

U.S. Department of Labor

Office of Labor-Management Standards
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May 2, 2019

Ms. Angel Thompson, President
Letter Carriers, Natl Asn, AFL-CIO
Branch 628
PO Box 7
Spartanburg, SC 29304-0007

Case Number: 410-6013297 [REDACTED]
LM Number: 080705

Dear Ms. Thompson:

This office has recently completed an audit of Letter Carriers, Natl Asn, AFL-CIO Branch 628 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 Treasurer Artencia Jackson-Williams on April 23, 2019, 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 628's 2018 records revealed the following recordkeeping violations:

1. General Disbursements, Reimbursed Expenses, and Debit Card Expenses

Branch 628 did not retain adequate documentation for general disbursement by check, reimbursed expenses for petty cash, and debit card expenses incurred by you, Treasurer Artencia Jackson-Williams, and Trustee James Wilkins totaling at least \$3,736.62. For example, petty cash expenses listed on the petty cash reports and reimbursed to Wilkins were not always backed up with an itemized receipt. Disbursements for airfare were missing documentation in the records provided to OLMS. Some restaurant and grocery store charges associated with union meetings were missing itemized receipts.

As noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. The president and treasurer (or corresponding principal officers) of your union, who are required to sign your union's LM report, are responsible for properly maintaining union records.

2. Meal Expenses

Branch 628 did not require officers and employees to submit itemized receipts for meal expenses totaling at least \$603.20. The union must maintain itemized receipts provided by restaurants to officers and employees. These itemized receipts are necessary to determine if such disbursements are for union business purposes and to sufficiently fulfill the recordkeeping requirement of LMRDA Section 206.

Branch 628 records of meal expenses did not always include written explanations of union business conducted or the names and titles of the persons incurring the restaurant charges. For example, meals purchased prior to membership meetings from restaurants such as Fatz Café, Little Ceasars, Apollos House of Pizza, Subway, Pizza Hut, and Zaxby's did not include a list of attendees. Union records of meal expenses must include written explanations of the union business conducted and the full names and titles of all persons who incurred the restaurant charges. Also, the records retained must identify the names of the restaurants where the officers or employees incurred meal expenses.

3. Lost Wages

Branch 628 did not retain adequate documentation for lost wage reimbursement payments to Alice Burns, Laquinton Ballenger, and Selena Thompson totaling at least \$3,386.14. 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. The OLMS audit found that Branch did not identify the hours, union business conducted, and hourly rate of pay for these lost time disbursements.

During the exit interview, I provided a compliance tip sheet, *Union Lost Time Payments*, that contained a sample of an expense voucher Branch 628 may use to satisfy this requirement. The sample identifies the type of information and documentation that the local must maintain for lost wages and other officer expenses.

4. Failure to Record Receipts

Branch 628 did not record in its receipts records receipts from a billboard rental and some interest earned on savings accounts and certificates of deposit totaling at least \$1,300.00. For example, some of the monthly treasurer's reports identified interest earned, while the interest earned was missing from other reports. 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 Branch 628 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((Form LM-3) filed by Branch 628 for the fiscal year ended December 31, 2018, was deficient in the following areas:

1. Disbursements to Officers (LM-3)

Branch 628 did not include some reimbursements to officers totaling at least \$5,463.09 in the amounts reported Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments in Item 48 (Office and Administrative Expense).

The union must report most direct disbursements to Branch 628 officers and some indirect disbursements made on behalf of its officers in Item 24. A "direct disbursement" to an officer is a payment made to an officer in the form of cash, property, goods, services, or other things of value. See the instructions for Item 24 for a discussion of certain direct disbursements to officers that do not have to be reported in Item 24. An "indirect disbursement" to an officer is a payment to another party (including a credit card company) for cash, property, goods, services, or other things of value received by or on behalf of an officer. However, indirect disbursements for temporary lodging (such as a union check issued to a hotel) or for transportation by a public carrier (such as an airline) for an officer traveling on union business should be reported in Item 48 (Office and Administrative Expense).

2. Receipts Reported As Other Assets

Branch 628 improperly included the amount received from rental income for the billboard on their property in Item 30 (Other Assets). Funds received annually from the rental income for the billboard should be reported in Item 43 (Other Receipts) and included in the union's total annual receipts.

3. 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 628 amended its constitution and bylaws in 2002, but did not file a copy with its LM report for that year.

Branch 628 has now filed a copy of its constitution and bylaws.

I am not requiring that Branch 628 file an amended LM report for 2018 to correct the deficient items, but Branch 628 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to Letter Carriers, Natl Asn, AFL-CIO Branch 628 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,

A black rectangular redaction box covering the signature of the Senior Investigator.

Senior Investigator

cc: Ms. Artencia Jackson-Williams, Treasurer