



February 27, 2020

Mr. Ron Eudy, President
Letter Carriers Branch 950
[REDACTED]

Case Number: 420-6017454 [REDACTED]
LM Number: 082098

Dear Mr. Eudy:

This office has recently completed an audit of Letter Carriers Branch 950 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 and Treasurer Dan Drury on January 16, 2020, 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 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 950's 2018 records revealed the following recordkeeping violations:

1. Disbursements for Property

Branch 950 failed to maintain documentation for the purchase of office supplies, utility bills, and void checks. During the OIQ, President Ron Eudy said that during the audit period, the branch had a flood at the Yale St. location. The documentation for the disbursements were missing or destroyed in the flood.

Branch 950 did not retain adequate documentation for purchases of materials and labor for renovations made to the branch's new property on Stewart Rd. Branch 950 had the parking lot resurfaced and a carport installed. The documentation was a generic receipt with only the name of the person performing the work and the amount charged, with no contact information for the business or description of items purchased.

As 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. Reimbursed Travel Expenses

Branch 950 failed to maintain voided checks from officers and members who did not travel for scheduled and approved trips. Branch 950 approved travel expenses for officers and members at monthly meetings, prior to the trip. There were occasions where individuals failed to travel for the scheduled trip. The branch voided the checks written in the union records; however, the local did not recover the voided checks from the individuals to maintain in the union's records.

Based on your assurance that Branch 950 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Reporting Violation

The audit 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 950 for the fiscal year ended December 31, 2018, was deficient in the following area:

Disbursements to Officers

Branch 950 did not include some reimbursements to officers, specifically President Ron Eudy and Treasurer Dan Drury totaling at least \$2,564.71. Amounts paid to officers for the reimbursement of union related expenses must be reported next to the officer's name in Item 24 E (Allowances and Other Disbursements).

The union must report most direct disbursements to Branch 950 officers and some indirect disbursements made on behalf of its officers 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. See the instructions for Item 24 for a discussion of certain direct disbursements to officers that do not have to be reported in Item 24. An "indirect disbursement" to an officer is a payment to another party (including a credit card company) 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).

Branch 950 must file and amended Form LM-3 for the fiscal year ended December 31, 2018, to correct the deficient items discussed above. The report must be filed electronically using the Electronic Forms System (EFS) available at the OLMS website at www.olms.dol.gov. The amended Form LM-3 must be filed no later than March 12, 2020. Before filing, review the report thoroughly to be sure it is complete and accurate.

I want to extend my personal appreciation to Letter Carriers Branch 950 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. Dan Drury, Treasurer