



June 30, 2023

Mr. Brad Church, President  
Government Employees AFGE  
AFL-CIO Local 2207  
700 19th Street South  
Birmingham, AL 35233

Case Number: 410-6025353( )  
LM Number: 503801

Dear Mr. Church:

This office has recently completed an audit of Government Employees AFGE AFL-CIO Local 2207 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 AFGE National Representative Michael Martin on March 20, 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 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 2207's 2021 records revealed the following recordkeeping violations:

1. General Reimbursed and Credit Card Expenses

During fiscal year 2021, Local 2207 did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by former President Debra Cook-Rice totaling at least \$1,500. For example, Local 2207 failed to maintain records for monthly phone bills along with purchases of office supplies. These transactions proved to be for the purchase of office supplies and cellular telephone service are legitimate union business but Cook-Rice failed to include these records with those she turned over to the local prior to her departure as local president.

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.

Local 2207 is reminded that the proper maintenance of union records is the personal responsibility of the individuals who are required to file Local 2207s LM report. You should be aware that under the provisions of Section 209(a) of the LMRDA and Section 3571 of Title 18 of the U.S. Code, willful failure to maintain records can result in a fine of up to \$100,000 or imprisonment for not more than one year, or both. Under the provisions of Section 209(c) of the LMRDA and Section 3571 of Title 18 of the U.S. Code, willful destruction or falsification of records can result in a fine of up to \$100,000 or imprisonment for not more than one year, or both. The penalties provided in Section 209(c) and Section 3571 of Title 18 apply to any person who caused the violations, not just the individuals who are responsible for filing the union's LM report.

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 2207 for the fiscal year ended December 31, 2021, failed to report payments to officers and employees.

1. Disbursements to Officers (LM-3)

Local 2207 did not include some reimbursements to officers totaling at least \$600 in the amounts reported Item 24 (All Officers and Disbursements to Officers). Former President Debra Cook-Rice received \$150 in recruitment bonus payments while former Treasurer Bridgette Ellis received over \$460 in compensation for completing the LM-3 and serving on the election committee. It appears the union erroneously reported these payments in Item 48 Office Administrative Expenses or item 54, Other Disbursements.

2. Payments to Employees

Local 2207 did not include some payments to employees totaling at least \$8,761.53 in item 46, Employees of the 2021 LM-3 Report. For example, [REDACTED] was paid \$7,261.53 for working as a Title 38 Coordinator that was erroneously report in either Item 48 Office and Administrative Expenses or Item 54, Other Disbursements of the 2021 LM-3 Report.

Local 2207 must file an amended Form LM-3 for the fiscal year ended December 31, 2021, 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 July 30, 2023. Before filing, review the report thoroughly to be sure it is complete and accurate.

I want to extend my personal appreciation to Government Employees AFGE AFL-CIO Local 2207 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,

[REDACTED]

Investigator