



September 30, 2022

Mr. Jeff Whaley, President
Government Employees AFGE AFL-CIO
Local 1844
3400 Lebanon Pike
Bldg. 6, Room Y07
Murfreesboro, TN 37129

Case Number: 410-6022869
LM Number: 501860

Dear Mr. Whaley:

This office has recently completed an audit of Government Employees AFGE AFL-CIO Local 1844 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 you and Treasurer Eric McDonald on September 1, 2022, 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 of the LMRDA and Title 29 of the Code of Federal Regulations (C.F.R.) Section 403.7 require, among other things, that labor organizations maintain adequate records for at least five years after reports are filed by which the information on the reports can be verified, explained and clarified. Pursuant to 29 C.F.R. Section 458.3, this recordkeeping provision of the LMRDA applies to labor organizations subject to the requirements of the Civil Service Reform Act of 1978 (CSRA) as well. Therefore, as a general rule, labor organization must retain 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 1844's records for fiscal year ending March 31, 2022 revealed the following recordkeeping violations:

1. General Reimbursed

Local 1844 did not retain adequate documentation for reimbursed expenses incurred by an officer totaling at least \$500. For example, an officer received a per diem payment of \$500, but the local did not maintain adequate documentation, such as a voucher or similar document, to support the disbursement.

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 1844 records of meal expenses did not always include written explanations of union business conducted or the names and titles of the persons incurring the restaurant charges. For example, one meal expense totaling at least \$43.14 did not provide an adequate description of the union business conducted. Also, meal expenses totaling at least \$1,048.30 did not identify those individuals present at the meals. Union records of meal expenses must include written explanations of the union business conducted and the full names and titles of all persons who incurred the restaurant charges. Also, the records retained must identify the names of the restaurants where the officers or employees incurred meal expenses.

Based on your assurance that Local 1844 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 1844 for the fiscal year ended March 31, 2022, was deficient in the following areas:

1. Bonus Bucks Payments Reported as Benefits

Local 1844 improperly reported disbursements for Bonus Bucks recruitment incentives in Item 50 (Benefits). For LM reporting purposes, Bonus Bucks recruitment incentives paid to officers should be reported in Item 24 (All Officers and Disbursements to Officers) under Column E (Allowances and Other Disbursements). Recruitment incentives disbursed to individuals other than officers should be reported in Item 54 (Other Disbursements).

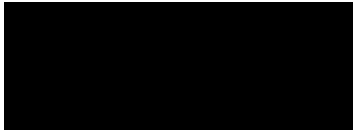
2. Failure to File Bylaws

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 1844 amended its constitution and bylaws in 2009 but did not file the required copies with its LM report for that year. Local 1844 has now filed a copy of its constitution and bylaws.

I am not requiring that Local 1844 file an amended LM report for period ending March 31, 2022 to correct the deficient items, but Local 1844 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to AFGE Local 1844 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 solid black rectangular redaction box covering the signature of the investigator.

Investigator

cc: Mr. Eric McDonald, Treasurer