

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Philadelphia District Office
Suite 760 West
The Curtis Center
170 S. Independence Mall West
Philadelphia, PA 19106-3310
(215) 861-4853 / FAX: (215) 861-4819



May 19, 2005

Mr. James McGarvey
Treasurer, NALC State of Pennsylvania
9607 James St.
Philadelphia, PA 19114

Re: 2

Dear Mr. McGarvey:

This office has recently completed an audit of National Association of Letter Carriers for the State of Pennsylvania 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 James McGarvey and Geary Wertz on May 17, 2005, 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 record keeping requirements. Section 206 requires, among other things, that adequate records be maintained 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, all records used or received in the course of union business must be retained. This includes, in the case of disbursements, not only the retention of original bills, invoices, receipts, and vouchers, but also adequate additional documentation, if necessary, showing the nature of the union business requiring the disbursement, the goods or services received, and the identity of the recipients of the goods or services.

The following record keeping deficiencies were revealed during the audit of NALC State of Pennsylvania's 2004 records:

The State Body failed to record in its records some dues checks received from the National Association as well as interest earned from their bank accounts. Union receipts records must include an adequate identification of each receipt of money. The records should show the exact date that the money was received, the identity of the source of the money, and the individual amount received from each source.

As agreed, provided that State Body maintains adequate documentation for its receipts and disbursements in the future, no additional enforcement action will be taken regarding this violation.

Unfortunately, I was unable to procure the document that you requested that listed required timeframe for the retention of specific records. I can say with confidence that this office requires that no records need be kept beyond five years. I cannot speak for the requirements enforced by you National office nor the IRS.

Please forward this information on to your successor and any other officers in the union.

I want to extend my personal appreciation for your and your entire staff's cooperation and courtesy during this compliance audit. If we can be of any assistance in the future, please do not hesitate to call.

Sincerely,

7(C)
Investigator