

U.S. Department of Labor

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July 16, 2007

Mr. Bynoskia Sams, President
National Association of Letter Carriers
Branch 578
2222 Bull Street, Suite 204
Savannah, Ga 31401

LM File Number 515-309

Case Number: [REDACTED]

Dear Mr. Sams:

This office has recently completed an audit of Letter Carriers, Branch 578 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 Michael John, Bob Covino, Ansel Maynard, and you on June 28, 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 both record keeping and reporting violations.

Record Keeping Violation

Title II of the LMRDA establishes certain reporting and recordkeeping requirements. Section 206 requires, among other things, that adequate records be maintained for at least 5 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, all records used or received in the course of union business must be retained. This includes, in the case of disbursements, not only the retention of original bills, invoices, receipts, and vouchers, but also adequate additional documentation, if necessary, 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 note can be written on it providing the additional information. An exception may be made only in those cases where 1) other equality descriptive documentation has been maintained, and 2) there is evidence of actual oversight and control over disbursements.

The audit revealed a failure to maintain various invoices, bills, and receipts from union related business expenditures. This is a violation of Section 206 of the LMRDA (Retention of Records).

During the exit interview, you stated you would keep all of these records in the future. As agreed, provided that Branch 578 maintains adequate documentation as discussed above in the future, no additional enforcement action will be taken regarding these violations.

Reporting Violations

Failure to File Bylaws

The CAP 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 constitution or bylaw changes are made. A copy of Branch 578's constitution and bylaws has now been filed.

The CAP also 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 Branch 578 for fiscal year ending December 31, 2005, was deficient in the following areas:

1. Item 24, Column A ((All Officers and Disbursements to Officers -Allowances and Other Disbursements)

The names of the Trustee officers and the total amounts of payments were not reported in item 24. Each person who held office in the labor organization during the reporting period must be reported, whether or not any salary or other disbursements were made to them or not.

2. Item 24, Column E ((All Officers and Disbursements to Officers -Allowances and other Disbursements)

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Branch 578 failed to include some reimbursements to officers. Such payments appear to have been erroneously reported in the amount reported in item 48 (Office and Administrative Expense) or item 54 (Other Disbursements).

All direct disbursements to officers and some indirect disbursements made on behalf of its officers must be reported 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. An "indirect disbursement" to an officer is a payment to another party (including credit card companies) 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). Even if the officer does not receive an official salary from the local, allowances paid to the officer along with the disbursements mentioned above must be accurately reported.

I am not requiring that Branch 578 file an amended LM report for 2005 to correct the deficient items, but as agreed, Branch 578 will properly report the deficient items on all future reports filed with this agency, including an amended 2006. As agreed, the deadline for completing and submitting the amended 2006 report to OLMS is July 30, 2007. I provided you with an LM-3 Reporting Instructions Manual to assist you in filing the 2006 report. Before filing, review the report thoroughly to be sure it is complete, accurate, and signed properly with original signatures.

I want to extend my personal appreciation to Letter Carriers, Branch 578 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: Bob Covino, Treasurer