



November 10, 2010

Mr. Terry Hatley, Treasurer  
Postal Mail Handlers, LIUNA, LU 303  
11139 S. Western Avenue  
Los Angeles, CA 90047-4846

Case Number: [REDACTED]  
LM Number: 506225

Dear Mr. Hatley:

This office has recently completed an audit of Postal Mail Handlers, LIUNA, Local 303 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 November 9, 2010, 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 Violation

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 303's 2009 records revealed the following recordkeeping violation:

Failure to Keep Records

The union failed to maintain adequate records to verify, explain, clarify, and check on the accuracy or completeness of reports required to be filed with the Secretary of Labor. Specifically, Local 303 did not retain Priority Credit Bank statements for fiscal year 2009.

Priority Credit Bank statements were obtained during the audit.

OLMS will take no further enforcement action at this time regarding the above violation, based on your assurance that Local 303 will retain adequate documentation in the future.

Other Issue

The audit disclosed the following other issue:

Personal use of Credit Cards and Unapproved Expenditures

Local 303 President Phillip Tyson used the union credit card in 2008 to pay for personal expenses such as car rental, fuel, and restaurant totaling \$8,155.68. In addition, he also used union funds without the approval from the E-board and Membership in 2009 to host a retirement party for Shop Steward Patricia Johnson totaling \$880.00. Although Tyson repaid Local 303 for the personal expenses charged, OLMS does not condone personnel making personal purchases with union credit cards or unapproved union funds. Enclosed is a copy of the OLMS Compliance Tip: Union Credit Card Policy for your information.

I want to extend my personal appreciation to Postal Mail Handlers, LIUNA, Local 303 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

Enclosure