



May 9, 2016

Mr. Jim Cislighi, Treasurer
Letter Carriers 1197
P.O. Box 12
Murphysboro, IL 62966

Case Number: 510-6006820
LM Number: 081343

Dear Mr. Cislighi:

This office has recently completed an audit of Letter Carriers 1197 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 March 30, 2016, 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 Local 1197's 2014 records revealed the following recordkeeping violations:

1. Information not Recorded in Meeting Minutes

Article V, Section 5, of the local's bylaws says delegates to conventions shall receive funds and expenses as approved by the Branch each year prior to the convention. In June 2014, five officers attended the local's state convention and incurred expenses paid by the local. In July 2014, seven officers attended the local's national convention and incurred expenses paid by the local. A review of the local's meeting minutes showed discussions about the

two conventions, but did not reflect prior approval for the officers to incur expenses a required in the bylaws.

In addition, the local pays for the local president's monthly cell phone bill. The meeting minutes show approval for the local to purchase a cell phone for use by the president, however, the meeting minutes do not show approval to pay for the monthly cell phone bill. In September 2010, the local paid \$420 for retirement watches. While the local maintained an invoice for the purchase of the watches, it did not reflect approval by the members to purchase the watches in its meeting minutes. Minutes of all membership or executive board meetings must report any disbursement authorizations made at those meetings.

Based on your assurance that Local 1197 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Reporting Violations

The audit disclosed a violation of LMRDA Section 201(b), which requires labor organizations to file annual financial reports accurately disclosing their financial condition and operations. The Labor Organization Annual Report LM-3 filed by Local 1197 for the fiscal year ended December 31, 2014, was deficient in that the local underreported Allowance and Other Disbursements to the president in the amount of \$10,788.

Local 1197 filed an amended Form LM-3 for the fiscal year ended December 31, 2014, with the undersigned to correct the deficient items therefore no additional action is necessary.

I want to extend my personal appreciation to Letter Carriers 1197 for the cooperation and courtesy extended during this compliance audit. I 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]

[REDACTED]

Investigator