



December 10, 2020

Mrs. Rozena Williams, President  
Government Employees AFGE AFL-CIO Local 2778  
P.O Box 1703  
Decatur, GA 30003-1703

Case Number: 410-6020094  
LM Number: 503602

Dear Mrs. Williams:

This office has recently completed an audit of Government Employees AFGE AFL-CIO Local 2778 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, Treasurer Monica Fultz, Recording Secretary Joyce Carmichael, and Chief Steward Rochelle Thompson-Bridges on November 6, 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.

#### Reporting Violation

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 Local 2778 for the fiscal year ended June 30, 2020, was deficient in that Local 2778 incorrectly reported payments in schedules 17, 18 and 19.

#### Failure to Properly Report Disbursements (LM-2)

The audit found that Local 2778 did not properly report disbursements in Schedules 17 (Contributions, Gifts and Grants), Schedule 18 (General Overhead), and Schedule 19 (Union Administration). Local 2778 reported \$32,891 in Schedule 19 (Union Administration) Item 5 (All Other Disbursements) that should have been reported in Schedules 17 and 18. Local 2778 reported \$19,000 in gifts given to members that should have been reported in Schedule 17 (Contributions, Gifts and Grants). Local 2778 reported \$8,899 in rent payments along with an additional \$4,992 in additional overhead expenses that should have been reported in Schedule 18, General Overhead.

The Local has since corrected these errors and filed an amended report. Local 2778 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to Government Employees AFGE AFL-CIO Local 2778 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: Mrs. Monica Fultz, Treasurer  
Mr. Kevin Harper, AFGE 5th District Manager