

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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July 21, 2009

Mr. Arthur Muoio, President
Letter Carriers, National Association, AFL-CIO
Branch 210
2491 Brighton Henrietta Town Line Road
Rochester, NY 14623-2762

LM File Number 082-458
Case Number: [REDACTED]

Dear Mr. Muoio:

This office has recently completed an audit of Letter Carriers Branch 210 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 Vice President Ken Montgomery, Accountant Gene Schwenger, and yourself, on July 14, 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 Branch 210's 2008 records revealed the following recordkeeping violations:

1. Death Benefit Payments

The union did not maintain proper supporting documentation for death benefit payments made during the fiscal year audited. Payments were routinely made to surviving family members of deceased union members from the union's death benefit fund. According to information provided during the closing interview, a union officer prints the obituary from the newspaper website and forwards such to the benefit fund administrator. The fund administrator verifies the deceased is on the union membership list and subsequently forwards the appropriate death benefit payment to the surviving family member. The union should maintain all supporting documentation for death benefit payments made in the future, such as a photocopy of the death notice and any correspondence from the deceased's beneficiaries.

2. Other Expenses

The union did not maintain proper supporting documentation for several disbursements made during the fiscal year audited. For example, no invoice was found for check # [REDACTED] for \$1,850 to the Branch 34 Housing Committee or check # [REDACTED] for \$2,500 to the United Way. The issue was discussed during the closing interview and union officers have since provided an invoice for the two examples cited. In the future, all supporting documentation must be maintained for all union disbursements.

Based on your assurance that Branch 210 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 Letter Carriers Branch 210 and Gene Schwenger and his staff 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: Eugene Schwenger, CPA
Sam Hogan, Treasurer