



May 8, 2017

Mr. Manuel Mairena, President
NALC Branch 1280
[REDACTED]
Burlingame, CA 94010

Case Number: 530-6009810 [REDACTED]
LM Number: 083441

Dear Mr. Mairena:

This office has recently completed an audit of NALC Branch 1280 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 Treasurer Ludwig Mosteiro, Executive Vice President Sandra Dieffenderfer, Recording Secretary Anna Lisa Skog, and Executive Board Member [REDACTED] on May 3, 2017, 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.

Reporting Violation

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 (Form LM-3) filed by Branch 1280 for the fiscal year ended December 31, 2015, was deficient in the following area:

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 1280 amended its constitution and bylaws in 2011, but did not file a copy with its LM report for that year.

Branch 1280 has now filed a copy of its constitution and bylaws.

Other Violation

The audit disclosed the following 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.

Branch 1280's officers are currently bonded for \$28,000, but they must have been bonded for at least \$57,000 as determined by the union's financial records for 2015. OLMS will meet with Branch 1280 officers to determine the adequate bonding coverage for the most recently completed fiscal year ended December 31, 2016. Subsequently, the union must secure a bond based on the determined amount.

I want to extend my personal appreciation to NALC Branch 1280 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: Mr. Ludwig Mosteiro, Secretary Treasurer