

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Nashville District Office
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December 30, 2004

Mr. Lenard R. Flennoy, Treasurer
Government Employees AFGE, AFL-CIO
Local Union 110
VA Medical Center
P.O. Box 531
Tuskegee, AL 36083

Re: 2

Dear Mr. Flennoy:

This Office has recently completed an audit of the Government Employees AFGE, Local Union 110 under the Compliance Audit Program (CAP) to determine compliance with provisions of the Labor-Management Reporting and Disclosure Act of 1959, as amended (Labor Management Reporting Disclosure Act) and the Code of Federal Regulations (C.F.R.).

As discussed during the exit interview with you, President, Wendell Echols, and Ralph Stokes on December 29, 2004, 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.

Title II of the LMRDA establishes certain reporting and record keeping requirements. Section 206 requires, among other things, that adequate records be maintained 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, all records used or received in the course of union business must be retained. This includes, in the case of disbursements, not only the retention of original bills, invoices, receipts, and vouchers, but also adequate additional documentation, if necessary, showing the nature of the union business requiring the disbursement, the goods or services received, and the identity of the recipients of the goods or services.

The following record keeping violation was revealed during the audit of Local 110's 2003 records:

29 C.F.R. 403.7 - Retention Records

The audit disclosed that records, to include bills and invoices, hotel lodging receipts, convention registrations, airline tickets, mileage logs, and computer and office purchases were not available for examination as required in the regulation.

Since you agreed to ensure that such records are maintained in the future, no further action is being taken.

Additionally, the CAP disclosed a violation of LMRDA section 201(b), because the Labor Organization Annual Report (Form LM-3) filed by Local 110 for fiscal year ending December 31, 2003 was deficient.

~~29 C.F.R. 403.2(b) – Annual Financial Report - Deficient~~

The names of some officers who held office during the year were not reported in item 24 with the total amount of payments to or for them. The names of all persons who held office during the year must be reported in item 24 regardless of whether or not they received any payments from the union.

All direct disbursements to your union's officers and some indirect disbursements made by your organization on behalf of its officers must be included in the amounts reported in item 24. A "direct disbursement" to an officer is a payment made by your organization to an officer in the form of cash, property, goods, services, or other things of value. An "indirect disbursement" to an officer is a payment made by your organization to another party (including credit card companies) for cash, property, goods, services, or other things of value received by or on behalf of an officer.

It will be necessary for Local 110 to file an amended LM-3 Report for 2003 to correct the deficient items discussed above. The amended report should be submitted to this office at the above address as soon as possible, but no later than January 31, 2005. Before mailing, review the reports thoroughly to be sure they are complete, accurate, and signed properly with original signatures.

I strongly recommend that you make sure that this letter and the compliance assistance materials that were provided to you are passed on to yours and Mr. Echols successors at whatever time you may leave office.

I want to thank you and Mr. Echols for your cooperation and courtesy during this compliance audit. If we can be of any assistance in the future, please do not hesitate to contact me or any other representative of our office.

Sincerely,

FCCJ

Investigator

cc: Mr. Wendell Echols – President