



Sent via email to [REDACTED] and [REDACTED]

August 28, 2020

Mr. Peter Porritt, President  
Letter Carriers, Rural  
Local 12



Case Number: 320-6018239 [REDACTED]  
LM Number: 089964

Dear Mr. Porritt:

This office has recently completed an audit of Rural Letter Carriers Local 12 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 Treasurer Cheryl Zatkovic on August 26, 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.

#### Reporting Violations

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-4) filed by Local 12 for the fiscal year ended July 31, 2019, was deficient in the following areas:

##### 1. Receipts

Local 12 did not properly report the total receipts it received during the reporting period in Item 16 (Total Receipts of Your Organization during the Reporting Period). The audit revealed that Local 12 received receipts totaling \$4,014 during the year; however, the total amount reported in Item 16 was \$6,018. It appears that Local 12 erroneously reported its total disbursements rather than its total receipts in Item 16.

The union must report the total amount of all receipts it received during the reporting period in Item 16. The amount should include, for example, dues, fees, fines, assessments, interest, dividends, rent, money from the sale of assets, and loans received by the union. The union should also include payments in lieu of dues received from any non-member employees as a condition of employment under a union security provision in a collective bargaining agreement.

2. Payments to Officers and Employees

Local 12 did not properly report the payments it made to officers and employees during the reporting period in Item 18 (Total Payments to Officers and Employees Made by Your Organization during the Reporting Period). The audit revealed that Local 12 made payments to officers and employees totaling \$5,477; however, the total amount reported in Item 18 was \$6,018. It appears that Local 12 erroneously reported its total disbursements rather than its disbursements to officers and employees in Item 18.

The union must report the total amount of all payments to officers and employees made by it during the reporting period in Item 18. The amount should include, for example, gross salaries; lost time pay; monthly, weekly, or daily allowances; and disbursements for conducting official business of the union as well as disbursements which were essentially for the personal benefit of the officer or employee.

Local 12 must file an amended Form LM-4 for fiscal year ended July 31, 2019, 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](http://www.olms.dol.gov). The amended Form LM-4 must be filed no later than September 14, 2020. Before filing, review the report thoroughly to be sure it is complete and accurate.

I want to extend my personal appreciation to Rural Letter Carriers Local 12 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: Ms. Cheryl Zatkovic, Treasurer