

**U.S. Department of Labor**

Office of Labor-Management Standards  
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November 24, 2015

Mr. David Phillips, Treasurer  
Government Employees (AFGE), AFL-CIO  
Local Union 3555  
33 Whitehall Street  
New York, NY 10004

Case Number: 130-6003683 [REDACTED]  
LM Number: 510228

Dear Mr. Phillips:

This office has recently completed an audit of AFGE Local 3555 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) and Civil Service Reform Act (CSRA). As discussed during the exit interview with you on November 20, 2015 the following problems were disclosed during the CAP. The matter listed below is not an exhaustive list of all possible problem areas since the audit conducted was limited in scope.

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 3555's 2014 records revealed the following recordkeeping violations:

1. Local 3555 failed to maintain meeting minutes for the months of January, February and March 2014.
2. Local 3555 also failed to provide current proof of adequate bonding coverage.

Proof of current adequate bonding coverage should be submitted to this office at the above address as soon as possible, but not later than December 8, 2015. Based on your assurance that Local 3555 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violation relating to meeting minutes.


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.

1. Local 3555 failed to file its Form LM-2/3/4 for fiscal year ending 12/31/2014.

Local 3555 must file Form LM-2/3/4 for fiscal year ending December 31, 2014. I provided you with a blank form and instructions, and advised you that the reporting forms and instructions are available on the OLMS website ([www.olms.dol.gov](http://www.olms.dol.gov)). The annual financial report should be submitted to this office at the above address as soon as possible, but not later than December 8, 2015. Before filing, review the report thoroughly to be sure it is complete, accurate, and signed properly with original signatures.

I want to extend my personal appreciation to you 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