

**U.S. Department of Labor**

Office of Labor-Management Standards  
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February 17, 2010

Mr. Allen Alevizos, Treasurer  
Contract Mail Drivers Association  
135 Addison Road, Suite 216  
Elmhurst, IL 60126

LM File Number 509-942  
Case Number: [REDACTED]

Dear Mr. Alevizos:

This office has recently completed an audit of the Contract Mail Drivers Association 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 Brian Reynolds and you on February 11, 2010, 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 the Contract Mail Drivers Association's 2008 records revealed the following recordkeeping violations:

The union did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by union employees totaling at least \$3522. For example, supporting documentation was not retained for a \$575 disbursement to Depot Voyages Montreal on December 14, 2007, and for a \$125.75 disbursement to Rogers Pub in Schiller Park, IL on January 9, 2008.

As previously 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 Contract Mail Drivers Association 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 (Form LM-3) filed by the Contract Mail Drivers Association for fiscal year ending June 30, 2008, was deficient in the following areas:

1. Wages and Other Disbursements to Officers (LM-3)

Contract Mail Drivers Association did not include some wages and other disbursements to officers totaling at least \$5000 in the amounts reported Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments in Item 48 (Office and Administrative Expenses). The union must report most direct disbursements to union 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).

## 2. Participate in the Administration of a Fund Providing Benefits to Members

Item 11 (Did you participate in the administration of a fund which provides benefits for members?) should have been answered, "Yes," because the union maintains an unfunded dues financed welfare benefit plan for its members. The union must identify in Item 56 the name, address, and purpose of the fund.

## 3. Pay Any Employee More Than \$10,000

Item 17 (Pay any employee salary, allowances, and other expenses totaling more than \$10,000) should have been answered, "Yes," because the union paid its administrator more than \$10,000. The union must identify in Item 56 the name and position of each affected employee and the total disbursements made to the employee, including all salary, allowances, and other disbursements (including reimbursed expenses).

## 4. Fidelity Bond

Item 20 (What is the maximum amount recoverable under your union's fidelity bond?) should have been answered, "\$50,000," because the union maintains a fidelity bond with Western Surety Company for \$50,000.

## 5. LM-30 Filing

Treasurer Allen Alevizos owns a business, Small Job Specialist, that received \$1350 in income from the Contract Mail Drivers Association for work performed during fiscal year 2008. Officers and employees are required to file a Form LM-30 if they held an interest in or derived income or other economic benefit with monetary value, including reimbursed expenses, from a business any part of which consists

of buying from or selling or leasing directly or indirectly to, or otherwise dealing with their labor organization or with a trust in which their labor organization is interested. Therefore, Treasurer Alevizos should have filed a Form LM-30 with OLMS for fiscal year 2008.

I am not requiring that the Contract Mail Drivers Association file an amended LM-3 report for 2008 to correct the deficient items, but the union has agreed to properly report the deficient items on all future reports it files with OLMS. However, Treasurer Allen Alevizos must file a Form LM-30 for fiscal year 2008. I provided you with a blank form and instructions, and advised you that the reporting forms and instructions are also available on the OLMS website ([www.dol.gov/olms](http://www.dol.gov/olms)). The Form LM-30 should be submitted to this office at the above address as soon as possible, but not later than February 28, 2010. Before filing, review the report thoroughly to be sure it is complete, accurate, and signed properly with an original signature.

I want to extend my personal appreciation to the Contract Mail Drivers 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: Brian Reynolds, President