

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
New York District Office
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New York, NY 10014
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May 19, 2009

Mr. Bernard Gibney, Treasurer
Letter Carriers, NATL ASN, AFL-CIO
Branch 768
P.O. Box 684
Somerville, NJ 08876

Re: Case Number: [REDACTED]

Dear Mr. Gibney:

This office has recently completed an audit of NALC Branch 768 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 Harry Keich and Bernard Gibney on May 6, 2009, 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.

Reporting Violations

The audit 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 Branch 768 for fiscal year ending 12/31/2007, was deficient in the following areas:

1. Branch 768 did not include some reimbursements to officers totaling at least \$4,000 in the amounts reported Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments in Item 54.

The union must report most direct disbursements to Branch 768 officers and some indirect disbursements made on behalf of its officers 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. See the instructions for Item 24 for a discussion of certain direct disbursements to officers that do not have to be reported in Item 24. An "indirect disbursement" to an officer is a payment to another party (including a credit card company) 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).

2. Branch 768 did not include some disbursements totaling at least \$9,000 in Item 48 (Office and Administrative Expense). It appears the union erroneously reported these payments in Item 54.

Branch 768 must file an amended Form LM-3 for fiscal year ending 12/31/2007, to correct the deficient items discussed above. Investigator [REDACTED] provided you with a blank form and instructions, and advised you that the reporting forms and instructions are available on the OLMS website (www.olms.dol.gov). The amended Form LM-3 should be submitted to this office at the above address as soon as possible, but not later than May 15, 2009. Before filing, review the report thoroughly to be sure it is complete, accurate, and signed properly with original signatures.

Inadequate Bonding

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 those individuals or their predecessors handled during the preceding fiscal year. However, the union obtained adequate bonding coverage and provided evidence of this to OLMS during the audit. As a result, OLMS will take no further enforcement action regarding this issue.

I want to extend my personal appreciation to NALC Branch 768 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.

Mr. Bernard Gibney
May 19, 2009
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Sincerely,

[REDACTED]

Supervisory Investigator