



October 18, 2022

Ms. Diane Rodriguez, Treasurer
American Federation of Government Employees
Local 1250
3117 N. 16th St., Suite 205
Phoenix, AZ 85016

Case Number: 520-6025048()
LM Number: 545034

Dear Ms. Rodriguez:

This office has recently completed an audit of American Federation of Government Employees Local 1250 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 on October 13, 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 1250's 2021 records revealed the following recordkeeping violations:

1. Meal Expenses

Local 1250 did not require officers and employees to submit itemized receipts for meal expenses totaling at least \$607.74. The union must maintain itemized receipts provided by restaurants to officers and employees. 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.

Local 1250 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, charges at Nana Dee's Diners on January 8, 2021, Starbucks on January 14, 2021, Gus's Pizza on April 12 and October 14, 2021, Dunkin' Donuts on October 14 and 18, 2021, Panera Bread on October 18, 2021 and Peet's Coffee on October 22, 2021 failed to have all required information to support the union business for which these expenses were incurred. 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.

2. Information not Recorded in Meeting Minutes

The recorded meeting minutes of Local 1250 are extremely vague in providing information concerning approved expense disbursements of the local. During the audit, Ms. Rodriguez advise OLMS that expenditures of the executive board in excess of \$500 per month must have prior approval of the membership either as authorized by the budget approved by the local or by separate vote of the membership. All expenditures authorized by the executive board would be reported in writing at the next regular meeting. A financial report is read at the membership meetings; however no financial reports are included with the minutes. In addition, Article VI, Section 6 of Local 1250's Constitution required that the Secretary keep a complete record of the minutes of all meetings. The audit revealed minutes of some meetings held during the year were not recorded and/or retained. Minutes of all membership or executive board meetings held must be retained and must report any disbursement authorizations made at those meetings in details.

Based on your assurance that Local 1250 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Reporting Violations

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 1250 amended its constitution and bylaws on November 20, 2020 but did not file the required copies with its LM report for that year.

Local 1250 has now filed a copy of its constitution and bylaws.

Other Violations

The audit disclosed the following other violation:

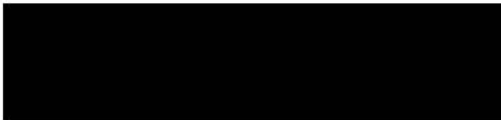
Inadequate Bonding

Pursuant to 29 C.F.R. Section 458.35, officers and employees of any labor organization subject to the CSRA are required to be bonded in accordance with Section 502(a) of the LMRDA. This provision requires that union officers and employees be bonded for no less than 10% of the total funds those individuals or their predecessors handled during the preceding fiscal year.

The audit revealed that Local 1250's officers and employees were not bonded for the minimum amount required at the time of the audit. 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 Government Employees AFGE Local 1250 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 box used to redact the signature of the Senior Investigator.

Senior Investigator

cc: Mr. Juan Casarez, President