example, four receipts totaling \$417.81 were not itemized and not documented with the union purpose or the names of the participants.

Union records of meal expenses must include written explanations of the union business conducted and the full names and titles of all persons who incurred the restaurant charges. Also, the records retained must identify the names of the restaurants where the officers or employees incurred meal expenses.

#### 2. Lost Wages

Branch 539 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. The OLMS audit found that Branch 539 did not maintain any lost time vouchers.

During the exit interview, I provided a sample lost time/expense voucher Branch 539 may use to satisfy this requirement. The sample identifies the type of information and documentation that the local must maintain for lost wages and other officer expenses.

Based on your assurance that Branch 539 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 LM-3 filed by Branch 539 for fiscal year ending March 31, 2008, was deficient in the following areas:

#### 1. Disbursements To Officers

Branch 539 did not include some reimbursements to officers totaling at least \$1,385 in the amounts reported in Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments in Item 48 (Office and Administrative Expense) or Item 54 (Other Disbursements).

The union must report most direct disbursements to Branch 539 officers and some 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. Fixed Assets

Branch 539 did not report the value of a fixed asset purchased during the audit year in Item 29 B (Fixed Assets End of Reporting Period). The Branch purchased a computer for \$744 in August 2007.

Mr. Robert Edwards  
July 7, 2009  
Page 4 of 4

I am not requiring that Branch 539 file an amended report for 2008 to correct the deficient items, but Branch 539 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to Letter Carriers Branch 539 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,

Mark Letizi  
District Director

CC: Ms. Claudia Simpson, Secretary-Treasurer