

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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November 25, 2009

Mr. Frank Farnese, Treasurer
Letter Carriers, Branch 130
3502 Pacific Avenue
Tacoma, WA 98418-7912

LM File Number: 081-304
Case Number: [REDACTED]

Dear Mr. Farnese:

This office has recently completed an audit of Letter Carriers, Branch 130 under the Compliance Audit Program (CAP) to determine your organization's compliance with the provisions of the Civil Service Reform Act of 1978 (CSRA), 5 U.S.C. 7120, and the Department's regulations, 29 CFR 458. As discussed during the exit interview with you, Dan Fowler and Jeff Isrel on November 18, 2009, 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.

Reporting Violation

Failure to File Bylaws

Pursuant to 29 C.F.R. Section 458.3, the requirement under 29 C.F.R. Section 402.4 implementing LMRDA Section 201(a) is made applicable to labor organizations subject to the requirements of the CSRA. This provision requires labor organizations to file copies of any revised constitution and bylaws when it files its annual financial report. The audit disclosed a violation of this requirement. Branch 130 amended its constitution and bylaws in 2009, but did not file the required copies with its LM report for that year. Branch 130 has now filed a copy of its constitution and bylaws.

Other Violation

Inadequate Bonding

Pursuant to 29 C.F.R. Section 458.35, officers and employees of any labor organization subject to the CSRA are required to be bonded in accordance with Section 502(a) of the LMRDA. This provision requires that union officers and employees be bonded for no less than 10% of the total funds those individuals or their predecessors handled during the preceding fiscal year.

Officers and employees of Branch 130 are currently bonded for \$10,000; however, they must be bonded for at least \$24,000. Branch 130 should obtain adequate bonding coverage for its officers and employees immediately. Please provide proof of bonding coverage to this office as soon as possible, but not later than December 4, 2009.

I want to extend my personal appreciation to Letter Carriers, Branch 130 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,



Supervisory Investigator

cc: Mr. Dan Fowler, Recording Secretary
Mr. Jeff Isrel, Vice President