



April 20, 2023

Mr. Michael J. Turpin, President  
American Federation of Government Employees (AFGE)  
Local 1092  
PO BOX 653  
Clinton, MD 20735-4255

Case Number: 450-6022554 [REDACTED]  
LM Number: 501-278

Dear Mr. Turpin:

This office has recently completed an audit of American Federation of Government Employees (AFGE) Local 1092 under the Compliance Audit Program (CAP) to determine your organization's compliance with the provisions of the Civil Service Reform Act of 1978 (CSRA), 5 U.S.C. 7120, and the Department's regulations, 29 CFR 458. As discussed during the exit interview with President Turpin on April 18, 2023, 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 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 1092's 2019 records revealed the following recordkeeping violations:

1. General Reimbursed and Check Card Expenses

Local 1092 did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by union officers. For example, the union did not retain receipts for airfare, hotel, and parking for union officers.

As noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. The president and treasurer (or corresponding principal officers) of your union, who are required to sign your union's LM report, are responsible for properly maintaining union records.

2. Meal Expenses

Local 1092 did not require officers to submit itemized receipts for Lunch and Learn expenses. The union must maintain itemized receipts provided by restaurants. These itemized receipts are necessary to determine if such disbursements are for union business purposes and to sufficiently fulfill the recordkeeping requirement of LMRDA Section 206.

In addition, Local 1092's records of meal expenses charged to the union check card did not always include a written explanation of the union business conducted or the names and titles of the persons incurring the restaurant charges. Union records of meal expenses must include written explanations of the union business conducted, the month the lunch and learn expense is for, and the attendees who incurred the restaurant charges. Also, the records retained must identify the names of the restaurants where the officers or employees incurred meal expenses.

3. General Expenses

Local 1092 did not retain adequate documentation for some disbursements made by the union. For example, the union did not retain receipts for disbursements to Best Buy, Costco, or FYF Flowers.

As noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. The president and treasurer (or corresponding principal officers) of your union, who are required to sign your union's LM report, are responsible for properly maintaining union records.

#### 4. Disposition of Property

Local 1092 purchased t-shirts and made gift baskets and gave them to members. However, there was nothing in the union records to indicate who received the items. The union must record in at least one record the dates and names of the recipients of the gift.

#### 5. Failure to Retain Receipt Records

Local 1092 did not adequately document or retain receipt records for a vendor's credit. Union receipt records must include an adequate identification of all money the union receives. The records should show the date and amount received, and the source of the money.

Based on your assurance that Local 1092 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

### Reporting Violations

Pursuant to 29 C.F.R., Section 458.3, the reporting requirement under 29 C.F.R. Section 403.2 (see Section 201(b) of the Labor Management Reporting and Disclosure Act (LMRDA) is made applicable to labor organizations subject to the requirements of the CSRA. This provision requires labor organizations to file annual financial reports that accurately disclose their financial condition and operations. The audit disclosed a violation of this requirement. The Labor Organization Annual Report Form LM-3 filed by Local 1092 for the fiscal year ended December 31, 2019, was deficient in the following area:

#### 1. Acquire/Dispose of Property

Item 13 (During the reporting period did your organization acquire or dispose of any assets in any manner other than by purchase or sale?) should have been answered, "Yes," because the union gave away t-shirts and baskets during the year. The union must identify the type and value of any property received or given away in the additional information section of the LM report along with the identity of the recipient(s) or donor(s) of such property. The union does not have to itemize every recipient of such giveaways by name. The union can describe the recipients by broad categories if appropriate such as "members" or "new retirees." In addition, the union must report the cost, book value, and trade-in allowance for assets that it traded in.

## 2. Disbursements to Officers

Local 1092 did not include some reimbursements to officers totaling at least \$11,000 in the amounts reported Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments in Item 48.

The union must report most direct disbursements to Local 1092 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).

## 3. Failure to Accurately Report Receipts

The total receipts reported in Item 44 (Total Receipts) on the union's LM-3 report does not match the figure calculated by OLMS during the audit. All money received by the union during the audit period must be reported in Items 38 through 43 of the LM-3 report.

## 4. Failure to Accurately Report Disbursements

The total disbursements reported in Item 55 (Total Disbursements) on the union's December 31, 2019, LM-3 report does not match the figures calculated by OLMS during the audit. All money disbursed by the union during the audit period must be reported in Items 45 through 54 of the LM-3 report.

## 5. Ending Cash Balances

The audit revealed that the ending cash balances reported in Item 25, Column B (Ending Cash) for the 2019 LM-3 reports were incorrect. Column B of Item 25 should include the totals of all your organization's cash on hand and on deposit at the end of the reporting period.

## 6. Other Receipts

The Other Receipts reported in Item 43 on the union's December 31, 2019, LM-3 report does not match the figures calculated by OLMS during the audit. All miscellaneous income received to the union during the audit period must be reported in Items 43 on the LM-3 report.

## 7. Delinquent LM Reports

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 within 90 days after the end of the labor organization's fiscal year. Local 1092 failed to file its LM-3 report for the fiscal year ending December 31, 2020, and December 31, 2021. The president and secretary-treasurer are personally responsible for timely filing the union's LM-3 report. Failure to timely file the LM-3 report in the future could result in the initiation of enforcement proceedings.

## 8. Failure to File Bylaws

Pursuant to 29 C.F.R. Section 458.3, the requirement under 29 C.F.R. Section 402.4 implementing LMRDA Section 201(a) is made applicable to labor organizations subject to the requirements of the CSRA. This provision requires labor organizations to file copies of any revised constitution and bylaws when it files its annual financial report. The audit disclosed a violation of this requirement. Local 1092 amended its constitution and bylaws on March 15, 2019, but did not file the required copies with its LM report for that year.

As agreed, Local 1092 will file a copy of its current constitution and bylaws with OLMS as soon as possible but not later than April 28, 2023.

Local 1092 must file an amended Form LM-3 for the fiscal year ended December 31, 2019, to correct the deficient items discussed above. The report must be filed electronically using the Electronic Forms System (EFS) available at the OLMS website at [www.olms.dol.gov](http://www.olms.dol.gov). The amended Form LM-3 must be filed no later than April 28, 2023. Before filing, review the report thoroughly to be sure it is complete and accurate.

Mr. Michael J. Turpin

April 20, 2023

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I want to extend my personal appreciation to American Federation of Government Employees (AFGE) Local 1092 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,

A large black rectangular redaction box covering the signature of the sender.A small black rectangular redaction box covering the name of the sender.

Compliance Program Specialist

cc: Mrs. Demerius Puller, Treasurer