



August 30, 2023

Mr. Arnold Taylor, President  
American Federation of Government Employees (AFGE)  
Local 3310  
P.O. Box 821683  
Vicksburg, Mississippi 39182-1683

Case Number: 420-6026345( )  
LM Number: 503848

Dear Mr. Taylor:

This office has recently completed an audit of AFGE 3310 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 you and Treasurer Garlee Claiborne on September 6, 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 3310's 2022 records revealed the following recordkeeping violations:

1. Meal Expenses

Local 3310 did not require officers and employees to submit itemized receipts for meal expenses totaling at least \$2,510.50. 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 3310 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, there was a \$101.48 El Sombrero of Vicksburg debit card purchase and there were no names or written explanation of union business conducted written on the back of the receipt. 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. First Vice President Jones is missing meal receipts totaling at least \$265.50. MVK Chief Steward Timmie Owens is missing meal receipts totaling at least \$265.50. Second Vice President Earnest Cage is missing meal receipts totaling at least \$265.50. Treasurer Garlee Claiborne is missing meal receipts totaling at least \$621. Steward Karen Prosser is missing meal receipts totaling at least \$621. President Arnold Taylor is missing meal receipts totaling at least \$472.

## 2. Reimbursed Auto Expenses

President Arnold Taylor, Treasurer Garlee Claiborne, Steward Karen Prosser, MVK Chief Steward Timmie Owens, and Second Vice President Earnest Cage all received reimbursement for business use of their personal vehicles did not retain adequate documentation to support payments to them totaling at least \$1,326.19 during 2022. The union must maintain records which identify the dates of travel, locations traveled to and from, and number of miles driven. The record must also show the business purpose of each use of a personal vehicle for business travel by an officer or employee who was reimbursed for mileage expenses.

## 3. Disposition of Property

Local 3310 did not maintain an inventory of hats, jackets, laptops, and other property purchased, sold, or given away. The union must report the value of any union property on hand at the beginning and end of each year in Item 30 (Other Assets) of the LM-3. The union must retain an inventory or similar record of property on hand to verify, clarify, and explain the information that must be reported in Item 30. The union must record in at least one record the date and amount received from each sale of union hats, jackets, and other items.

In addition, in the case of items given away to members, the union must retain records that identify the date the items were given away and the recipients of those items.

## 4. Information not Recorded in Meeting Minutes

During the audit, President Taylor advised OLMS that the membership authorized debit card

purchases for three months, January, February, and March. Taylor was also authorized to receive a \$300 monthly stipend during the same three months. Taylor told OLMS that both things were rescinded during the audit year but did not remember what month the decision was made. Article III Section 3.3 of the Local's bylaws states that, "all meetings must be recorded on tape or an electronic device(s) that is purchased by the Local..." It was initially reported that Local 3310 does not record meetings on tape or any electronic device. Local 3310's meeting minutes do not contain any reference to the exact month that the debit card usage and monthly stipends were to start. Minutes of all membership or executive board meetings must report any disbursement authorizations or rescindments made at those meetings.

During the exit interview, President Taylor was adamant that he did not owe the Local any money because his stipend was for the entire year until it was rescinded during the May 2022 membership meeting. The membership meetings did not show any authorization of the \$300 monthly stipend, but it did reflect that President Taylor's stipend was rescinded in May 2022. During the exit interview, First Vice President Jones communicated via telephone to President Taylor that there are in fact recordings of the meetings. However, there is no recording of the January 2022 executive board or membership meeting. The May 2022 recording of the membership meeting revealed that President Taylor's \$300 monthly stipend was approved in January 2022 by the executive board and the membership and was rescinded during the current May meeting. Therefore, Taylor was entitled to receive the four \$300 monthly stipends. The meeting minute recordings were not provided to OLMS to verify this information until the exit interview.

#### 5. Insufficient Vouchers

None of Local 3310's vouchers were completed in entirety. All fields on the voucher must be filled out. There were four deposits for the 2022 fiscal year, but there were only vouchers for two of the four deposits. President Taylor has four missing vouchers, totaling \$2,436.81. Treasurer Claiborne is missing four vouchers, totaling \$970.50. Steward Prosser is missing one voucher and receipts that go with that voucher, totaling \$817.00. Article VII Section 8.3 of the Local's bylaws states that, "any funds, except approved bills and national per capita tax, spent by the Local will be reflected on Appendix 1, AFGC Local 3310's Checking Account Voucher, Form 9." Required receipts must be approved in advance.

Local 3310 must ensure that vouchers are complete, receipts match the vouchers, and that the receipts along with any other supporting documentation are attached to vouchers. If supporting documentation does not match the voucher, money must be reimbursed back to the Local.

Based on your assurance that Local 3310 will retain adequate documentation in the future, and the local's ability to provide the recorded meetings during the exit interview, 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 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 3310 amended its constitution and bylaws in 2022, but did not file the required copies with its LM report for that year.

Local 3310 has now filed a copy of its constitution and bylaws.

### Other Issues

#### Duplicate Receipts

Some members of Local 3310 pay dues directly to the union. President Taylor, First Vice President Jones, and Former Treasurer Judy Huell record dues payments in the union's receipts journal, but they do not issue receipts to dues payers. OLMS recommends that Local 3310 use a duplicate receipt system where the union issues original pre-numbered receipts to all members who make payments directly to the union and retains copies of those receipts. A duplicate receipt system is an effective internal control because it ensures that a record is created of income which is not otherwise easily verifiable. If more than one duplicate receipt book is in use, the union should maintain a log to identify each book, the series of receipt numbers in each book, and to whom each book is assigned.

### Other Violations

#### Disbursements to Officers

Local 3310 did not include some reimbursements to officers totaling at least \$200 in the amounts reported Item 24 (All Officers and Disbursements to Officers). Former Treasurer Judy Huell received \$100 during the 2022 fiscal year that was not reported on the LM-3 report, and Steward Karen Prosser received \$3,135.04 during the 2022 fiscal year but only \$3,035 was reported on the LM-3 report. Earnest Cage endorsed one of President Taylor's checks, and he is not one of AFGE 3310's designated signatories.

The union must report most direct disbursements to Local 3310 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). Local 3310 should only allow designated signatories to endorse checks and ensure that there are vouchers for all expenses and that these vouchers are in coordination with what is approved in the bylaws and/or in membership meetings.

I want to extend my personal appreciation to AFGE 3310 for the cooperation and courtesy

Mr. Arnold Taylor

August 30, 2023

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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,



Investigator