

U.S. Department of Labor

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March 4, 2009

Mr. Woody Hendrickson, President
Mail Handlers Local 332
2261 South Redwood Road, Suite #6
Salt Lake City, Utah 84119-1330

LM File Number: 510-257
Case Number: [REDACTED]

Dear Mr. Hendrickson:

This office has recently completed an audit of Mail Handlers Local 332 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 Treasurer Rob Greenwell on February 26, 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 Violation

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

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source of that money. The labor organization must also retain bank records for all accounts.

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The audit of Local 332's 2007 records revealed the following recordkeeping violation:

Disposition of Property

Local 332 failed to retain an inventory of aprons which were sold. Records must be retained to account for all union property. In the case of union hats, jackets, aprons, and other items sold to members, the date and amount received from every sale must be recorded in at least one record.

Based on your assurance that Local 332 will create an inventory list of the current number of aprons, OLMS will take no further enforcement action at this time regarding the above violations.

Other Issue

Use of Signature Stamp

During the audit, you and Treasurer Rob Greenwell advised that it is Local 332's practice to sometimes use a signature stamp for the Local's president and treasurer on union checks. The two signature requirement is an effective internal control of union funds. Its purpose is to attest to the authenticity of a completed document already signed. However, the use of a signature stamp for the second signer does not attest to the authenticity of the completed check, and negates the purpose of the two signature requirement. OLMS recommends that Local 332 review these procedures to improve its internal control of union funds.

I want to extend my personal appreciation to Mail Handlers Local 332 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,

[REDACTED]
Investigator

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cc: Mr. Rob Greenwell - Treasurer