

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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February 13, 2009

Ms. Bethany McIvor, Local President
AFGE
Local 221
150 S. Huntington Avenue
Boston, MA 02130-4817

LM File Number 541-307
Case Number: [REDACTED]

Dear Ms. McIvor:

This office has recently completed an audit of AFGE Local 221 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 Local Executive Vice President Pauline Chute on February 12, 2009, 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.

The CAP disclosed reporting violations and other 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-3) filed by Local 221 for fiscal year ending December 31, 2007, was deficient in the following areas:

1. Cash Reconciliation

It appears that the cash figures reported in Item 25 are not the cash figures according to the union's books after reconciliation to the bank statements. The instructions for Item 25 state that the union should obtain account balances from its books as reconciled to the balances shown on bank statements.

2. Failure to Report Disbursements

Local 221 did not report at least \$1, 500 in local disbursements in Statement B of the local's LM-3 filed for the fiscal year ending December 31, 2007. The Statement B instructions state that disbursements must be recorded when money is actually paid out by the labor organization.

3. 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. Local 221 amended its constitution and bylaws in 2002, but did not file the required copies with its LM report for that year.

Local 221 has now filed a copy of its constitution and bylaws.

I am not requiring that Local 221 file an amended LM report for 2007 to correct the deficient items, but Local 221 has agreed to properly report the deficient items on all future reports it files with OLMS.

Other Violations

The audit disclosed the following other violation:

Pursuant to 29 C.F.R. Section 458.35, officers and employees of any labor organization subject to the CSRA are required to be bonded in accordance with Section 502(a) of the LMRDA. This provision requires that union officers and employees be bonded for no less than 10% of the total funds those individuals or their predecessors handled during the preceding fiscal year. Officers and employees of Local 221 are currently bonded for \$10,000; however, they must be bonded for at least \$14,322.

The audit revealed that Local 221's officers and employees were not bonded for the minimum amount required at the time of the audit. However, the union obtained adequate bonding coverage and provided evidence of this to OLMS during the audit. As a result, OLMS will take no further enforcement action regarding this issue.

I want to extend my personal appreciation to AFGE Local 221 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,

Mark Letizi
District Director

cc: Mariana Wolf, Local Secretary-Treasurer
Pauline Chute, Local Executive Vice President