

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Pittsburgh District Office
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March 8, 2007

Ms. Kathryn Craig, Secretary-Treasurer
Letter Carriers, Rural, IND
West Virginia
420 Craig Drive
Walkersville, WV 26447

Re: Case Number: [REDACTED]

Dear Ms. Craig:

This office has recently completed an audit of WV Rural Letter Carriers Association 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 March 6, 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.

LMRDA Section 206 which requires, among other things, that adequate records be maintained by which each receipt and disbursement of union funds can be verified, explained, and clarified. All records used or received in the course of union business must be retained for at least five years, including original bills, invoices, receipts, and vouchers. Additionally, documentation showing the nature of the union business requiring the disbursement and the identity of the recipient of the goods or services should be maintained. 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.

The audit of the WV Rural Letter Carriers Association (WVRLCA) 2006 records revealed the following recordkeeping violations:

Union officers failed to maintain adequate back-up documentation for expenses charged to union credit cards. Specifically, original credit card receipts must be

Ms. Kathryn Craig
March 8, 2007
Page 2 of 3

maintained in addition to the monthly statements. The monthly statement does not specify the goods or services that were purchased, just the establishment where the purchase was made. The original receipt must be maintained to illustrate the goods or services received. In addition to maintaining the original itemized receipt for credit card purchases, the date, amount, and business purpose of every expense must be recorded on at least one union record.

Additionally, the WVRLCA failed to maintain an inventory of t-shirts and mail signs which were purchased and sold or given away. Records must be maintained that account for all union property. In the case of union t-shirts and mail signs sold to members, the date and amount received from every sale must be recorded in at least one record.

As agreed, your union will maintain adequate documentation of all disbursements and union property in the future, and records will be maintained for at least five years as required by the LMRDA.

The CAP also 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 the WVRLCA for fiscal year ending June 30, 2006, was deficient in that you failed to include some reimbursements to officers and employees in Item 24 (All Officers and Disbursements to Officers). Such payments appear to have been erroneously reported in in Item 54 (Other Disbursements).

All direct disbursements to WVRLCA officers and some indirect disbursements made on behalf of its officers must be reported in Item 24. A "direct disbursement" to an officer is a payment made to an officer in the form of cash, property, goods, services, or other things of value. An "indirect disbursement" to an officer is a payment to another party (including credit card companies) for cash, property, goods, services, or other things of value received by or on behalf of an officer. However, indirect disbursements for temporary lodging (such as a union check issued to a hotel) or for transportation by a public carrier (such as an airline) for an officer traveling on union business should be reported in Item 48 (Office and Administrative Expense).

I want to extend my personal appreciation to WV Rural Letter Carriers Association for the cooperation and courtesy extended during this compliance audit. I strongly recommend that you make sure this letter and the compliance assistance materials

Ms. Kathryn Craig
March 8, 2007
Page 3 of 3

provided to you are passed on to future officers. If we can provide any additional assistance, please do not hesitate to call.

Sincerely,

[REDACTED]

Investigator