



July 20, 2020

Mr. David Traver, President  
AFGE Local 3028  
Post Office Box 143264  
Anchorage, AK 99514-3264

Case Number: 530-6017226 [REDACTED]  
LM Number: 501297

Dear Mr. Traver:

This office has recently completed an audit of AFGE Local 3028 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 July 14, 2020, 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 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 3028's 2018 records revealed the following recordkeeping violations:

1. General and Debit Card Expenses

Local 3028 did not retain adequate documentation for expenses incurred by union officers totaling at least \$4,935.68. For example, Local 3028 did not retain three hotel receipts totaling \$2,349.30. In addition, at least three receipts totaling \$269.59 were photocopied rather than original receipts

As 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.

2. Failure to Record Receipts

Local 3028 did not record in its receipts records checks received from members for payment of guests to attend the Local 3028 holiday party totaling at least \$1,700. Cash payments received from members for guests to attend the holiday party were recorded in the union records. Union receipts records must include an adequate identification of all money the union receives. The records should show the date and amount received, and the source of the money.

3. Disbursement Dates not Recorded

Check entries in Local 3028's disbursement journal for a four month sample period did not reflect the dates the union wrote checks. Union disbursement records must show the date of disbursement. The date of disbursement is required to verify, explain, or clarify amounts required to be reported in Statement B (Receipts and Disbursements) of the LM-3. The LM-3 instructions for Statement B state that the labor organization must record disbursements when it actually pays out money. Failure to record the date money was disbursed could result in the union reporting some disbursements for a different year than when it was actually disbursed.

Based on your assurance that Local 3028 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Reporting Violation

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 3028 amended its constitution and bylaws in 2018, but did

not file the required copies with its LM report for that year. Local 3028 has now filed a copy of its constitution and bylaws.

I want to extend my personal appreciation to AFGE Local 3028 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.A smaller black rectangular redaction box covering the name of the investigator.

Investigator

cc: Ms. Susan Hansen, Secretary-Treasurer