

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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May 13,2008

Mr. Juan Lamas, President
Postal Workers, American, AFL-CIO LU 731
595 N. Lincoln Ave. Ste. 208
Pasadena, CA 91109-0604

LM File Number: 505-972
Case Number: [REDACTED]

Dear Mr. Lamas:

This office has recently completed an audit of Postal Workers, American, AFL-CIO LU 731 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 Aldo Fusco on March 6,2008, 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 audit disclosed:

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

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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 Local 731's 2006 records revealed the following recordkeeping violations:

General Reimbursed Expenses

Local 731 did not retain adequate documentation for at least one reimbursed expenses totaling \$200. Specifically, Local 731 failed to support \$200 of the \$3,200 Christmas Party expenditure, which you indicated was the tip paid for this event.

As previously 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.

Based on your assurance that Local 731 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

I want to extend my personal appreciation to Postal Workers, American, AFL-CIO Local 731 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,

Beverly Perkins
Acting District Director

cc: Mr. Aldo Fusco, Treasurer