

U.S. Department of Labor

Office of Labor-Management Standards
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May 15, 2012

Mr. Marvin Ruyle, President
NALC AFL-CIO Branch 1367
P.O. Box 415
Denton, TX 76202-0415

Case Number: [REDACTED]
LM Number: 084-156

Dear Mr. Ruyle:

This office has recently completed an audit of NALC AFL-CIO Branch 1367 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 Debbie Hoelscher on April 26, 2012, 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 NALC Branch 1367's 2010 records revealed the following recordkeeping violations:

1. Lost Wages

NALC Branch 1367 did not retain adequate documentation for lost wage reimbursement payments to Chief Steward Orion Adcock totaling \$977.60 incurred during August 2010 and to President Marvin Ruyle totaling at least \$262.50 for lost wage expenses incurred during July and August of 2010. The union must maintain records in support of lost wage

claims that identify each date lost wages were incurred, the number of hours lost on each date, the applicable rate of pay, and a description of the union business conducted.

2. Disposition of Property

NALC Branch 1367 did not maintain an inventory of t-shirts it purchased, sold, or gave away. There are no records that exist for Branch 1367 that show the details of exactly how many t-shirts were donated and which organizations received the t-shirt donation. The union must report the value of any union property on hand at the beginning and end of each year in Item 30 (Other 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 30.

The union must record in at least one record the date and amount received from each sale of union t-shirts.

3. Failure to Record Receipts

NALC Branch 1367 did not document in its receipts records the details about t-shirt sales income from the year 2010. For example, 176 t-shirts were purchased on April 16, 2010 and a portion of the t-shirts were donated while others were sold. The records did not contain any information or details about the money received from these t-shirts sales or where the money was deposited. The money was reportedly donated to various charities but there was no documentation present in the union's financial records for 2010. Union receipts records must include an adequate identification of all money the union receives. The records should show the date and amount received, and the source of the money.

Based on your assurance that NALC Branch 1367 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations

I want to extend my personal appreciation to NALC AFL-CIO Branch 1367 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

cc: Ms. Debbie Hoelscher, Secretary-Treasurer