



September 21, 2018

Ms. Marissa Hill, President
AFSCME Local 2934

Case Number: 350-6013189
LM Number: 515958

Dear Ms. Hill:

This office has recently completed an audit of AFSCME Local 2934 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 and Treasurer Cindy Bickerstaff on September 20, 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 Violations

Title II of the LMRDA establishes certain reporting and recordkeeping requirements. Section 206 requires, among other things, that labor organizations maintain adequate records for at least five years by which each receipt and disbursement of funds, as well as all account balances, can be verified, explained, and clarified. As a general rule, labor organizations must maintain 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 2934's 2017 records revealed the following recordkeeping violation:

Lost Wages

Local 2934 did not retain adequate documentation for lost wage reimbursement payments to union officers in at least two instances. The union must maintain records in support of lost wage claims that identify each date lost wages were incurred, the number of hours

lost on each date, the applicable rate of pay, and a description of the union business conducted. The OLMS audit found that Local 2934, while listing the purpose of the lost time on checks issued to officers for these two instances, did not maintain the vouchers containing more detailed information about the lost wage payments.

During the exit interview, I provided a compliance tip sheet, Union Lost Time Payments, that contained a sample of an expense voucher Local 2934 may use to satisfy this requirement. The sample identifies the type of information and documentation that the local must maintain for lost wages and other officer expenses.

Based on your assurance that Local 2934 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Reporting Violations

The audit disclosed a violation of LMRDA Section 201(b), which requires labor organizations to file annual financial reports accurately disclosing their financial condition and operations. The Labor Organization Annual Report (Form LM-3) filed by Local 2934 for the fiscal year ended December 31, 2017, was deficient in the following area:

1. Disbursements to Officers

Local 2934 did not include some reimbursements to officers totaling at least \$297.47 in the amounts reported Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments in Item 48.

The union must report most direct disbursements to Local 2934 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).

2. Failure to File LM Report Electronically

Local 2934’s Labor Organization Annual Report Form LM-3 for fiscal year ending December 31, 2017 filed with the Office of Labor-Management Standards (OLMS) is deficient in that it was filed using a paper form. Filing your report on a paper form is no longer compliant with the provisions of the Labor-Management Reporting and Disclosure

Act (LMRDA). All Labor Organization Annual Reports for the fiscal years beginning on or after January 1, 2017 are required to be filed with OLMS using the OLMS Electronic Filing System.

I am not requiring that Local 2934 file an amended LM-3 report to correct this deficiency as the union has agreed to file in the future using the OLMS Electronic Filing System at www.olms.dol.gov.

I want to extend my personal appreciation to AFSCME Local 2934 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: Ms. Cindy Bickerstaff, Treasurer
Mr. Michael Batchelder, AFSCME Council 8 Associate General Counsel