

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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May 2, 2007

Mr. Dominic Lignelli, Financial Secretary-Treasurer
National Association of Letter Carriers
Branch 3825
PO Box 1398
Rockville, MD 20849

Re: Case Number: [REDACTED]

Dear Mr. Lignelli:

This office has recently completed an audit of National Association of Letter Carriers Branch 3825 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 Kenneth Lerch and Amy Campain, and you on April 12, 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.

Recordkeeping Violations

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 equally descriptive documentation has been maintained, and 2) there is evidence of actual oversight and control over disbursements.

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In the case of receipts, the date, amount, purpose, and source of all money received by the union must be recorded in at least one union record. Bank records must also be retained for all accounts.

The audit of Branch 3825's 2005 records revealed the following recordkeeping violations:

1. Officer Expenses

Union officers failed to maintain adequate documentation for expenses charged to union credit cards, and for lodging expenses that were direct-paid by the union. Receipts must be maintained for all expenses. The date, amount, and business purpose of every expense must be recorded on at least one union record. In addition, the names of individuals present for meal expenses and the locations (names of restaurants) where meal expenses were incurred must be recorded.

2. Lost Wages

Some vouchers submitted by union personnel for lost wages do not identify the union business conducted that required lost wages be incurred. The lost wage claims must 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.

3. Deposit Slips

The union failed to maintain some deposit slips. All deposit slips must be maintained.

As agreed, provided that Branch 3825 maintains adequate documentation as discussed above in the future, no additional enforcement action will be taken regarding these 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

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constitution or bylaw changes are made. Branch 3825 amended its constitution and bylaws in 2003, but a copy was not filed with its LM report for that year. A copy of Branch 3825's constitution and bylaws has now been filed.

I want to extend my personal appreciation to National Association of Letter Carriers Branch 3825 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: Kenneth Lerch, Branch 3825 President
Amy Campain, Vice President