

U.S. Department of Labor

Employment Standards Administration
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April 16, 2007

Ms. Frances Simeona, Treasurer
Letter Carriers BR 2038
11126 SE 256, Suite #202
Kent, WA 98064

LM File Number: 083-339

Case Number: [REDACTED]

Dear Ms. Simeona:

This office has recently completed an audit of Letter Carriers BR 2038 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 April 11, 2007, 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 adequate records be maintained for at least 5 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, all records used or received in the course of union business must be retained. This includes, in the case of disbursements, not only the retention of original bills, invoices, receipts, and vouchers, but also adequate additional documentation, if necessary, 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 note can be written on it providing the additional information. An exception may be made only in those cases where 1) other equally descriptive documentation has been maintained, and 2) there is evidence of actual oversight and control over disbursements.

In the case of receipts, the date, amount, purpose, and source of all money received by the union must be recorded in at least one union record. Bank records must also be retained for all accounts.

The audit of BR 2038's 2005 records revealed the following recordkeeping violations: The union's documentation regarding deposits into the union's checking account did not record two deposits and a dividend payment. Your disbursement records had instances where checks and bank fees were not properly documented.

As agreed, provided that BR 2038 maintains adequate documentation as discussed above in the future, no additional enforcement action will be taken regarding these violations.

Reporting Violations

The CAP 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-) filed by BR 2038 for fiscal year ending December 31, 2005, was deficient in the following areas:

Fixed assets were incorrectly reported. The union had incorrect beginning and ending cash balances. Total disbursements were also overstated due to errors in recording dues payments from the international.

BR 2038 must file an amended Form LM-3 for fiscal year ending December 31, 2005, to correct the deficient items discussed above. The LM-3 for fiscal year 2006 year ending December 31, 2006 had the same errors carried over from 2005. The union has agreed to amend both LM reports. I provided you with a blank form and instructions, and discussed with you the availability of the reporting forms and instructions on the OLMS website (www.olms.dol.gov). The amended Form LM-3's should be submitted to this office at the above address as soon as possible, but not later than May 1, 2007. Before filing, review the reports thoroughly to be sure they are complete, accurate, and signed properly with original signatures.

Failure to File Bylaws

The CAP 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 constitution or bylaw changes are made. Local BR 2038 amended its constitution and bylaws in 2002, but a copy was not filed with its LM report for that year. A copy of BR 2038's constitution and bylaws has now been filed.

I want to extend my personal appreciation to Letter Carriers BR 2038 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: Ms. Lora McKee-Mosley, President