



February 6, 2020

Oksana Tropets, Secretary-Treasurer
Rural Letter Carriers
Oregon State Association
7211 Southeast 87th Avenue
Portland, OR 97266

Case Number: 530-6015301 [REDACTED]
LM Number: 088409

Dear Oksana Tropets:

This office has recently completed an audit of Oregon State Rural Letter Carriers Association (ORRLCA) 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 February 6, 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 ORRLCA's 2019 records revealed the following recordkeeping violations:

1. Reimbursed Auto Expenses

Union officers who received reimbursement for business use of their personal vehicles did not retain adequate documentation to support payments to them totaling at least \$1,764.87 during fiscal year 2019. The union must maintain records which identify the specific dates of travel, locations traveled to and from on each date, and the number of

miles driven on each date. The record must also show the business purpose of each use of a personal vehicle for business travel by an officer or employee who was reimbursed for mileage expenses.

2. Lost Wages

The ORRLCA did not retain adequate documentation for lost wage reimbursement payments to union officers totaling at least 18 instances. The union must maintain records in support of lost wage claims that 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. The OLMS audit found that the Oregon State Rural Letter Carriers retained vouchers and Form 3971s for lost wage claims. However, 17 of the vouchers did not identify all the dates for which lost wages were claimed and 1 lost wage payment was made without a voucher or Form 3971 to identify the date time was lost or the union purpose.

I am enclosing a compliance tip sheet, *Union Lost Time Payments*, that contains a sample of an expense voucher the ORRLCA may use to satisfy this requirement. The sample identifies the type of information and documentation that the union must maintain for lost wages and other officer expenses.

3. Receipt Dates not Recorded

Entries in ORRLCA's receipts journal for its checking account reflect the dates the union deposited money, but not the dates money was received. Union receipts records must show the date of receipt. The date of receipt is required to verify, explain, or clarify amounts required to be reported in Statement B (Receipts and Disbursements) of the LM-3. The LM-3 instructions for Statement B state that the labor organization must record receipts when it actually receives money and disbursements when it actually pays out money. Failure to record the date money was received could result in the union reporting some receipts for a different year than when it actually received them.

Based on your assurance that the ORRLCA 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 the ORRLCA 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,

A black rectangular redaction box covering the signature of the investigator.

Investigator