



February 19, 2021

Mr. G. Ben Baker, President
National Federation of Federal Employees (NFFE)
Lodge 1798
[REDACTED]

Case Number: 140-6020047 [REDACTED]
LM Number: 514-752

Dear Mr. Baker:

This office has recently completed an audit of National Federation of Federal Employees (NFFE) Lodge 1798 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 Secretary-Treasurer Christina Greenberg and yourself on February 11, 2021, 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 Violation

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 Lodge 1798's 2019 records revealed the following recordkeeping violations:

Failure to Record Receipts

Lodge 1798 did not record in its receipts records some employer dues checkoff checks. For example, Lodge 1798 maintained receipt records for one checking account; however, the lodge failed to record dues receipts for a separate account to which dues were directly deposited. 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.

Based on your assurance that Lodge 1798 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 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-4) filed by Lodge 1798 for the fiscal year ended December 31, 2019, was deficient in the following area:

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. Lodge 1798 has never filed its constitution and bylaws with OLMS.

Lodge 1798 has now filed a copy of its constitution and bylaws.

Other Issue

The audit disclosed the following other issue:

Information not Recorded in Meeting Minutes

During the audit, Secretary-Treasurer Greenberg advised OLMS that meetings were scheduled but not held and therefore meeting minutes were not recorded or maintained. Article 4, Section 5 (Summary Minutes) of Lodge 1798's Bylaws, requires minutes to be recorded and maintained for all membership and executive board meetings and that all approved expenditures be reflected in the minutes. During the exit interview union officials advised that if membership and/or executive board meetings are held meeting minutes will be maintained and approval of expenditures will be recorded.

I want to extend my personal appreciation to National Federation of Federal Employees (NFFE) Lodge 1798 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