



September 24, 2012

Ms. Antonia Shields
Letter Carriers, Natl Asn, AFL-CIO Branch 530
1550 Floyd Bradford Road
Trussville, AL 35173

Case Number: [REDACTED]
LM Number: 080055

Dear Ms. Shields:

This office has recently completed an audit of Letter Carriers, Natl Asn, AFL-CIO, Branch 530 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, Treasurer Victor Alexander, Vice President Pamela Colston, and Recording Donald Carlson on September 20, 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 530's 2011 records revealed the following recordkeeping violations:

1. Meal Expenses

Branch 530 did not require officers and employees to submit itemized receipts for meal expenses totaling at least \$39.41. 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 530'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 Dominoes Pizza, in the amount of \$39.41, on 2-8-2011, did not have the nature of union business discussed or the names of attendees listed. 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. Credit Card Expenses

Branch 530 did not retain adequate documentation for credit card expenses incurred by union officers totaling at least \$618.74. For example, a hotel stay at the Millennium Hotel in Cincinnati, OH on 3-29-11, in the amount of \$382.62, charged to the union credit card, did not have an invoice or receipt. Additionally the union did maintain an invoice, bill, or receipt for the purchase of union hall supplies from Wal-Mart on 2-2-2011 in the amount of \$106.14.

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.

3. Information not Recorded in Meeting Minutes

During the audit, President Antonia Shields advised OLMS that the membership authorized the purchase of catering services for a union banquet in the amount of \$900.00 from [REDACTED] on 1-3-2011. Article 15, Section 5 of the by laws dated January 2010 require all expenses to be approved by the membership. However, the minutes of the meetings do not contain any reference to this issue. Minutes of all membership or executive board meetings must report any disbursement authorizations made at those meetings.

4. Failure to Maintain Credit Card Statements

The union did not maintain two months worth of credit card statements for the union Mastercard issued through National Bank of Commerce. The January and October 2011 statements were missing from the union files. The union is responsible for maintaining the necessary records to adequately explain the financial operation of the union.

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 530 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 530 for fiscal year ending December 31, 2010, 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 530 amended its By Laws in 2010 but did not file a copy with its LM report for that year.

Branch 530 has now filed a copy of its constitution and bylaws.

I am not requiring that Branch 530 file an amended LM report for 2010 to correct the deficient item, but Branch 530 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 530 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,



Investigator

cc: Mr. Victor Alexander, Treasurer