

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Newark Resident Investigative Office
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October 22,2008

Mr. Edermiro Torres, Treasurer
National Association of Letter Carriers, AFL-CIO
Branch 534
2955 North Delsea Drive
Vineland, New Jersey 08360-1691

LM File Number 083-502
Case Number: [REDACTED]

Dear Mr. Torres:

This office has recently completed an audit of the National Association of Letter Carriers Branch 534 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 September 30,2008, 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.

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 NALC Branch 534's 2004, 2005 and 2006 records revealed the following recordkeeping violations:

1. General Reimbursed and Credit Card Expenses

NALC Branch 534 did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by the union officers totaling at least \$3000. For example, bills and receipts for airfare and hotel charges for the NALC 2004 National Convention were not maintained.

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 NALC Branch 534 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violation.

Reporting Violations

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 NALC Branch 534 for the fiscal years ending December 31, 2004, December 31, 2005, December 31, 2006 and December 31, 2007, were deficient in the following areas:

1. Disbursements to Officers

NALC Branch 534 did not include some reimbursements to officers totaling at least \$3000, in the amounts reported in Item 24 (All Officers and Disbursements to

Officers). It appears the union erroneously reported these payments in Item 54, "Other Disbursements".

2. Disbursements for Office and Administrative Expense

NALC Branch 534 did not include all disbursements for office and administrative expense in Item 48. It appears the union erroneously reported some of these payments in Item 54, "Other Disbursements".

NALC Branch 534 must report all disbursements to officers in Item 24. In addition, NALC Branch 534 must report all disbursements for office and administrative expense in Item 48. NALC Branch 534 must file amended Form LM-3's for the fiscal years ending December 31, 2004, December 31, 2005, December 31, 2006 and December 31, 2007, to correct the deficient items discussed above. I provided you blank forms and instructions, and advised you that the reporting forms and instructions are available on the OLMS website (www.olms.dol.gov). The amended Form LM-3 should be submitted to this office at the above address as soon as possible, but not later than Month DD, 20YY. Before filing, review the reports thoroughly to be sure it is complete, accurate, and signed properly with original signatures.

Other Violations

The audit disclosed the following other violation:

In accordance with past practice, NALC Branch 534 paid approximately \$800 for airfare for an officer's spouse for travel to the NALC 2004 National Convention held in Hawaii.

In accordance with Title V, Section 501 (a) of the LMRDA, all disbursements must be for the benefit of the union.

Based on your assurance that NALC Branch 534 will not pay for spousal airfare or any other expenses in the future, OLMS will take no further enforcement action at this time regarding the above violation.

I want to extend my personal appreciation to the National Association of Letter Carriers Branch 534 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.

Mr. Edermiro Torres
October 22, 2008
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Sincerely,

[REDACTED]

Investigator

cc: Susan Foster, President