

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Buffalo District Office
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August 7, 2006

Bernard Timmerman, President
Postal Workers, AFL-CIO
Local 257
407 East Taft Road
Syracuse, NY 13212

Re: Case No.

Dear Bernie:

This office has recently completed an audit of Postal Workers, AFL-CIO Local 257 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 on July 27, 2006 the following deficiencies 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.

Title II of the LMRDA establishes certain reporting and recordkeeping requirements. Section 206 requires, among other things, that adequate records be maintained for at least 5 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, all records used or received in the course of union business must be retained. This includes, in the case of disbursements, not only the retention of original bills, invoices, receipts, and vouchers, but also adequate additional documentation, if necessary, 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 note can be written on it providing the additional information. An exception may be made only in those cases where 1) other equally descriptive documentation has been maintained, and 2) there is evidence of actual oversight and control over disbursements.

The audit of Local 257's 2005 records revealed the following recordkeeping violations:

Union officers and employees failed to maintain adequate documentation for reimbursed expenses that were directly paid by the union. The date, amount, and business purpose of every expense must be recorded on at least one union record. Some vouchers submitted by union personnel for lost wages do not identify the union business conducted that required lost wages be incurred. The lost wage claims must be signed and 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.

I also urge Local 257 to adopt clear guidelines regarding what types of expenses personnel may charge with union credit cards and what types of out-of-pocket expenses personnel may be reimbursed. Our office is readily available to provide guidance to you regarding the requirements of the law as they would pertain to any policies your union might adopt. As agreed, provided that Local 257 maintains adequate documentation as discussed above in the future, no additional enforcement action will be taken regarding this violation.

The CAP 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 Local 257 for fiscal year ending December 31, 2005, was deficient in the following areas:


Local 257 amended its constitution and bylaws in 2005, but a copy was not filed with its LM report for that year. The latest version filed with our office was for 2004. A copy of Local 257's constitution and bylaws has now been filed.

Local 257 improperly reported some payments to officers and employees in Schedule 11 (All Officers and Disbursements to Officers) and Schedule 12 (Disbursements to Employees) and failed to properly report all fixed assets. Local 257 should report all payments to local treasurer Daniel Cupelo on Schedule 11 and not separate payments between Schedules 11 and 12. Additionally Schedule 6 – Fixed Assets was incomplete. Only the building was listed omitting office furniture/equipment.

I am not requiring that Local 257 file an amended LM report for 2005 to correct the deficient items, but as agreed, Local 257 will properly report the deficient items on all future reports filed with this agency.

I want to extend my personal appreciation to you for your cooperation and courtesy during this compliance audit. If we can be of any assistance in the future, please do not hesitate to call.

Sincerely,


Investigator

cc: Dan Cupelo, Treasurer
Floyd Germano, Comptroller