

U.S. Department of Labor

Office of Labor-Management Standards
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July 11, 2013

Mrs. Dorothy Fowler, President
AFGE Local 2567 DCMA

Case Number: 130-15401 [REDACTED]
LM Number: 503120

Dear Mrs. Fowler:

This office has recently completed an audit of AFGE Local 2567 DCMA 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, Treasurer Chelisa Harris and Secretary Katherine Moeller on July 10, 2013, 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.

Record Keeping 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 Local 2567's 2013 records revealed the following recordkeeping violations:

1. Disbursement/ Expense Documentation

Local 2567 did not maintain all documentation for disbursements. During the audit, President Fowler advised that the local entered into a contract to hire a tour bus service for \$1,500 to provide transportation on a union sponsored trip. Local 2567 could not locate a copy of the contract during the audit. However, Local 2567 meeting minutes reference the trip, contain a confirmation of agenda as well as an informational flier for the union's trip.

Based on your assurance that Local 2567 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violation.

Other Issues

1. LM-3 Report Signatures

The initial LM-3 report filed by Local 2567 for 2011 states that the treasurer of the union received permission to sign the LM-3 report on behalf of the president who was out of the office at the time of the filing. The two signature requirement is an effective internal control. Its purpose is to attest to the authenticity of the completed document. OLMS recommends that Local 2567 review these procedures to improve internal controls.

Prior to the audit Local 2567 filed an amended report for 2011 containing the signature of both the president and treasurer.

I want to extend my personal appreciation to AFGE Local 2567 DCMA 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,

[Redacted Signature]

[Redacted Title]

Investigator