



January 8, 2013

Mrs. Carolyn Crews, Treasurer
Rural Letter Carriers Local 066
714 E. Terrace Drive
Du Quoin, IL 62832-2664

Case Number: 550-11663 [REDACTED]
LM Number: 089993

Dear Mrs. Crews:

This office has recently completed an audit of Rural Letter Carriers Local 066 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 on January 7, 2013, 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 Local 066's 2010, 2011, and 2012 records revealed the following recordkeeping violations:

Record Keeping Violations

General Local Expenses

Local 066 did not retain adequate documentation for expenses incurred totaling at least \$69.96. For example, the local did not retain backup documents for the following check disbursements: check number [REDACTED] written on April 21, 2009, to Grecian for \$9.51; check number [REDACTED] written on April 6, 2011, to Postmaster for \$30.52; and check number [REDACTED] on November 7, 2011, to Postmaster for \$29.87.

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 Local 066 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-4 filed by Local 066 for the fiscal year ended June 30, 2012, was deficient in that the local did not enter a payment to Treasurer Carolyn Crews for \$1,000 on December 7, 2011. Crews received the funds after writing the check to "Cash." Crews reportedly inadvertently wrote the check from the union's account instead of her personal account. Crews paid the union back the \$1,000 in September 2012 after she noticed she had written the check from the local's account.

Item 18 of the LM-4 requires the local to report all payments to officers as well as disbursements for personal benefit.

I am not requiring that Local 066 file an amended LM report for 2012 to correct the deficient item, but Local 066 has agreed to properly report the deficient items on all future reports it files with OLMS.

Other Issue

No Countersignature on Checks

During the audit, you advised the local only requires the signature of the Treasurer on the checks. A two signature requirement is an effective internal control of union funds. Its purpose is to attest to the authenticity of a completed document already signed. OLMS recommends that Local 066 review these procedures to improve internal control of union disbursements.

I want to extend my personal appreciation to Rural Letter Carriers Local 066 for the cooperation and courtesy extended during this compliance audit. I strongly recommend that you make sure

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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