



January 8, 2019

Mr. Mark Bernard, President
American Federation of State, County, and Municipal
Employees (AFSCME)
Local 2511
[REDACTED]

Case Number: 110-6013086 [REDACTED]
LM Number: 542626

Dear Mr. Bernard:

This office has recently completed an audit of AFSCME, Local 2511 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 Secretary-Treasurer Scott Taveira on December 18, 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 2511's 2017 records revealed the following recordkeeping violations:

1. Failure to Record Receipts and Disbursements

Local 2511 did not record in a journal, ledger, or some other union record, receipts from employer dues checkoff checks and union disbursements made during the audit period. Union receipt records must include an adequate identification of all money the union receives. The records should show the date and amount received, and the source of the money. Similarly, a disbursement record must include an adequate identification of all money disbursed on behalf of the local. The disbursement record should show the date, payee, amount, and purpose of the disbursement.

2. General Disbursements

Local 2511 did not maintain adequate records for disbursements to AFSCME Council 93 Scholarship Fund and for office supplies totaling at least \$2,100. The union must maintain sufficient records to determine if such disbursements are for union business purposes and to sufficiently fulfill the recordkeeping requirement of LMRDA Section 206.

As previously 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.

3. Employer Remittance Records

Local 2511 did not maintain adequate documentation for some membership dues received during the audit year. Membership dues Remittance Reports for the months of October 2017 and November 2017 were not maintained in the union records. Union receipt records must include an adequate identification of all money the union receives, including the date, amount, and source of the receipt. Membership remittance reports from the employer identifies the dues deducted from members, and the amounts remitted to the union.

4. Meeting Minutes

During the audit, OLMS was advised that membership meetings were held once or twice annually, however minutes of those meetings were not recorded and kept by Local 2511.

Minutes of all membership or executive board meetings must be maintained as part of the union's records to document the discussion at these meetings. Additionally, meeting minutes should be recorded to document any disbursement authorizations made at the meetings per your constitutional provisions.

Based on your assurance that Local 2511 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) was not filed by Local 2511 for the fiscal year ended February 28, 2018 and is long since delinquent.

Local 2511 must file the Form LM-3 for the fiscal year ended February 28, 2018, immediately. The report must be filed electronically using the Electronic Forms System (EFS) available at the OLMS website at www.olms.dol.gov. The Form LM-3 must be filed no later than January 11, 2019. Before filing, review the report thoroughly to be sure it is complete and accurate.

Additionally, Local 2511 has been delinquent in filing their Form LM-3 for fiscal years ending 2014 through 2018. The required Form LM-3 must be filed within 90 days after the end of your organization's fiscal year. Therefore, your February 28, 2019 form will be required to be filed no later than May 30, 2019.

I want to extend my personal appreciation to AFSCME Local 2511 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,

Tia Solomon
Investigator

cc: Mr. Scott Taveira, Secretary-Treasurer