



December 6, 2017

Mr. Raymond Bess, President  
AFGE 1667  
800 Poly Place  
Room 7-307  
Brooklyn, NY 11209

Case Number: 130-6010500 [REDACTED]  
LM Number: 503532

Dear Mr. Bess:

This office has recently completed an audit of AFGE 1667 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 December 5, 2017, 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 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 1667's 2016 records revealed the following recordkeeping violations:

The union failed to maintain adequate records to verify, explain, or clarify in checking the accuracy or completeness of reports required to be filed with the Secretary of Labor, in violation of 29 U.S.C 436. Specifically, the union did not maintain copies of all cancelled checks written

from the Local's checking accounts. Also, the union did not maintain adequate documentation regarding the disbursement of "bonus bucks".

During the exit interview you were advised that the Local must maintain copies off all cancelled checks. In addition, the Local must maintain more accurate receipts regarding the "bonus bucks" disbursements to members. Based on your assurance that Local 1667 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-3) filed by Local 1667 for the fiscal year ended December 31, 2016, was deficient in that or deficient in the following areas:

#### Disbursements to Officers (LM-3)

Local 1667 did not include additional disbursements to officers totaling \$3,359 in the amounts reported Item 24 (All Officers and Disbursements to Officers). In addition, on the form LM-3 the union reported disbursements to officers reflecting a total year's salary despite the fact that several officers resigned during the audit period and did not receive their full salary.

#### Cash Reconciliation

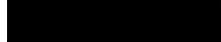
The Labor Organization Annual Report Form LM-3 filed by AFGE Local 1667 for the fiscal year ended December 31, 2016, was deficient in that the union listed an incorrect amount of \$21,928 on Line 25 (A) – Cash at Start of Reporting Period. The audit revealed that the total amount in the union's bank accounts as of the start of the reporting period (January 1, 2016) was \$18,119. The union had correctly reported the cash amount of \$27,021 at the end of the reporting period for fiscal year 2016.

Local 1667 must file an amended Form LM-3 for the fiscal year ended December 31, 2016 to correct the deficient items discussed above. I encourage Local 1667 to complete, sign, and file its report electronically using the Electronic Forms System (EFS) available at the OLMS website at [www.olms.dol.gov](http://www.olms.dol.gov). Reporting forms and instructions can be downloaded from the website, if you prefer not to file electronically. The amended Form LM-3 should be filed electronically no later than December 29, 2017 or submitted to this office at the above address by the same date. Before filing, review the report thoroughly to be sure it is complete and accurate.

I want to extend my personal appreciation to AFGE 1667 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,

A solid black rectangular box used to redact the signature of the investigator.

Investigator