



July 17, 2018

Ms. Nancy A. Nolan, President
Government Employees AFGE, AFL-CIO
Local 2513
PO Box 7051
Syracuse, NY 13261

Case Number: 110-6013224
LM Number: 503800

Dear Ms. Nolan:

This office has recently completed an audit of AFGE Local 2513 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 July 10, 2018, 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 2513 for the fiscal year ended December 31, 2017, was deficient in the following areas:

1. Failure to Properly Report Receipts

Local 2513 failed to properly report receipts received in the form of rebate checks from AFGE for recruitment bonuses in Item 43 (Other Receipts). During the period, the union received at least \$7,450 from AFGE for recruitment bonuses. It appears the union erroneously reported these receipts in Item 38 (Dues).

2. Disbursements to Officers

Local 2513 did not include some reimbursements to officers totaling at least \$9,000 in the amounts reported Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments in Item 54 (Other Disbursements).

The union must report most direct disbursements to Local 2513 officers and some indirect disbursements made on behalf of its officers in Item 24. 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).

3. Cash Reconciliation

It appears that the cash figures reported in Item 25 B (Cash End of Reporting Period) are not the figures according to Local 2513'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.

4. Address of Record

Local 2513 answered YES to Item 9 when asked if the organizations' records are kept at the mailing address listed in Item 8 (Mailing Address). The address listed in Item 8 is a Post Office Box. Union records cannot be kept at a post office box. If the records required to be kept by the labor organization to verify this report are kept at the address reported in Item 8 (Mailing Address), answer "Yes." If not, answer "No" and provide in Item 56 (Additional Information) the address where the labor organization's records are kept.

I am not requiring that Local 2513 file an amended LM report for 2017 to correct the deficient items, but Local 2513 has agreed to properly report the deficient items on all future reports it files with OLMS.

Other Issue

Delinquent Filing

A review of Local 2513's annual financial reports indicates the union has been consistently delinquent in their filing for at least five years, most recently with the filing of fiscal year ending December 31, 2016. The president and treasurer or corresponding principal officers of your organization are required to file an annual financial report with the Office of Labor-Management Standards (OLMS) within 90 days after the end of the union's fiscal year. Therefore, your union's report should be filed by March 31st. The LMRDA does not provide for any extension of time for filing the report.

I want to extend my personal appreciation to Local 2513 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: Mr. Anthony Tang, Treasurer