

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Dallas District Office
525 S. Griffin Room 300
Dallas, Texas 75202
(972) 850-2500 / FAX: (972) 850-2501



December 9, 2005

James Goins, President
Letter Carriers, Natl Asn, Branch 2279
PO Box 150834
Lufkin, Texas 75915

Re: 2

Dear Mr. Goins:

This office has recently completed an audit of NALC Branch 2279 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 17, 2005, 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. The CAP disclosed a violation of LMRDA section 201(b), because the Labor Organization Annual Report (Form LM-3) filed by Branch 2279 for fiscal year ending 12/31/04 was deficient in the following area:

The LM-3 report filed for fiscal year ending 12/31/04 did not list reimbursements made to officers on item 24. All direct disbursements to your union's officers and some indirect disbursements made by your organization on behalf of its officers must be included in the amounts reported in item 24. A "direct disbursement" to an officer is a payment made by your organization 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 made by your organization 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 Expenses).

The CAP also disclosed the following record keeping violation.

Title II of the LMRDA establishes certain reporting and record keeping requirements. Section 206 requires, among other things, that adequate records be maintained 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, 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 recipients of the goods or services.

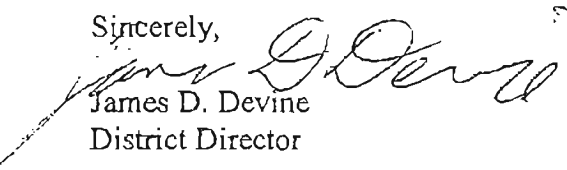
On March 26, 2004, a deposit in the amount of \$914.35 was made to the local's checking account. The union's records state that the deposit consisted of dues checks dated 02/20/04 (\$416.14) and 03/05/04 (\$398.21). The total of those payments are \$814.35. There were no records which identify the additional \$100.00. The local has a newly created receipts log which will ensure this type of mistake will not be repeated.

It will be necessary for Branch 2279 to file amended LM-3 report for 2004 to correct the deficient item discussed above. The necessary reporting forms and instructions are enclosed for your use. You may also use the new electronic forms software available from OLMS to complete the amended reports. One copy of the amended report should be submitted to this office at the above address as soon as possible, but no later than 12/15/05. Before mailing, review the reports thoroughly to be sure they are complete, accurate, and signed properly with original signatures.

I strongly recommend that you make sure that this letter and the compliance assistance materials that were provided to you are passed on to your successors at whatever time you may leave office.

I want to thank you for your cooperation and courtesy during this compliance audit. If we can be of any assistance in the future, please do not hesitate to contact me or any other representative of our office.

Sincerely,



James D. Devine
District Director