

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Cincinnati District Office
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May 10, 2007

Mr. Robert Hack, Treasurer
Letter Carriers Branch 14
4815 Poplar Level Road
Louisville, KY 40213

LM File Number 083-650

Case Number: [REDACTED]

Dear Mr. Hack:

This office has recently completed an audit of Letter Carriers Branch 14 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 Investigator [REDACTED] discussed during the exit interview with you, Richard Dages, Jesse Higgs, Lawrence Terry, Anthony Weddle, Floyd Nall, Stephen Terry, and Branch 14 Trustees on April 26, 2007, 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.

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 14's 2006 records revealed the following recordkeeping violations:

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Branch 14 failed to retain adequate documentation for travel expenses incurred by delegates who attended a national convention in Las Vegas, Nevada.

As previously noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements, including airfare and hotel accommodations. The president and treasurer of your union, who are required to sign your union's LM report, are responsible for properly maintaining union records.

Based on your assurance that Branch 14 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

The audit disclosed the following reporting 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- 2 filed by Branch 14 for fiscal year ending December 31, 2006, was deficient in the following area:

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 14 amended its constitution and bylaws in 2006, but did not file a copy with its LM report for that year. As agreed, Branch 14 will file a copy of its current constitution and bylaws with OLMS as soon as possible but not later than August 31, 2007.

I want to extend my personal appreciation to Letter Carriers Branch 14 for the cooperation and courtesy extended to Investigator [REDACTED] 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,

Lesta Chandler
District Director

cc: Financial Secretary Richard Dages