



September 30, 2011

Mr. Brian Simms, Secretary-Treasurer
Letter Carriers, NATL ASN, AFL-CIO Branch 62
[REDACTED]
Hixson, TN 37343

Case Number: [REDACTED]
LM Number: 084182

Dear Mr. Simms:

This office has recently completed an audit of Letter Carriers, NATL ASN, AFL-CIO Branch 62 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 September 29, 2011, 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 62's 2010 records revealed the following recordkeeping violations

Lack of Salary Authorization

Branch 62 did not maintain records to verify that the salaries reported in Item 24 (All Officer and Disbursements to Officers) of the LM-3 was the authorized amount and therefore was correctly reported. The union must keep a record, such as meeting minutes, to show the current salary authorized by the entity or individual in the union with the authority to establish salaries. Branch 62 failed to properly itemize the categories of salary payments to the union president. Additionally, the union president received shop steward pay in addition to a chief steward salary. However, there was no documented authorization in the membership meeting minutes or branch bylaws for the president to receive shop steward. In addition, the Branch 62 failed to retain membership approval

meeting minutes for the office practice of giving the union president a \$40 monthly allowance for cell phone reimbursement.

Based on your assurance that Branch 62 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Reporting Violations

Failure to File Bylaws

The audit disclosed a violation of LMRDA Section 201(a), which requires that a union submit a copy of its revised constitution and bylaws with its LM report when it makes changes to its constitution or bylaws. Branch 62 amended its constitution and bylaws in 2010, but did not file a copy with its LM report for that year.

Branch 62 has now filed a copy of its constitution and bylaws.

Other Issues

Failure to Follow Bylaws

Article X, Section O of Branch62's bylaws reads that a shop steward shall receive \$50 per station in place of \$75 if the steward is over more than one station. However, the branch paid the shop stewards \$75 for each station during the audit year.

I want to extend my personal appreciation to Letter Carriers, NATL ASN, AFL-CIO Branch 62 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: Ms. Tammia Sneed, President