

**U.S. Department of Labor**

Employment Standards Administration  
Office of Labor-Management Standards  
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March 19, 2007

Mr. Joe Mercurio, President  
Letter Carriers, NATL, ASN, AFL-CIO  
Branch 309  
PO Box 632  
Alton, IL 62002

Re: Case Number: [REDACTED]

Dear Mr. Mercurio:

This office has recently completed an audit of Letter Carriers Branch 309 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 and Linda Mercurio on March 7, 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.

**Record Keeping Violations**

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.

Branch 309 was issuing checks to Vice President Linda Mercurio for rental of a storage shed owned by you and her. The branch did not maintain any invoices or vouchers explaining this disbursement. After discussion, you agreed to institute some type of invoice verifying the branch is paying for storage rental and the cost per month of using

your shed. These invoices will be maintained for a minimum of five years. Authorization for payment of these invoices will be made according to the local's bylaws.

As agreed, provided that Branch 309 maintains adequate documentation for its disbursements in the future, no additional enforcement action will be taken regarding this violation.

### Reporting Violations


The CAP disclosed a violation of LMRDA Section 201(b) because the Labor Organization Annual Report Form LM-3 filed by Branch 309 for fiscal year ending December 31, 2005 was deficient.

It appears that the 2005 report was using the bank figures or the beginning and ending year cash while using union records to calculate the total receipts and disbursements. By doing so, the beginning year cash, plus receipts, and subtracting the disbursements did not equal the end of year cash. This was the reason for the deficient report. After discussion, Linda Mercurio stated she now understands the reconciliation process and will complete a report for 2006 that will meet the standards of acceptability.

I am not requiring that Branch 309 file an amended LM-3 report for 2005 to correct the deficient items, but as agreed, your union will properly report the deficient items on all future reports filed with this agency.

I want to extend my personal appreciation to Letter Carriers Branch 309 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