



December 11, 2017

Ms. Beverly Wilmer, President  
Government Employees (AFGE) Local 2006  
300 Spring Garden Street  
Philadelphia, PA 19123

Case Number: 140-6012083  
LM Number: 501135

Dear Ms. Wilmer:

This office has recently completed an audit of Government Employees (AFGE) Local 2006 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 11, 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.

#### Recordkeeping 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 2006's 2016 records revealed the following recordkeeping violation:

#### Credit Card Expenses

Local 2006 did not retain adequate documentation for credit card expenses incurred by President Wilmer totaling at least \$1,215.00. For example, a receipt was not maintained for a \$26.34 credit card purchase at Dunkin Donuts.

As noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. Union records of meal expenses must include a written explanation of the union business conducted and the full names and titles of the participants. 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.

Based on your assurance that Local 2006 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

#### Reporting Violation

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 2006 for the fiscal year ended December 31, 2016, was deficient in that:

#### Disbursements to Officers

Local 2006 failed to report in Schedule 11 (All Officers and Disbursements to Officers) the accurate amount of payments made to officers. It appears the union erroneously reported total payments made to all union officers equally among all officers in Schedule 11. Local 2006 also incorrectly reported in Schedule 11 payments totaling at least \$6,100.00 to an officer who in fact, received no payments during the fiscal year.

During fiscal year ending 2016, Local 2006 had total annual receipts of \$10,000 or more, but less than \$250,000. The Form LM-3, Labor Organization Annual Report, discloses financial information (such as assets, liabilities, receipts and disbursements) about labor organizations that have total annual receipts of \$10,000 or more, but less than \$250,000. The term "total annual receipts" means all financial receipts of the labor organization during its fiscal year, regardless of the source. Labor organizations with greater total annual receipts and those in trusteeship must file the more detailed Form LM-2. At the end of each fiscal year, please calculate total annual receipts for Local 2006 to determine which form (LM-2 or LM-3) your labor organization should file.

Form LM-3, requires the union to report most direct disbursements to Local 2006 officers and some indirect disbursements made on behalf of its officers in Item 24 (All Officers and Disbursements to Officers). A "direct disbursement" to an officer is a payment made to an officer in the form of cash, property, goods, services, or other things of value. See the instructions for Item 24 for a discussion of certain direct disbursements to officers that do not have to be reported in Item 24. An "indirect disbursement" to an officer is a payment to another party (including a credit card company) for cash, property, goods, services, or other things of value received by or on behalf of an officer. However, indirect disbursements for temporary lodging (such as a union check issued to a hotel) or for transportation by a public carrier (such as an airline) for an officer traveling on union business should be reported in Item 48 (Office and Administrative Expense).

Local 2006 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 2006 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 18, 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. Paper reports must be signed with original signatures.

I want to extend my personal appreciation to Government Employees (AFGE) Local 2006 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

cc: , Treasurer