



May 23, 2012

Mr. Jamey Cranmer
Letter Carriers, Natl Asn, AFL-CIO Branch 1047
PO Box 104
Gadsden, AL 35902

Case Number: [REDACTED]
LM Number: 081608

Dear Mr. Cranmer:

This office has recently completed an audit of Letter Carriers, Natl Asn, AFL-CIO, Branch 1047 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 Christina Fortenberry on May 18, 2012, 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.

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 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 1047's 2011 records revealed the following recordkeeping violations:

1. Meal Expenses

Branch 1047 did not require officers and employees to submit itemized receipts for meal expenses totaling at least \$687.71. The union must maintain itemized receipts provided by restaurants to officers and employees. These itemized receipts are necessary to

determine if such disbursements are for union business purposes and to sufficiently fulfill the recordkeeping requirement of LMRDA Section 206.

Branch 1047's records of meal expenses did not always include written explanations of union business conducted or the names and titles of the persons incurring the restaurant charges. For example, a meal at Top of the River Restaurant, in the amount of \$687.71, on 2-5-2011, did not have the nature of union business discussed. Union records of meal expenses must include written explanations of the union business conducted and the full names and titles of all persons who incurred the restaurant charges. Also, the records retained must identify the names of the restaurants where the officers or employees incurred meal expenses.

2. Voided Checks

Branch 1047 did not retain one voided check. Voided checks are required to be maintained to provide in sufficient detail the necessary information to explain or clarify the information provided in the union records.

3. General Disbursements

Branch 1047 did not retain adequate documentation for disbursements totaling at least \$342.00. For example, check number [REDACTED] dated August 15, 2011, in the amount of \$342.00, payable to Richdon Inc., did not have an invoice or receipt.

As 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 Branch 1047 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Reporting Violation

The audit disclosed a 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-3) filed by Branch 1047 for fiscal year ending December 31, 2011, was deficient in the following area:

Failure to File By Laws

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 1047 amended its By Laws in 2011 but did not file a copy with its LM report for that year.

Branch 1047 has now filed a copy of its constitution and bylaws.

I am not requiring that Branch 1047 file an amended LM report for 2011 to correct the deficient item, but Branch 1047 has agreed to properly report the deficient item on all future reports it files with OLMS.

I want to extend my personal appreciation to Letter Carriers Branch 1047 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,

A solid black rectangular box used to redact the signature of the investigator.

Investigator

cc: Ms. Christina Fortenberry, Secretary/Treasurer