

U.S. Department of Labor

Employment Standards Administration
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June 27,2008

Ms. Barbara Rayburn, President
Government Employees, AFGE, Local 1014
Veteran's Administration Medical Center
2360 Pershing Boulevard, Union Office
Cheyenne, Wyoming 82001

LM File Number: 511-836
Case Number: [REDACTED]

Dear Ms. Rayburn:

This office has recently completed an audit of Government Employees, Local 1014 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 Georgia Horne, Treasurer on June 24, 2008, 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 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 organizations 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 1014's 2007 records revealed the following recordkeeping violations:

1. Failure to Record Receipts and Disbursements

AFGE Local 1014 did not keep or maintain a record of its financial transactions in accordance with Section 9 of Local 1014 Bylaws. Union failed to record in its receipts records, dues from direct dues-paying members, or \$100 cash received from an AFGE representative for a "Lunch and Learn" event. The union failed to keep adequate union records to account for all cash disbursed and received for "Lunch and Learn" events it held during the audit period. Union receipts and disbursement records must include an adequate identification of all money the union receives and disburses. The receipts records should show the date and amount received and the source of the money. Disbursement records should show the date and amount of funds disbursed.

2. Receipt Dates not Recorded

AFGE Local 1014 failed to maintain a receipts journal or any record to reflect the date the union deposited money. Union receipts records must show the date of receipt. The date of receipt is required to verify, explain, or clarify amounts required to be reported in Statement B (Receipts and Disbursements) of the LM-3. The LM-3 instructions for Statement B state that the labor organization must record receipts when it actually receives money and disbursements when it actually pays out money. Failure to record the date money was received could result in the union reporting some receipts for a different year than when it actually received them.

3. Information not Recorded in Meeting Minutes

During the audit, the union advised OLMS that Local 1014 did not take or maintain all minutes of membership and executive board meetings. According to Section 27 (b) of Local 1014 Bylaws, minutes must be kept at all meetings and be available upon request. All membership or executive board meetings must report any disbursement authorizations made at those meetings.

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Based on your assurance that Local 1014 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Reporting Violations

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. The Labor Organization Annual Report (Form LM-3) was not filed by Local 1014 for fiscal years ending December 31, 2004 through December 31, 2007.

Local 1014 has now filed its LM-3 report for fiscal year ending December 31, 2007.

Local 1014 must also file an LM-3 report for fiscal years ending December 31, 2005 and December 31, 2006, as agreed to during the exit interview. I provided you with blank forms and instructions, and advised you that the reporting forms and instructions are available on the OLMS website (www.olms.dol.gov). The Form LM-3 reports should be submitted to this office at the above address as soon as possible, but not later than July 10, 2008. Before filing, review the reports thoroughly to be sure they are complete, accurate, and signed properly with original signatures.

I want to extend my personal appreciation to Government Employees, Local 1014 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: Ms. Georgia Horne, Treasurer