



July 15, 2009

Ms. Diane La Valle, Secretary/Treasurer
Letter Carriers AFL-CIO
Branch 2421
P.O. Box 121
Greenwood, IN 46142

Re: Case Number: [REDACTED]
LM File Number: 090-878

Dear Ms. La Valle:

This office has recently completed an audit of Letter Carriers Branch 2421 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 15, 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 2421's 2008 records revealed the following recordkeeping violations:

1. Failure to Record Receipts

Branch 2421 did not record in its receipts records some employer dues checkoff checks and did not identify the source of all receipts. For example, Branch 2421's receipts ledger did not contain entries about deposits made in May, June and September 2008. 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.

2. General Reimbursed and Debit Card Expenses

Branch 2421 did not retain adequate documentation for checks and debit card charges incurred by the president and secretary/treasurer totaling at least \$1,062.27. For example, Branch 2421 failed to retain vendor receipts for food purchased at Donato's Pizza each month for union meetings.

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 Branch 2421 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Other Violation

The audit disclosed the following other violation:

1. Inadequate Bonding

The audit revealed a violation of LMRDA Section 502 (Bonding), which requires that union officers and employees be bonded for no less than 10 percent of the total funds those individuals or their predecessors handled during the preceding fiscal year.

Branch 2421's officers are currently not covered by a surety bond, but they must be bonded for at least \$1,655.26. Branch 2421 should obtain adequate bonding coverage for its officers and employees immediately. Please provide proof of bonding coverage to this office as soon as possible, but not later than September 15, 2009. OLMS will monitor this situation until it is resolved.

I want to extend my personal appreciation to Letter Carriers Branch 2421 for the cooperation and courtesy extended during this compliance audit. I strongly recommend that you make sure this

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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,



Lead Investigator

cc: Greg Townsend, President