

U.S. Department of Labor
Pittsburgh District Office

Employment Standards Administration
Office of Labor-Management Standards
1000 Liberty Avenue, Room 801
Pittsburgh, PA 15222



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June 17, 2005

Frank Vavrek, Treasurer
AFGE, AFL-CIO, LU 3848
626 Cochrans Mill Road
PO Box 18161
Pittsburgh, PA 15236-0161

Re: 2

Dear Mr. Vavrek:

This office has recently conducted an audit of the American Federation of Government Employees, AFL-CIO, Local Union 3848 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 President Mark Veres on June 14, 2005, 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.

The CAP disclosed a violation of Title II, Section 201(a), of the LMRDA. Section 201(a) requires that every labor organization shall adopt a constitution and bylaws and file a copy with the Secretary of Labor. Whenever a labor organization amends its bylaws, the labor union must file amended copies with the next required LM report.

In May 2004 your union amended the LU 3848 Bylaws dated 1981. The 1981 original had been submitted to the DOL. Specifically LU 3848 amended its bylaws by reducing the membership meeting quorum from 10 to 6 members. When your union filed the annual financial report, LM-3, required under Section 201(b) for fiscal year ending December 11, 2004, you were required to submit two copies of the updated LU 3848 Bylaws with the report. To correct this violation, you must submit two copies of the updated bylaws to this office by June 24, 2005.

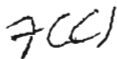
At the exit interview, we discussed record keeping and union practices. I suggested the union begin to use a receipts and disbursements journal. The journal can consist of a notebook listing monthly deposits and expenditures, totaling the list for each month. Additionally I suggested you record the checking account balance on the check stubs, maintaining a running balance as you add receipts and subtract disbursements. These financial practices will allow you to reconcile the union books at the end of the month and at the end of the year. These changes will further assist you to obtain the union's total receipts for the year and your union's book balance at the end of the fiscal year.

You explained a past practice of your union has been to multiply 0.045 for the 401(k) by the lost time hours incurred by union members. This practice should be stated in the union's meeting minutes and retained for the term of this practice.

Lastly we discussed the LM reports. I provided you with a blank LM-4 report and instructions. The LM-4 report may be filed instead of the LM-3 report when the union's total annual receipts for the filing year are less than \$10,000.00.

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

Sincerely,



Investigator

cc: President Mark Veres