



August 22, 2022

Mr. Joel Smith, President  
AFGE Local 3184  
11642 Creek Ash  
San Antonio, TX 78253

Case Number: 420-6025041 [REDACTED]  
LM Number: 501793

Dear Mr. Smith:

This office has recently completed an audit of AFGE Local 3184 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 August 19, 2022, 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 3184's fiscal year ending May 31, 2021 records revealed the following recordkeeping violations:

1. General Expenses

Local 3184 did not retain adequate documentation for all debit card expenses incurred by the officers. For example, \$870.02 in debit card purchases at Office Depot were not supported with receipts. Local 3184 also failed to maintain itemized billing statements from the South Texas College of Law for three debit card transactions pertaining to your union-paid scholarship, totaling \$30,990.

Local 3184 failed to maintain proper documentation relating to a \$10,000 check payment to Music City Disability, LLC.

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 Maintain Dues Checkoff Reports

Local 3184 failed to maintain employer dues checkoff reports that show the amounts of dues payments the union receives each pay period from its members. 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 Local 3184 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 (Form LM-2) filed by Local 3184 for the fiscal year ended May 31, 2021, was deficient in the following areas:

1. Disbursements to Officers and Employees

Local 3184 did not include some expense reimbursements and per diem payments to officers totaling at least \$3,433.22 in Schedule 11 (All Officers and Disbursements to Officers) and Schedule 12 (Disbursements to Employees). It appears that the local erroneously reported these payments in Schedules 15 through 19.

The union must report in Column F of Schedules 11 and 12 (Disbursements for Official Business) direct disbursements to officers and employees for reimbursement of expenses they incurred while conducting union business. In addition, the union must report in

Column F of Schedules 11 and 12 indirect disbursements made to another party (such as a credit card company) for business expenses union personnel incur. However, the union must report in Schedules 15 through 19 indirect disbursements for business expenses union personnel incur for transportation by public carrier (such as an airline) and for temporary lodging expenses while traveling on union business. The union must report in Column G (Other Disbursements) of Schedules 11 and 12 any direct or indirect disbursements to union personnel for expenses not necessary for conducting union business.

2. Failure to Itemize Disbursements

Local 3184 did not properly report some “major” transactions in Schedules 15-19. A “major” transaction includes any individual transaction of \$5,000 or more or total transactions to or from any single entity or individual that aggregate to \$5,000 or more during the reporting period and which the local cannot properly report elsewhere in Statement B. The audit found that Local 3184 did not enter itemized entries for a \$14,801.73 payment to Lowe’s Hotels, a \$10,000 payment to Music City Disability, LLC and a \$5,000 payment to Prudence Smith. Local 3184 also failed to enter a non-itemized entry for no less than \$8,976.94 in disbursements made at Best Buy during the reporting period.

AFGE Local 3184 filed the LM-2 for fiscal year ending May 31, 2022, during the audit, and appropriately corrected the reporting errors; therefore, we are not requesting an amended 2021 report. The local has ensured that they will report these expenditures going forward.

I want to extend my personal appreciation to AFGE Local 3184 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,



Senior Investigator