



February 6, 2012

Ms. Diane Lindhart, Secretary-Treasurer
NALC Branch 482

Case Number: [REDACTED]
LM Number: 083611

Dear Ms. Lindhart:

This office has recently completed an audit of NALC Branch 482 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 former Secretary-Treasurer [REDACTED] on January 24, 2012, 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 Branch 482's 2010 records revealed the following recordkeeping violations:

1. Failure To Maintain Receipts

Union officers and employees failed to maintain adequate documentation for reimbursed expenses, for expenses charged to union credit cards, and for some general expenses. No documentation was maintained to support an airline ticket reimbursement to former President Wheeler in the amount of \$479.40. In addition, an itemized hotel receipt from the convention in Las Vegas, Nevada, for former Secretary-Treasurer [REDACTED] was not present. Finally, supporting receipts for Premier Travel for airport transportation and for a fish fry to [REDACTED] in the amount of \$400 was not maintained. The date, amount, and business purpose of every expense must be recorded on at least one union record. In addition, the names of individuals present for meal expenses and the locations (names of restaurants) where meal expenses were incurred must be recorded.

2. Disposition of Gift Cards

Branch 482 failed to maintain a record to establish the disposition of 50 gift cards purchased during the audit period. While the Branch maintained the receipt from Giant Eagle establishing the purchase of the \$20 gift cards, there is no record to establish who received these gift cards. While the meeting minutes reflected that the 38 members in attendance received them, 12 remained unaccounted for.

As agreed, provided that Branch 482 maintains adequate documentation as discussed above in the future, no additional enforcement action will be taken regarding this violation.

Reporting Violations

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. Branch 482 amended its bylaws in 2006, but a copy was not filed with its LM report for that year.

A copy of Branch 482's bylaws has now been filed.

Other Violations

The audit revealed a violation of LMRDA Section 502 (Bonding), which requires that union officers and employees be bonded for no less than 10 percent of the total funds handled by those individuals or their predecessors during the preceding fiscal year. Branch 482's officers and employees are currently bonded for \$10,000, but the policy includes a \$250 deductible, which is prohibited under the LMRDA. As agreed during the exit interview, a representative from OLMS will assist you in obtaining adequate bonding coverage.

I want to extend my personal appreciation to NALC Branch 482 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,

Brian A. Pifer
District Director

cc: Mr. John Sposito, President