



June 5, 2015

Ms. Mattie Harrell, Executive Director
AFSCME Council 71
321 Leonard Cake Road
Franklinville, NJ 08322-0207

Case Number: 130-6000432()
LM Number: 541173

Dear Ms. Harrell:

This office has recently completed an audit of AFSCME Council 71 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 Comptroller Marguerite Kellner and you on March 16, 2015, 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.

Reporting Violations

The audit disclosed a violation of LMRDA Section 201(b), which requires labor organizations to file annual financial reports accurately disclosing their financial condition and operations. The Labor Organization Annual Report Form LM-2 filed by AFSCME Council 71 for the fiscal year ended December 31, 2013, was deficient in the following areas:

1. Special Instructions for Reporting Credit Card Disbursements

Disbursements to credit card companies may not be reported as a single disbursement to the credit card company as the vendor. Instead, charges appearing on the credit card bills paid during the reporting period must be allocated to the recipient of the payment by the credit card company. AFSCME Council 71 incorrectly reported on Schedule 15 (Representational Activities) and on Schedule 19 (Union Administration) the credit card company as the vendor. AFSCME Council 71 must allocate to the recipients of the payment by American Express on the above-mentioned schedules the affected charges appearing on the credit card bills.

2. Statement B (Receipts and Disbursements)

Under Statement B, receipts must be recorded when money is actually received by the labor organization. AFSCME Council 71 incorrectly reported on Item 44 (Loans Obtained) the value for a lease agreement regarding the office copier machine. The lease agreement should have been reported under Item 44 (Accounts Payable) and Schedule 8 (Accounts Payable Aging Schedule).

AFSCME Council 71 filed an amended Form LM-2 for fiscal year 2013 to correct the deficient items prior to the conclusion of the audit. As a result, OLMS will take no further enforcement actions regarding these issues.

I want to extend my personal appreciation to AFSCME Council 71 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,



Investigator

cc: Lee Saunders, International President
Laura Reyes, International Secretary-Treasurer
Gerald H. Murray, Council 71 President