U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Seattle District Office
1111 Third Avenue
Room 605
Seattle, WA 98101
(206) 398-8099 Fax:(206) 398-8090

July 13, 2007

Mr. Loren Burnett, President
AFGE LU 48
851 6th St, Ste 105/115
Bremerton, WA 98337

LM File Number: 502-168
Case Number: [redacted]

Dear Mr. Burnett:

This office has recently completed an audit of AFGE LU 48 under the Compliance Audit Program (CAP) to determine your organization's compliance with the provisions of the Civil Service Reform Act of1978 (CSRA), 5 U.S.C. 7120, and the Department's regulations, 29 CFR 458. As discussed during the exit interview with you on June 6, 2007, 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 organizations 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 receipt(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 48's 2005 records revealed the following recordkeeping violation:

Reimbursed Expenses

Local 48 did not retain adequate documentation for reimbursed expenses to President Burnett. Our audit found that there was adequate documentation for approximately $900.00 out of $3,500 that was given to President Burnett from the president discretionary fund.

As previously 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.

Based on your assurance that Local 48 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 conditions and operations. The audit disclosed the following violations of this requirement.

Delinquent Report

The labor organization annual report form LM-3 filed by Local 48 for fiscal year ending December 31, 2006 is delinquent.

Local 48 must file a Form LM-3 for fiscal year ending December 31, 2006, to correct the delinquent item discussed above no later than July 20, 2007. We provided you with a blank form and instructions, and advised you that the reporting forms and instructions

are available on the OLMS website (www.olms.dol.gov). Local 48 has yet to file an LM-3 form for fiscal year ending December 31, 2006.

I want to extend my personal appreciation to AFGE LU 48 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

cc: Mr. Erich Fischer, Vice President
Ms. Wendy Christiansen, Secretary-Treasurer