

**U.S. Department of Labor**

Employment Standards Administration  
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September 27, 2007

Mr. Domingo Martinez, President  
Letter Carriers, Branch 1742  
555 East Main Street  
Turlock, CA 95380

LM File Number: 081-743

Case Number: [REDACTED]

Dear Mr. Martinez:

This office has recently completed an audit of Letter Carriers, Branch 1742 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 Daryl Lathrop on September 28, 2007, 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.

**Record Keeping Violations**

Title II of the LMRDA establishes certain reporting and record keeping requirements. Section 206 requires, among other things, that labor organizations maintain adequate records for at least five years by which each receipt and disbursement 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 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 all retain bank records for all

accounts.

The audit of Branch 1742's 2006 records revealed the following record keeping violations:

1. **General Reimbursed and Credit Card Expenses** - Officers and employees of your union failed to retain adequate documentation for reimbursed expenses, expenses charged to credit cards and for other disbursements which were direct-paid by your union. Specifically, expense vouchers were submitted without sufficient documentation to support the related disbursement. The date, amount and business purpose of every expense must be recorded on at least one union record. Additionally, the names of individuals present for meal expenses paid for by the union and the locations (names of restaurants) where meal expenses were incurred must also be recorded.
2. **Lost Wages** - Branch 1742 did not retain adequate documentation for all lost wage reimbursement payments. 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 Branch 1742 had expense vouchers prepared by officers to receive pay, but additional forms of supporting documentation, such as a leave request form from the post office or a pay stub showing the officer did not receive pay for hours claimed as lost time, was not attached.

Based on your assurance that Branch 1742 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 Letter Carriers, Branch 1742 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. Daryl Lathrop, Treasurer