

**U.S. Department of Labor**

Office of Labor-Management Standards  
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September 30, 2019

Mr. Jeffrey White, President  
Government Employees AFGE, AFL-CIO, Local 2092  
2215 Fuller Road  
Room F205  
Ann Arbor, MI 48105-2335

Case Number: 320-6015699  
LM Number: 501493

Dear Mr. White:

This office has recently completed an audit of Government Employees (AFGE) Local 2092 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 you on September 27, 2019, 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 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 2092's 2018 records revealed the following recordkeeping violations:

1) General Reimbursed Expenses

Local 2092 did not retain adequate documentation for reimbursed expenses incurred by you, Secretary Treasurer Lisa Mullens, and former Vice President Gina Perry totaling at least \$959.24. For example, adequate supporting documentation was not retained for a \$300 disbursement to Ms. Perry on September 10, 2018, a \$53.62 disbursement to Ms. Perry on October 22, 2018, and a \$50 disbursement to you on February 6, 2018. In support of these payments, Local 2092 only kept check stubs and cancelled checks, which is not sufficient. During the exit interview, you stated that local finance committee members [REDACTED] and [REDACTED] are now reviewing all of the local's receipt and disbursement records every 15 days.

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.

2) Credit Card Expenses

Local 2092 did not retain adequate documentation for credit card expenses incurred by you, Ms. Perry, and Ms. Mullens totaling at least \$2,254.58. For example, adequate supporting documentation was not retained for a \$120 cell phone expense you made at Metro PCS on August 29, 2018, a \$50 purchase you made at Metro PCS on August 6, 2018, a \$110 purchase Ms. Mullens made at "USTT Ticket Sales" on August 17, 2018, or a \$90.05 purchase Ms. Mullens made at Cabela's on October 10, 2018. In support of these expenses, Local 2092 retained only the credit card statement and credit card signature receipt, which is not sufficient.

In addition, Local 2092's records of meal expenses did not always include itemized receipts. For example, an itemized receipt was not retained for an \$120.80 meal expense that Ms. Mullens incurred at Ruby Tuesdays, Detroit Airport on February 11, 2018, an \$89.38 meal expenses that Ms. Perry incurred at Lucky's Kitchen on January 3, 2018, an \$113.97 meal expense that Ms. Mullens incurred at Lincoln House Restaurant on February 15, 2018, an \$130.97 meal expenses that you incurred at Denny's on August 13, 2018, and an \$124.80 meal expense that you incurred at PBR Rock on August 17, 2018. In support of these expenses, Local 2092 retained only the credit card statement and credit card signature receipt, which is not sufficient. During the exit interview, you noted that Local 2092 has implemented a new system whereby a letter is prepared for all disbursements, other than the payment of utilities. The letter describes the purpose for the purchase and has the invoice or itemized receipt attached to it.

As noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. Itemized receipts provided by restaurants to officers and employees must be retained. 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. 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. 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 2092 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 condition and operations. The audit disclosed a violation of this requirement. The Labor Organization Annual Report LM-3 filed by Local 2092 for the fiscal year ended December 31, 2019, was deficient in that:

#### 1) Disbursements to Officers

Local 2092 did not include disbursements to officers totaling at least \$2,236.68 in the amounts reported in Item 24 (All Officers and Disbursements to Officers). For example, Local 2092's disbursements records indicate that you received reimbursed expenses totaling \$3,074.18; however, the total reported in Column E (Allowances and Other Disbursements) of Item 24 for you was \$2,204.15. As another example, Ms. Perry received reimbursed expenses totaling \$2,572.90; however, the total reported in Column E of Item 24 for Ms. Perry was \$2,080.24. Further, Ms. Mullens received reimbursed expenses totaling \$3,187.99; however, the total reported in Column E of Item 24 for Ms. Mullens was \$2,314. It appears the union erroneously reported these payments in Item 48 (Office and Administrative Expenses) or Item 54 (Other Disbursements).

Most direct disbursements to Local 2092 officers and some indirect disbursements made on behalf of its officers must be reported 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.

2) Failure to File Bylaws

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 2092 amended its constitution and bylaws in 2018, but did not file a copy with its LM report for that year.

Local 2092 has now filed a copy of its constitution and bylaws.

I am not requiring that Local 2092 file an amended LM report for 2018 to correct the deficient items, but Local 2092 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to AFGE Local 2092 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 black rectangular redaction box covering the signature of the investigator.

Investigator

cc: Ms. Lisa Mullens, Secretary Treasurer