



October 10, 2012

Mr. Michael Glavin, President
AFGE Local 3399
800 Hospital Drive
Room 513
Columbia, MO 65201

Case Number: [REDACTED]
LM Number: 509995

Dear Mr. Glavin:

This office has recently completed an audit of AFGE Local 3399 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 on October 3, 2012, 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.

Record Keeping 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 organization 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 3399's 2010 and 2011 records revealed the following recordkeeping violations:

1. Credit Card Expenses

Local 3399 officers did not retain adequate documentation for credit card charges. The types of missing documentation included expenses such as gasoline, office purchases, and wireless internet charges.

2. Cash Payments

Local 3399 failed to maintain sufficient documentation for cash payments to new members as well as cash payments to current members or officers for referring new members. Local 3399 would withdraw cash for these payments but did not list who received the cash payments.

As noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. The president and treasurer (or corresponding principal officers) of your union, who are required to sign your union's LM report, are responsible for properly maintaining union records.

Local 3399 has implemented improved record keeping practices during 2012 fiscal year.

Based on your assurance that Local 3399 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Other Violation

The audit disclosed the following other violation(s):

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.

Local 3399's officers and employees are currently bonded for \$5,000 but they must be bonded for at least \$10,500. Local 3399 should obtain adequate bonding coverage for its officers and employees immediately. You agreed to provide proof of bonding coverage to this office as soon as possible.

I want to extend my personal appreciation to AFGE Local 3399 for the cooperation and courtesy

Mr. Michael Glavin

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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,

[REDACTED]
Senior Investigator