

U.S. Department of Labor

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September 14, 2007

Ms. Eileen Bristow, Treasurer
National Association of Letter Carriers, AFL-CIO
Branch 4405
P. O. Box 403
5677 Olde Wadsworth Blvd.
Arvada, Colorado 80001-0403

LM File Number 082-633

Case Number: [REDACTED]

Dear Ms. Bristow:

This office has recently completed an audit of Letter Carriers, Branch 4405 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 Tony Battaglino and you on August 29, 2007 and September 14, 2007, 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.

The CAP disclosed the following.

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 4405's 2006 records revealed the following recordkeeping violations:

1. General Reimbursed and Credit Card Expenses

NALC Branch 4405 failed to retain adequate documentation for reimbursed expenses incurred by nine Branch 4405 delegates who attended the August 14-18, 2006, NALC Convention in Las Vegas, Nevada. For example, President Anthony Battaglino's personal credit card statement showed three Travelocity charges of at least \$7,151, and included no receipts for electronic airline tickets, hotel, and rental car expenses during the NALC convention.

Adequate documentation was not retained for some purchases of office and administrative expenses of at least \$1,919. Union expense vouchers do not list the names of recipients for \$310 the union spent for flowers or for \$45 for length of service pins.

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.

2. Meal Expenses

NALC Branch 4405 did not require officers to submit itemized receipts for all meal expenses. The union must maintain itemized receipts provided by restaurants to officers and employees. These itemized receipts are necessary to determine if such disbursements are for union business purposes and to sufficiently fulfill the recordkeeping requirement of LMRDA Section 206.

NALC Branch 4405 records of meal expenses did not always include written explanations of the union business conducted or the names and titles of the persons incurring the restaurant charges. For example, during the NALC Convention, the union incurred \$442 in banquet expenses, but it did not include the business conducted or the names and titles of all persons who attended the banquet. The union held a training meeting at Pizza Hut but failed to maintain an expense receipt or a list of attendees for the meeting. 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.

3. Lost Wages

Branch 4405 did not retain adequate documentation for lost wage reimbursements to union officers and employees in at least nine instances. 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 4405 retained a copy of officer's payroll stubs for convention expenses and initially paid delegates for 32 hours of lost time. The union later paid delegates an additional eight hours of lost time, but it failed to show the rate of pay, or identify on lost wage vouchers the union business conducted.

4. Information not Recorded in Meeting Minutes

During the audit, officers advised OLMS that the executive board the members authorize NALC Convention expenses, funds for training and state meetings, annual picnic and banquet expenses, and miscellaneous expenses at its January budget meeting. Many union expenses exceed \$200 over some approved budgeted items and minutes do not reflect membership approval for increased expenditures. Article IV of Branch 4405 Bylaws requires authorization by two thirds vote of the members at any regular or special meeting of expenditures over \$200. However, the meeting minutes do not contain any reference to those issues. Minutes of all membership or executive board meetings must specifically report any disbursement authorizations made at those meetings.

Based on your assurance that Branch 4405 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

5. 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 4405 does not know when it amended its constitution and bylaws, but did not file a copy with its LM report for that year.

A copy of NALC Branch 4405's constitution and bylaws has now been filed.

I want to extend my personal appreciation to Letter Carriers, Branch 4405 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: T. Battaglino, President