

## U.S. Department of Labor

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June 2, 2008

Chuck Kent, President  
Letter Carriers, NALC, Branch 998  
P O Box 2738  
Valdosta, GA 31601

Re: Case No. [REDACTED]

Dear Mr. Kent:

This office completed an audit of Letter Carriers, NALC, Branch 998 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 acting treasurer Edi Appling on May 15, 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.

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. The audit of NALC Branch 998 2006 and 2007 records revealed the following recordkeeping violations:

Several financial records (saving statement for last quarter 2007, deposit slips, and two cancelled checks) were missing. Several errors were made with the recording of amounts in ledgers which did not match the amounts on bank statements or check stubs. The Trustees were able to correct some of the minor errors. The main item was the failure to record bank service charges.

I did inform you that the meeting minutes and vouchers were being properly recorded and processed. All financial reports, previous meeting minutes, and authorizations for travel were recorded. Each traveler properly reported on the purpose of the travel upon their return. Vouchers were reviewed and approved by at least two officers. I also recommended you maintain book balances on your Building Fund account.

The proper maintenance of union records is the personal responsibility of the individuals who are required to file Letter Carriers, NALC, Branch 998's LM report. You should be aware that under the provisions of Section 209(a) of the LMRDA, willful failure to maintain records can result in a fine of up to \$100,000 or imprisonment for not more than one year, or both.

Based on your assurance that Letter Carriers, Branch 998 will retain adequate documentation in the future, OLMS will not take any enforcement action at this time regarding the above violations.

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-3) filed by Letter Carriers, NALC, Branch 998 for fiscal year ending December 31, 2007 was deficient in that all officers and employees were not listed and an employee (steward) was listed as an officer.

On May 31, 2008, an acceptable amended Form LM-3 for fiscal year ending December 31, 2007 was received which corrected the deficient items discussed above. Therefore, no enforcement action will be taken at this time regarding this violation.

I made a few suggestions to improve your fiduciary obligations. For example, removal of former officer David Bullard as a signatory from the Building Fund account, having two required signatures on checks, and preparing an inventory of all union property which includes a description of the item, value and location. I also suggested reducing the amount of bond coverage since you currently have \$30,000 and you only need \$4,400.

I strongly recommend that you make sure this letter and the compliance assistance materials that were provided to you are passed on to your successors at whatever time you may leave office.

I want to thank 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 contact me or any other representative of our office.

Sincerely,



Investigator