



October 26, 2013

Mr. Alejandro Alvelo, President
AFGE LU 557

Case Number: 130-1315480
LM Number: 544623

Dear Mr. Alvelo:

This office has recently completed an audit of AFGE LU 557 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 on October 25, 2013, 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.

Title II of the LMRDA establishes certain reporting and recordkeeping requirements. Section 206 requires, among other things, that labor organizations maintain adequate records for at least five years by which each receipt and disbursement of funds, as well as all account balances, can be verified, explained, and clarified. As a general rule, labor organizations must maintain 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 557 2012 records revealed the following recordkeeping violations:

The Local did not keep all records for all disbursement; specifically for travel disbursements. The missing travel vouchers and receipts were obtained from a former union officer and provided to OLMS after the exit interview. This documentation should be kept by Local. Also, back up documentation need to be kept regarding the payments for the purpose of recruiting new members. Records must also be kept of all deposits. Any documentation of dues payments received from the National such as the remittance memos, must be maintained.

Based on your assurance that Local 557 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

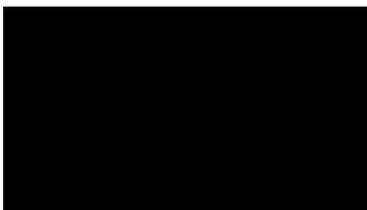
The audit disclosed a violation of LMRDA Section 201(a), which requires that a union submit a copy of its revised constitution and bylaws with its LM report when it makes changes to its constitution or bylaws. Local 557 amended its constitution and bylaws in 2012, but did not file a copy with its LM report for that year.

As agreed, Local 557 will file a copy of its current constitution and bylaws with OLMS as soon as possible but not later than December 15, 2013.

During the audit, President Alvelo indicated that he was the only officer who remains in his position, since all other officers have resigned. Therefore no one but himself reviews, approves, and signs the checks before they are issued. The two signature requirement is an effective internal control of union funds. Its purpose is to attest to the authenticity of a completed document already signed. During the exit interview President Alvelo stated that he appointed two new officers for the position of vice-president, and secretary treasurer. These members were in the process of receiving training from the National, and were to be installed the week following the interview. OLMS recommends that Local 557 review these procedures to improve internal control of union funds.

I want to extend my personal appreciation to AFGE LU 557 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 large black rectangular redaction box covering the signature of the investigator.

Investigator

cc: Mrs. Amelia Glymph, 5th District National Representative