

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
St. Louis District Office
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September 11, 2009

Mr. Tom Howland, Assistant Secretary-Treasurer
National Association of Letter Carriers, AFL-CIO
Branch 352
107 Jefferson Avenue
Des Moines, IA 50314

LM File Number 080-940
Case Number: [REDACTED]

Dear Mr. Howland:

This office has recently completed an audit of NALC Branch 352 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 President Susan Marcus Wilbois and you on September 4, 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 352's 2008 records revealed the following recordkeeping violation:

Fixed Asset Inventory

Branch 352 did not maintain an inventory of fixed assets it possesses, purchased, sold, or gave away. The union must report the value of any union property on hand at the beginning and end of each year in Item 29 (Fixed Assets) of the LM-3. The union must retain an inventory or similar record of property on hand to verify, clarify, and explain the information that must be reported in Item 29.

Other Violations

The audit disclosed the following other violation(s):

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.

Branch 352's officers and employees are currently bonded for \$20,000, but they must be bonded for at least \$24,649. Branch 352 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 September 30, 2009.

I want to extend my personal appreciation to NALC Branch 352 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,

Mr. Tom Howland
September 11, 2009
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Investigator

cc: President Susan Marcus Wilbois