

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Dallas District Office
525 Griffin Street
Room 300
Dallas, TX 75202
(972)850-2500 Fax: (972)850-2501



December 17, 2008

Mr. Shon Foreman, President
Government Employees, AFL-CIO
Local 922
779 SFC 806
Forrest City, AR 72336

LM File Number: 542-321

Case Number: [REDACTED]

Dear Mr. Foreman:

This office has recently completed an audit of Government Employees Local 922 under the Compliance Audit Program (CAP) to determine your organization's compliance with the provisions of the Labor-Management Reporting and Disclosure Act of 1959 (LMRDA). As discussed during the exit interview with you and Financial Secretary Brandy Moore on December 4, 2008, 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 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-3) filed by Local 922 for fiscal year ending December 31, 2007, was deficient in the following areas:

1. Other Receipts

Local 922 did not include \$3,689 of AFGE rebates and \$700 in travel advance reimbursements in Item 43 (Other Receipts). It appears the union erroneously reported these payments in Item 38 (Dues). The LM-3 instructions require the local to report receipts other than those reported in Item 38 through 42 in Item 43 (Other Receipts).

2. Disbursement to Employees

Local 922 did not include \$2,192 in disbursements to members who are not officers in Item 46 (To Employees). It appears the union erroneously reported these payments in Item 48 (Office & Administrative Expense). The LM-3 instructions require that the local report payments to individuals other than officers in Item 46 (To Employees).

3. Professional Fees

Local 922 did not include \$769 in disbursements for arbitrations/arbitrator in Item 49 (Professional Fees). It appears the union erroneously reported these payments in Item 48 (Office & Administrative Expense). The LM-3 instructions require that the local report payments to outside professionals in Item 49 (Professional Fees).

4. Contributions, Gifts & Grants

Local 922 did not include \$379 in disbursements for flowers in Item 51 (Contributions, Gifts & Grants). It appears the union erroneously reported the payments in Item 48 (Office & Administrative Expense). The LM-3 instructions require locals report these disbursements in Item 51 (Contributions, Gifts & Grants).

5. Purchase of Investments & Fixed Assets

Local 922 did not include \$1,175 in disbursements for a television and computer monitor in Item 52 (Purchase of Fixed Investments & Fixed Assets). It appears the union erroneously reported the payments in Item 48 (Office & Administrative Expense). The LM-3 instructions require locals report purchases of fixed assets in Item 52 (Purchase of Investments & Fixed Assets).

I am not requiring that Local 922 file an amended LM report for 2007 to correct the deficient items. Although the receipts and disbursements were incorrectly categorized, all receipts and disbursements were reported on the LM report. Local 922 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to AFGE Local 922 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: Brandy Moore, Financial Secretary