

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Pittsburgh District Office
801 Federal Building
1000 Liberty Avenue
Pittsburgh, PA 15222
(412) 395-6925 / FAX: (412) 395-5409



April 15, 2005

Jeffery R. Forlina, Treasurer
AFGE Local 3951

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Re: Case No. 2

Dear Mr. Forlina:

This office has recently completed an audit of AFGE Local 3951 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, as Amended (LMRDA). As discussed during the exit interview with you on April 15, 2005, the following problems were discussed 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.

The CAP disclosed a violation of Title II, Section 201(a) of the LMRDA, which requires unions to submit copies of its current constitution and bylaws to OLMS with their annual LM report. Since a copy of your current bylaws were received by OLMS, no further action is necessary.

The CAP disclosed another violation of Title II of the LMRDA. Section 206 requires that unions maintain sufficient documentation to verify information reported on the LM reports filed with the Secretary of Labor each year. These records must be maintained for at least five years after the filing of the reports. Specifically, you union failed to maintain records regarding the 166 gift cards that were given away to members as a Christmas Gift. As a way to account for each gift card, I suggest you have each member sign once they receive their gift card. Additionally, records should be maintained regarding donations made by your union. If your union makes a donation, when possible, the check should be made payable to the organization. If a check is written to an individual, then other documentation should be maintained, such as a letter acknowledging receipt of the donation from the organization, or a brochure of the event. Since your union agreed to maintain such documentation in the future, no further action is required at this time.

The CAP disclosed a violation of Title V of the LMRDA. Section 502 requires individuals who handle funds of the each labor organization be bonded in an amount not less than 10 percent of funds handled. Your organization was bonded for \$5,000.00 and OLMS determined a minimum bond of \$15,000.00 was required. Since the local agreed to increase their bond to \$17,500.00, no further action is necessary at this time.

You were also advised that the practice of pre-signing blank union checks should be discontinued immediately. Pre-signing blank checks is not a proper safeguard and could lead to the misuse or embezzlement of union funds.

Finally, should your union choose to use a debit card, it is important to ensure proper safeguards concerning their use are in place. Since debit cards deduct funds directly from the union's account, the person using the card should immediately notify the treasurer with the amount that was debited. Failure to do so could result in insufficient funds, service charges, or misuse of union funds.

I want to extend my personal appreciation to you for your cooperation and courtesy during this compliance audit. If we can be of any assistance in the future, please do not hesitate to call.

Sincerely,

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Investigator

cc: President Brent Lantzy