

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
New York District Office
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January 8, 2007

Mr. Anthony Mangano, President
National Association of Letter Carriers, AFL-CIO
Branch 41
2262 Bath Avenue
Brooklyn, NY 12214

Re: Case Number: [REDACTED]

Dear Mr. Mangano:

This office has recently completed an audit of NALC, Branch 41 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 Anthony Mangano and Robert Marrow on January 5, 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.

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

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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.

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 41's records revealed the following recordkeeping violations:


Branch 41 failed to maintain various invoices, bills and receipts from union related business expenditures. This is a violation of Section 206 of the LMRDA (Failure to Maintain Records).

As agreed, provided that Branch 41 maintains adequate documentation as discussed above in the future, no additional enforcement action will be taken regarding this violation.

Additionally, the audit revealed a violation of LMRDA Section 502 (Bonding), which requires that union officers and employees be bonded with a coverage that does not contain a deductible. During the audit period, Branch 41 had a commercial crime policy (CCP) which contained a \$2,500 deductible. During the CAP, the Investigator provided the union with compliance assistance regarding this issue. Inspection of the current CCP disclosed no deductible and the union is now in compliance with this provision.

I want to extend my personal appreciation to NALC, Branch 41 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: Mr. Anthony Mangano