

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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August 19, 2009

Mr. Daniel Couture, Treasurer
NALC Branch 229
1240 Lake Ave.
Pueblo, CO 81004

LM File Number: 089-916
Case Number: [REDACTED]

Dear Mr. Couture:

This office has recently completed an audit of NALC Branch 229 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 August 17, 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 Branch 229 records revealed the following recordkeeping violation:

Failure to Maintain Records

Branch 229 did not retain either hard copies or electronic copies of cancelled checks after the checks were no longer accessible on-line. Branch 229's bank allows on-line access to copies of cancelled checks for only one year. Checks clearing at the bank's teller windows are not copied and made available to the union. During the audit period 99 such checks were not made available to Branch 229.

Branch 229 did not retain adequate documentation for reimbursed expenses incurred by union officers and for payment of invoices. Copies of vendor invoices were not kept. The petty cash file was not kept after the petty cash system was eliminated. Membership meeting minutes were missing for two months and union credit card statements were missing for two months.

As previously noted above, labor organizations must maintain all union records used or received in the course of union business. 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 Branch 229 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violation.

Reporting Violations

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 Branch 229 for fiscal year ending December 31, 2008, was deficient in the following areas:

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 229 amended its constitution and bylaws in 2005, but did not file a copy with its LM report for that year. A copy of the amended bylaws was provided to OLMS during the audit.

I want to extend my personal appreciation to NALC Branch 229 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,



Supervisory Investigator

cc: Frank Chavez, President