

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Atlanta District Office
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August 31, 2009

Mr. Harold C. Burley, Treasurer
Postal Mail Handlers, LIUNA
Local Union 310
675 Evans Street S.W.
Atlanta, GA 30310

LM File Number 092-080
Case Number: [REDACTED]

Dear Mr. Burley:

This office has recently completed an audit of Postal Mail Handlers, LIUNA Local Union 310 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 21, 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.

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 the receipt or invoice providing additional information. If the labor

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organization receives cash, the labor organization must keep at least one record showing the date, amount, purpose, and source of that money. Additionally, the labor organization must also retain bank records for all accounts.

The audit of Local 310's 2007 records revealed the following recordkeeping violations:

1. Credit Card Expenses

Local 310 did not retain adequate documentation for credit card expenses incurred by union officers totaling at least \$970.26. For example, there were credit card payments involving the purchase of gasoline; however, Local 310 did not keep receipts to support that travel and gasoline expenses were used for union business.

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. Meal Expenses

Local 310 records of meal expenses did not always include written explanations of union business conducted or the names and titles of the persons incurring the restaurant charges. For example, receipts for meals at restaurants were kept; however, there were no names of individuals present, and the nature of the union business conducted during the meal. Union records of meal expenses must include written explanations of the union business conducted and the full names and titles of all persons who incurred the restaurant charges. Also, the records retained must identify the names of the restaurants where the officers or employees incurred meal expenses.

Based on your assurance that Local 310 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above recordkeeping violations.

Reporting Violation

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-2) filed by Local 310 for fiscal year ending December 31, 2007 was deficient in the following area:

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Cash Disbursements Reconciliation

It appears that the total disbursements figure reported in Item 68 does not reflect the disbursement figures according to the union's books after reconciliation to the bank statements. The union under reported total disbursements by approximately \$259,253. The union should obtain account balances from its books as reconciled to the balances shown on bank statements.

At the exit interview, I advised you that Local 310 must file an amended LM-2 for fiscal year ending December 31, 2007, to correct the deficient items discussed above. During the audit, Local 310's accountant provided a paper copy of an amended LM-2 correcting the deficiency; however, there were problems filing the report electronically. I provided you with the LM-2, 3, 4 Help Line: 1-866-401-1109 to resolve problems with filing the LM-2 electronically. In addition, I provided you with instructions for Form LM-2, and advised you that the reporting forms and instructions are available on the OLMS website (www.olms.dol.gov). You were advised that the Form LM-2 should be electronically filed as soon as possible, but not later than August 14, 2009.

Other Violation

The audit 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 those individuals or their predecessors handled during the preceding fiscal year. Officers of Local 310 were bonded for \$65,000; however, they must be bonded for at least \$83,208.

The audit revealed that Local 310'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 Local 310 for the cooperation and courtesy extended during this compliance audit. I strongly recommend that you make sure this

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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,

A large rectangular area of the document has been completely blacked out with a redaction marker, obscuring a signature.

District Director

cc: Bruce Z. Miller, President