

U.S. Department of Labor

Office of Labor-Management Standards
San Francisco-Seattle District Office
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November 12, 2019

Mr. Tony Lee, Assistant Secretary Treasurer
NALC Branch 214
2310 Mason Street, 3rd Floor
San Francisco, CA 94133

Case Number: 530-6017070 [REDACTED]
LM Number: 080422

Dear Mr. Lee:

This office has recently completed an audit of NALC Branch 214 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 Sheila Gardner on November 1, 2019, the following problem was disclosed during the CAP. The matter listed below is not an exhaustive list of all possible problem areas since the audit conducted was limited in scope.

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 most currently completed fiscal year.

The audit revealed that NALC Branch 214's officers were not bonded for the minimum amount required at the time of the audit. NALC Branch 214 was currently bonded for \$200,000. For fiscal year 2019, which ended on March 31, 2019, NALC Branch 214 reported on its LM-2 report an amount of \$2,928,150 in funds handled during the year. A bond in the amount of at least \$292,815 is required to be in compliance with the law. Please provide proof of adequate bonding coverage to this office as soon as possible, but not later than November 29, 2019.

I want to extend my personal appreciation to NALC Branch 214 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,

Michael T. Ng, Investigator