



March 24, 2015

Mr. Roy Schieferdecker, Secretary-Treasurer  
AFSCME Local 3549  
1101 W. Morton Avenue Suite F  
Jacksonville, IL 62650

Case Number: 310-6003012( )  
LM Number: 544033

Dear Mr. Schieferdecker:

This office has recently completed an audit of AFSCME Local 3549 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 Jeremy Westlake on March 10, 2015, 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 3549's 2011, 2012, and 2013 records revealed the following recordkeeping violations:

1. General Reimbursed and Credit Card Expenses

Local 3549 did not retain adequate documentation for reimbursed expenses incurred by union

officers totaling at least \$938.76. For example supporting documentation was not maintained to support the January 2, 2012 reimbursement to the President for a computer software purchase.

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.

## 2. Lost Wages

Local 3549 did not retain adequate documentation for lost wage reimbursement payments to union officers, union officers and employees totaling at least \$5,245.67 for 2013. 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 3549 did not retain some of the expense vouchers for lost-time and notice of absence forms to identify the union business conducted and verify time lost.

## 3. Information not Recorded in Meeting Minutes

During the audit, you advised OLMS that the membership approves disbursements at the monthly membership meetings. Article VII Section 3a of AFSCME Local 3549 Constitution requires that a record be maintained of the proceedings of all membership meetings and of all executive board meetings. Local 3549 maintained no minutes for the monthly membership or executive board meetings. Minutes of all membership or executive board meetings must report any disbursement authorizations made at those meetings.

## 4. Salary Authorization

Local 3549 did not maintain records to verify that the Secretary-Treasurer monthly salary/stipend of \$150.00 was authorized. The union must keep a record, such as meeting minutes, to show the current salary authorized by the entity or individual in the union with the authority to establish salaries.

Based on your assurance that Local 3549 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 LM-3s filed by Local 3549 for fiscal years ending December 31, 2011, 2012 and 2013 were deficient in that:

1. Disbursement to Officers

Local 3549 did not report the names of some officers and the total amounts of payments to them or on their behalf in Item 24 (All Officers and Disbursements to Officers). It appears that the union erroneously reported these payments in Item 54 "Other Disbursements"

The union must report most direct disbursements to Local 3549 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).

I am not requiring that Local 3549 file an amended LM report for 2011, 2012, or 2013 to correct the deficient items, but Local 3549 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to AFSCME Local 3549 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. Jeremy Westlake, President