



November 29, 2018

Mr. William F. Bauder, Secretary Treasurer
National Association of Letter Carriers, Branch 442
2903 E Mission Avenue
Spokane, WA 99202-3624

Case Number: 530-6014449
LM Number: 083336

Dear Mr. Bauder:

This office has recently completed an audit of National Association of Letter Carriers, Branch 442 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 November 28, 2018, 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.

Record Keeping Violation

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 442's 2017 records revealed the following recordkeeping violation:

Inadequate Lost Time Reports

Branch 442 did not retain adequate documentation for lost wage reimbursement payments to union officers totaling at least \$3,000. 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 442 did not consistently document the union business or the dates of the lost time.

I want to extend my personal appreciation to National Association of Letter Carriers, Branch 442 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,

A large black rectangular redaction box covering the signature of the sender.A smaller black rectangular redaction box covering the name of the sender.

Senior Investigator

cc: Mr. Eric J. Pardick, President