



April 18, 2018

Ms. Debra Cook-Rice, President
Government Employees AFGE AFL-CIO, Local 2207
[REDACTED]
Birmingham, AL 35206

Case Number: 410-6009980 [REDACTED]
LM Number: 503801

Dear Ms. Cook-Rice:

This office has recently completed an audit of Government Employees AFGE AFL-CIO, Local 2207 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, Treasurer Kimberly Mullen, and Executive Vice President Brad Church on April 11, 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.

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 2207's 2017 records revealed the following recordkeeping violation:

General Reimbursed and Credit Card Expenses

Local 2207 did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by union officers and employees totaling at least \$861.97. For example, the union did not maintain adequate documentation for the payment of \$439.56 to the Hilton Garden Inn located in Orange Beach, AL, on November 3, 2017; specifically the union failed to retain the hotel bill/invoice for the stay. Additionally, the union did not maintain adequate documentation for the payment of \$115.71 to Office Depot located in Birmingham, AL, on February 20, 2017; specifically the union failed to retain the purchase receipt for office supplies.

As noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. 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 2207 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-3) filed by Local 2207 for the fiscal year ended December 31, 2016 was deficient in the following areas:

Failure to File By Laws

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 2207 amended its constitution and bylaws in 2004, but did not file the required copies with its LM report for that year.

Local 2207 has now filed a copy of its constitution and bylaws.

I want to extend my personal appreciation to AFGE Local 2207 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]

Investigator

cc: Ms. Kimberly Mullen, Treasurer