



June 9, 2015

Ms. Jennifer L. Grigsby, President  
AFGE Local 2429  
P.O. Box 1603  
Hawthorne, CA 90251

Case Number: 520-6002923( )  
LM Number: 502391

Dear Ms. Grigsby:

This office has completed an audit of AFGE Local 2429 under the Compliance Audit Program (CAP) to determine your organization's compliance with the provisions of the Civil Service Reform Act of 1978 (CSRA), 5 U.S.C. 7120, and the Department's regulations, 29 CFR 458. As discussed during the exit interview with you and Secretary-Treasurer Joann Solano on November 5, 2014, 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.

#### 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 filed by Local 2429 for the fiscal year ended December 31, 2013 was deficient in that Local 2429 did not include some reimbursements to officers totaling \$4,857 in the amounts reported under Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments in Item 54 – Other Disbursements.

The union must report most direct disbursements to Local 2429 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).

Local 2429 has since filed an amended Form LM-3 for the fiscal year ended December 31, 2013, to correct the deficient items discussed above.

Other Violations

The audit disclosed the following other violation:

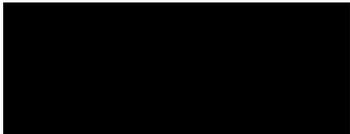
**Inadequate Bonding**

Pursuant to 29 C.F.R. Section 458.35, officers and employees of any labor organization subject to the CSRA are required to be bonded in accordance with Section 502(a) of the LMRDA. This provision requires that union officers and employees be bonded for no less than 10% of the total funds those individuals or their predecessors handled during the preceding fiscal year.

The audit revealed that Local 2429's officers and employees were not bonded for the minimum amount required at the time of the audit. However, Local 2429 obtained adequate bonding coverage and provided evidence of this to OLMS during the audit. As a result, OLMS will take no further enforcement action regarding this issue.

I want to extend my personal appreciation to AFGE Local 2429 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,



Ed Oquendo  
District Director

cc: Ms. Joann Solano, Secretary Treasurer