

U.S. Department of Labor
Employment Standards Administration
Office of Labor-Management Standards
New York District Office
201 Varick Street
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New York, NY 10014
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August 26, 2008

Mr. Anthony Calia, President
National Association of Letter Carriers, AFL-CIO
Branch 342
125 Gates Avenue, #42
Montclair, NJ 07042

Re: Case Number: |||||

Dear Mr. Calia:

This office has recently completed an audit of the National Association of Letter Carriers (NALC), AFL-CIO, Branch 342, 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 August 26, 2008, 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.

The CAP disclosed:

Recordkeeping Violations

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.

In the case of receipts, the date, amount, purpose, and source of all money received by the union must be recorded in at least one union record. Bank records must also be retained for all accounts.

The audit of NALC, Branch 342, records for the year-ended December 31, 2006, revealed the following recordkeeping violations:

The union failed to maintain the invoices, bills, and other point of sale receipts that are generated when the union makes expenditure.

Conclusion/Recordkeeping Violation(s)

As agreed, the union will maintain all expenditure documents, provided they comply, no additional enforcement action will be taken regarding this violation.

The proper maintenance of union records is the personal responsibility of the individuals who are required to file the NALC, Branch 342, LM report.

Reporting Violations

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-3) filed by NALC, Branch 342, for fiscal year-ended December 31, 2003, was deficient. Additionally, the union failed to file the LM-3 report for the years-ended December 31, 2007, 2006, 2005, and 2004.

Conclusion/Resolution of Reporting Problems

Compliance assistance was provided, and the union voluntarily committed to file their delinquent LM-3 reports for the years-ended December 31, 2007, 2006, 2005, and 2004, and in accordance with OLMS standards of acceptability. The union also committed to file all future reports with the Secretary on a timely basis.

The delinquent LM-3 forms should be submitted as soon as possible, but not later than September 26, 2008. Before filing, review the report thoroughly to be sure it is complete, accurate, and signed properly with original signatures.

Other Violations

The CAP disclosed the following other violation:

Inadequate Bonding

The audit revealed a violation of LMRDA Section 502 (Bonding), which requires that union officers and employees be bonded for no less than 10 percent of the total funds handled by those individuals or their predecessors during the preceding fiscal year. The union has a commercial crime policy. The policy contains a deductible which is a form of self insurance and thus not permitted.

Conclusion/Resolution of Reporting- Problems

The union will amend the policy to remove the deductible and committed to provide a copy of the revised policy to the New York District Office no later than September 26, 2008.

I want to extend my personal appreciation to NALC, Branch 342, 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,

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Investigator

cc: Daniel Acevedo, Treasurer