



April 8, 2024

Walter Gregory, President
Letter Carriers, NATL ASN, AFL-CIO
Branch 2184
6969 Monroe
Taylor, MI 48180

Case Number: 320-6027352()
LM Number: 080817

Dear President Gregory:

This office has recently completed an audit of Letter Carriers (NALC), AFL-CIO Branch 2184 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, Executive Vice President (EVP) Jacqueline Gregory, Financial Secretary-Treasurer (FST) Mark Owen, and Trustee David Reise on March 15, 2024, 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 2184's 2022 records revealed the following recordkeeping violations:

1. Credit Card Expenses

Branch 2184 did not retain adequate documentation for credit card expenses incurred by you, EVP Gregory, and former FST Cathy Tondreau totaling at least \$1,493 during the audit period. For example, no receipts were retained for three charges totaling \$262.07 made at ADT, Chamberlin Pony Rides, and IBackup.com. In support of these charges, Branch 2184 only retained its credit card statements, which is not sufficient.

As noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. Itemized receipts provided by restaurants to officers and employees must be retained. These itemized receipts are necessary to determine if such disbursements are for union business purposes and to sufficiently fulfill the recordkeeping requirement of LMRDA Section 206. Records of meal expenses must include written explanations of the union business conducted and the full names and titles of all persons who incurred the restaurant charges. Also, the records retained must identify the names of the restaurants where the officers or employees incurred meal expenses. 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. Lost/Hourly Wages

Branch 2184 did not retain adequate documentation for lost wage reimbursement payments to you, EVP Gregory, Vice President Darryl Clay, and Recording Secretary Melvin MacDonald totaling at least \$149,648 and hourly wage payments to former FST Tondreau totaling at least \$15,657. Branch 2184 must maintain records in support of lost and hourly wage payments that identify each date lost/hourly wages were incurred/earned, the number of hours lost/earned on each date, the applicable rate of pay, and a description of the union business conducted. The audit found that Branch 2184 retained vouchers for lost/hourly wage payments, but the vouchers were not sufficient because they did not always identify the date the lost/hourly wages were incurred/earned or adequately describe the union business conducted.

During the exit interview, I provided a compliance tip sheet, *Union Lost Time Payments*, that contained a sample of an expense voucher Branch 2184 may use to satisfy this requirement. The sample identifies the type of information and documentation that the local must maintain for lost wages and other officer expenses.

3. Disposition of Property

Branch 2184 failed to maintain adequate records for calendars it purchased and sold during the year to raise money for the Muscular Dystrophy Association (MDA). The audit revealed that Branch 2184 purchased 250 calendars for \$1,125 that it sold during the audit period for \$1,625. Branch 2184 subsequently donated the \$500 it made from the sale of the calendars, plus an \$18.75 donation it received on behalf of the MDA, to

the MDA. However, Branch 2184 did not maintain adequate records that identified the date and amount received from each sale of the calendars.

The union must report the value of any union property on hand at the beginning and end of each year in Item 28 (Other Assets) of the LM-2. The union must retain an inventory or similar record of property on hand to verify, clarify, and explain the information that must be reported in Item 28. The union must record in at least one record the date and amount received from each sale of union hats, jackets, and other items, such as calendars.

In addition, in the case of items given away to members, the union must retain records that identify the date the items were given away and the recipients of those items.

4. Failure to Adequately Record Receipts

The audit revealed that Branch 2184 did not adequately record in its receipts records the sources of receipts totaling at least \$50,207. For example, for a \$50,000 wire transfer it received on July 19, 2023, Branch 2184 recorded “miscellaneous income” as the source of the receipt in its receipts journal and only retained the union’s bank statement as supporting documentation. The bank statement recorded the receipt as “Fedwire Credit, First American Trust,” but lacked the actual source of the funds. In addition, the July 2022 copy of the budget included with the union’s meeting minutes records “transfer building deposit,” but no further explanation is provided.

Union receipts records must include an adequate identification of all money the union receives. The records should show the date and amount received, and the source of the money.

Based on your assurance that Branch 2184 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-2) filed by Branch 2184 for the fiscal year ended December 31, 2022, was deficient in that:

Disbursements to Officers

Branch 2184 underreported gross salary payments (including lost time) to you and overreported gross salary payments (including lost time) to Vice President Clay and Recording Secretary MacDonald in the amounts reported in Schedule 11 (All Officers and Disbursements to Officers), Column D (Gross Salary) of the LM-2. Branch 2184’s disbursement records indicate that you received gross salary (including lost time) totaling at least \$89,863; however, the total amount reported in Colum D of Schedule 11 for you was \$84,833. Similarly, Branch 2184’s

disbursement records indicate that Vice President Clay and Recording Secretary MacDonald received gross salaries (including lost time) totaling at least \$10,043 and \$11,623, respectively; however, the total amounts reported in Column D, of Schedule 11 for Vice President Clay and Recording Secretary MacDonald was \$10,078 and \$12,085, respectively.

In addition, Branch 2184 underreported reimbursements it made to Vice President Clay and Recording Secretary MacDonald by at least \$494 in the amounts reported in Schedule 11, Column F (Disbursements for Official Business). Branch 2184's disbursement records indicate that Vice President Clay and Recording Secretary MacDonald received expense reimbursements totaling at least \$3,907; however, the total amount reported in Column F of Schedule 11 for Vice President Clay and Recording Secretary MacDonald was \$3,413. It appears the union erroneously reported some of their reimbursed expenses as salary rather than as expenses.

The union must report in Column D of Schedules 11 and 12 (Disbursements to Employees) gross salaries (before tax withholdings and other payroll deductions) of union personnel, including disbursements for "lost time" or time devoted to union activities. The union must report in Column F of Schedules 11 and 12 direct disbursements to officers and employees for reimbursement of expenses they incurred while conducting union business. In addition, the union must report in Column F of Schedules 11 and 12 indirect disbursements made to another party (such as a credit card company) for business expenses union personnel incur. However, the union must report in Schedules 15 through 19 indirect disbursements for business expenses union personnel incur for transportation by public carrier (such as an airline) and for temporary lodging expenses while traveling on union business. The union must report in Column G (Other Disbursements) of Schedules 11 and 12 any direct or indirect disbursements to union personnel for expenses not necessary for conducting union business.

I am not requiring that Branch 2184 file an amended LM report for 2022 to correct the deficient items, but Branch 2184 has agreed to properly report the deficient items on all future reports it files with OLMS.

Other Issue

Possible Overpayment of Lost Wages

A comparison of the lost wage claims submitted by you during 2022 with payroll records received from the United States Postal Service (USPS) and expense payment records received from the Michigan State Association of Letter Carriers (MISALC) revealed that you appear to have been overpaid a net total of \$666 during the audit year.

A review of Branch 2184's disbursements records revealed ADP disbursements dated April 27, 2022 and October 26, 2022 for lost wages you incurred between April 11 – 22, 2022 (80 hours) and October 11-21, 2022 (56 hours), respectively. A comparison of your Branch 2184 lost wage reimbursements to applicable USPS time and attendance records revealed that you were compensated for all wages you lost from the USPS during these dates. However, a further comparison of Branch 2184 lost time records with MISALC expense records revealed you were

also paid lost wages by the MISALC for meetings held on April 14, 2022 and October 20, 2022, dates which fall within time already compensated in full by Branch 2184, resulting in apparent lost time overpayments to you totaling at least \$666 (\$328.16 for April 14, 2022 and \$337.84 for October 20, 2022).

During the exit interview, I advised you and the others present to review the lost time claims in question with the branch's executive board and determine the appropriate action to take regarding this matter. I further requested that FST Owen provide OLMS with a written response of the executive board's decision by March 29, 2024. You stated that you don't believe these were overpayments because you worked a full 8 hours each day for both Branch 2184 and the MISALC (16 total hours per day) on the two days in question and that you don't believe this constituted "double dipping" or that you should have to repay Branch 2184.

On March 26, 2024, you notified me by email that FST Owen would not be responding on behalf of Branch 2184 because he works full time for the USPS and wouldn't be "on the union schedule" again until April, and that due to this, you would be responding for Branch 2184. In your response, you noted that on March 25, 2024, Branch 2184's executive board, except for Trustee Tracy Mitchell, who wasn't present, unanimously voted "no" when asked if you should be required to repay the \$666 in question. You also sent a copy of the Branch's new policy, which was discussed at that same board meeting, regarding the payment of "Other Time" to active officers for hours spent conducting union business outside their normal USPS tour (i.e., on officers' personal time). The new policy also indicates that officers are allowed to work for Branch 2184, NALC state associations, and the NALC Headquarters in the same day.

I want to extend my personal appreciation to Letter Carriers Branch 2184 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: Jacqueline McGregory, Executive Vice President
Mark Owen, Financial Secretary-Treasurer
David Reise, Trustee
Felicia Davis, Trustee
Tracy Mitchell, Trustee
Carl Blassingame, President, MISALC
Catherine Tondreau, Treasurer, MISALC