

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Honolulu Resident Office
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September 25, 2007

Mr. Frank Romaguera, President
Letter Carriers, Natl Asn, AFL-CIO
Branch 5516
P.O. Box 426
Kailua-Kona, HI 96745-0426

LM File Number: 082-813
Case Number: [REDACTED]

Dear Mr. Romaguera:

This office has recently completed an audit of Branch 5516, National Association of Letter Carriers (NALC) 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 August 10, 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 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

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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 5516's records for the fiscal year ending March 31, 2007, revealed the following recordkeeping violations:

Credit Card Expenses


Branch 5516 did not retain adequate documentation for credit card expenses incurred by you and Treasurer Ryan Hanato totaling at least \$4,396. For example, receipts were not kept for the purchase of a notebook computer and for several travel-related expenses. At a minimum, credit card receipts should disclose the nature and amount of the charge, the identity of the person incurring the charge, and the identity and location of the vendor.

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.

Based on your assurance that Branch 5516 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

I want to extend my personal appreciation to NALC Branch 5516 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,


Senior Investigator

cc: Mr. Ryan Hanato, Treasurer

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