

U.S. Department of Labor

Office of Labor-Management Standards
San Francisco District Office
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August 3, 2010

Mr. John O'Loughlin, Treasurer
NALC Branch 183
888 Third Street
Santa Rosa, CA 95404

LM File Number: 083-391
Case Number: [REDACTED]

Dear Mr. O'Loughlin:

This office has recently completed an audit of NALC Branch 183 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 Secretary Sarah Cipcich on July 23, 2010, the following problem was disclosed during the CAP. The matter listed below is not an exhaustive list of all possible problem areas since the audit conducted was limited in scope.

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. The audit revealed that Branch 183's officers and employees are adequately bonded for \$40,000. However, the union's bond contains a deductible which is a form of self-insurance that fails to meet the bonding requirements of the LMRDA. Branch 183 should obtain a bond without a deductible. Please provide proof of bonding coverage to this office as soon as possible, but not later than September 2, 2010.

I want to extend my personal appreciation to Branch 183 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: Branch 183 President Jerry Andersen
Branch 183 Secretary Sarah Cipcich