



November 2, 2020

Rochelle Baker, President
American Federation of Government Employees
Local 2425
385 Tremont Avenue - Room 3105
East Orange, NJ 07018-1023

Case Number: 130-6015752
LM Number: 542643

Dear Mrs. Baker:

This office has recently completed an audit of American Federation of Government Employees - Local 2425 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 Treasurer Altericke Brinkley and you on October 1, 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 was limited in scope.

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 Form LM-2 filed by AFGE Local 2425 for the fiscal year ended December 31, 2017, was deficient in that the union had listed incorrect cash amounts. The deficient FY2017 Form LM-2 was initially filed on May 1, 2018, overstated Line 22A – Cash (Start of Reporting Period) by \$18,224 and understated Line 22B – Cash (End of Reporting Period) by \$1,363. Local 2425, with the assistance of a recently retained outside certified public accounting firm, filed the acceptable amended FY2017 Form LM-2 report on July 1, 2019.

The audit also revealed that Local 2425 did not file their Form LM-2 report for fiscal years ended December 31, 2017 and December 31, 2018, within 90 days after the end of your organization's respective fiscal year (12-month reporting period). The law does not authorize the U.S. Department of Labor to grant an extension of time for filing reports for any reason. An amended FY2017 Form LM-2 was filed on July 1, 2019. Your delinquent FY2018 Form LM-2 was filed on July 3, 2019. Local 2425 did timely file its FY2019 Form LM-2 on March 27, 2020, within 90 days after the end of your organization fiscal year.

Other

OLMS recommends that a succinct end-of-the-year reconciliation of your annual gift card distribution to the Local 2425 membership be maintained in your union records. The annual budget approved by the membership reflected the funds for the \$50 gift cards to be distributed during the holiday season beginning in November 2018. Our audit revealed that Local 2425 maintained in its records authorization from the membership to purchase the annual gift cards. However, a concise reconciliation of the gift cards is recommended regarding how many gift cards were obtained from the bank, how many were distributed to members, and the number of excess gift cards held over for the next following year's distribution. Lastly, the General Membership and Executive Board minutes should reflect the annual gift card distribution reconciliation.

I want to extend my appreciation to the American Federation of Government Employees, Local 2425 officers, for the cooperation and courtesy extended to me during this compliance audit. I strongly recommend that you make sure this letter and the compliance assistance materials provided to you are forwarded to future officers. If our office can provide any additional assistance, please do not hesitate to call.

Sincerely,



Henry C. Fleary
Investigator

cc: Altericke Brinkley, Local 2425 Treasurer
David Gonzalez, Second District National Vice President