



June 5, 2018

Ms. Lauraine Putnam, Secretary Treasurer
Government Employees, AFGE, AFL-CIO
Local Union 2657
222 Richmond Ave.
Batavia, NY 14020

Case Number: 110-6010423 [REDACTED]
LM Number: 502074

Dear Ms. Putnam:

This office has recently completed an audit of Government Employees, AFGE, Local 2657 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 Chief Steward William Dale and you on June 1, 2018, 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 Violation

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-3) filed by Local 2657 for the fiscal year ended December 31, 2017, was deficient in the following area:

Failure to Report Receipts Properly

Local 2657 failed to properly categorize all receipts in Items 38 through 43. The audit found the union collected \$6,500 in receipts during the period from AFGE's Rebate Program which was erroneously reported as dues receipts in Item 38 (Dues).

The LM-3 instructions state for Item 38, report the full dues received by your organization, including any portion that will later be transmitted to an intermediate or parent body as per capita tax. Other receipts such as reimbursements from members, refunds from the District or other miscellaneous receipts, such as rebates received from the parent body, should be reported in Item 43 (Other Receipts).

I am not requiring that Local 2657 file an amended LM report for 2017 to correct the deficient item, but Local 2657 has agreed to properly report the deficient item on all future reports it files with OLMS.

I want to extend my personal appreciation to AFGE, Local 2657 for the cooperation and courtesy

Ms. Lauraine Putnam

June 5, 2018

Page 2 of 2

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 sender.A smaller black rectangular redaction box covering the name of the sender.

Supervisory Investigator

cc: Ms. Jayme Mast, President