

U.S. Department of Labor

Office of Labor-Management Standards
JFK Federal Building
Suite E-365
Boston, Massachusetts 02203
Telephone: (617) 624-6690



February 15, 2005

Dana Salo, President
National Association of Letter Carriers
NALC Branch 33
100 Cummings Ctr.
Beverly, Ma 01915

Re: LM #083-223

Dear Mr. Salo:

This office has recently completed an audit of the NALC Branch 33 under the Compliance Audit Program (CAP) to determine your organization's compliance with the provisions of the Labor-Management Reporting and Compliance Act of 1959, as Amended (LMRDA). As discussed during the exit interview with you and Treasurer Knight on February 14, 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.

The CAP disclosed that the union's 12/31/2003 Labor Organization Annual Report, LM-3 was deficient and did not meet the standards of acceptability in violations of LMRDA Section 201(b). Specifically, the cash balances were incorrect, other receipts were not reported and disbursements were rounded up or down to agree with the budget. Actual receipts and disbursements are required to be reported on the LM-3 Report. An amended LM-3 for 12/31/2003 is required to be filed within 30 days to correct these deficiencies. Please send the amended LM-3 to my attention at the above listed address.

The CAP also disclosed that Branch was not adequately bonded as required by Section 502 of the LMRDA. The officers of the Branch were bonded for \$5,000 with the Fidelity and Deposit Company of Maryland. Section 502 of the LMRDA requires that all officers of a covered labor organization be bonded for a minimum of 10% of funds handled. To be in compliance with Section 502 a bond in the amount of \$12,000 is required. As a result of the audit the bond was increased to \$12,500.

I want to extend my personal appreciation for the cooperation and courtesy extended by you during this compliance audit. If we can be of any assistance in the future, please do not hesitate to call 617-664-6698.

Sincerely,

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Investigator