

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Buffalo District Office
130 South Elmwood Avenue
Room 510
Buffalo, NY 14202-2465
(716)842-2900 Fax: (716)842-2901



August 14, 2009

Gary Sanders, Secretary Treasurer
Letter Carriers, Natl Asn, AFL-CIO
Branch 5151
PO Box 8
Vestal, NY 13851

LM File Number: 083-272

Case Number: [REDACTED]

Dear Mr. Sanders:

This office has recently completed an audit of Letter Carriers, Branch 5151 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 11, 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 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 Letter Carriers Branch 5151's records for fiscal years 2005 through December 31, 2008 revealed the following recordkeeping violations:

1. General Reimbursed Expenses

Branch 5151 did not retain supporting documentation for reimbursed expenses totaling at least \$1,090 during the fiscal years reviewed. The union failed to retain a receipt for a membership meeting held at Hooter's Restaurant for \$260.45. This amount was reimbursed to Vice President Daniel Fusco.

In addition, Fusco purchased a new laptop for the union and was reimbursed \$554 in March 2007. The union did not maintain sufficient documentation for the purchase. Also, adequate documentation for the purchase and distribution of gift cards for holiday gifts to members was not retained by the union.

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

Letter Carriers Branch 5151 did not retain itemized receipts for meal expenses totaling \$565.14. The union must maintain itemized receipts provided by restaurants to officers and employees. These itemized receipts are necessary to determine if such disbursements are for union business purposes and to sufficiently fulfill the recordkeeping requirement of LMRDA Section 206.

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.

3. Lost Wages

Letter Carriers Branch 5151 did not retain adequate documentation for lost wage payments to Vice President Daniel Fusco and President Jonny Farnham totaling at least \$4,241 in the years reviewed for attendance at the National Convention.

The union must maintain records in support of lost wage claims that identify each date lost wages were incurred, the number of hours lost on each date, the applicable rate of pay, and a description of the union business conducted. The OLMS audit found that Branch 5151 only maintained the gross wages that were reimbursed and the purpose of that reimbursement. Branch 5151 did not identify the specific dates and the applicable rate of pay for the number of hours.

4. Meeting Minutes

During the audit, you advised OLMS that occasionally authorizations are received at membership meetings, however, there are no minutes of the meetings which would contain reference to specific issues. For example, you advised that members are given the option to attend the National Convention through means of a "lottery", however no minutes are maintained to support that information. In addition, Vice President Daniel Fusco advised OLMS that the salaries of officers changed by way of a vote of the membership in years past. Minutes of all membership meetings must be maintained to report any disbursement authorizations made at those meetings.

Based on your assurance that Branch 5151 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

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I want to extend my personal appreciation to Branch 5151 for the cooperation and courtesy extended during this compliance audit. I strongly recommend that you make sure this letter and any 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: Daniel Fusco, Vice President
201 Evergreen Street, Apt. 33F
Vestal, NY 13850

Gary Sanders, Secretary Treasurer
333 Clayton Ave
Vestal, NY 13850