

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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July 25, 2008

Mr. Mike Hornbuckle, President
Letter Carriers, Natl Asn, AFL-CIO
Branch 937
P O Box 481
Bessemer, AL 35021

LM File Number 083-454
Case Number: [REDACTED]

Dear Mr. Hornbuckle:

This office has recently completed an audit of NALC Branch 937 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 Joe Pressley on July 14, 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 the following findings:

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 937's 2005 records revealed the following recordkeeping violations:

1. General Reimbursed Expenses

Branch 397 did not retain adequate documentation for reimbursed expenses incurred by [REDACTED], [REDACTED], [REDACTED], and [REDACTED] totaling at least \$1,950.00. For example when each of these members traveled to state conventions there were not receipts for their hotel expenses.

As previously noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. 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. Failure to Record Receipts

Branch 937 did not have any receipts and disbursements records or journals and did not record any employer dues checkoff checks. 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.

3. Information not Recorded in Meeting Minutes

Branch 937 did not have any meeting minutes recorded for the audit year. Minutes of all membership or executive board meetings must report any disbursement authorizations made at those meetings.

Based on your assurance that Local XXX will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Other Violations

The audit disclosed the following other violation(s):

1. Inadequate Bonding

The audit revealed that Branch 937's officers and employees were not bonded for the minimum amount required at the time of the audit. However, the union obtained adequate bonding coverage and provided evidence of this to OLMS during the audit. As a result, OLMS will take no further enforcement action regarding this issue.

I want to extend my personal appreciation to NALC Branch 937 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: April Caldwell
Secretary Treasurer