

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



November 17, 2005

Troy Bailey, President
AFGE Local 2344
1540 Spring Valley Drive
Huntington, WV 25704

Re:

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Dear Mr. Bailey:

This office has recently completed an audit of your union under the Compliance Audit Program (CAP) to determine your organization's compliance with the provisions of the Civil Service Reform Act (CSRA). As discussed during the exit interview with you on November 17, 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 the CSRA, 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 a violation of the CSRA, which 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 \$21,726.81 was required. Since the local agreed to increase their bond to \$25,000.00, no further action is necessary.

The CAP disclosed another violation of the CSRA, which 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, your union failed to maintain adequate documentation, such as itemized receipts, vouchers, and cancelled checks, to verify disbursements made with union funds. Additionally, there were several financial transactions that were either not entered, or incorrect amounts were entered in the union's records. You were advised that such future violations could result in a criminal investigation. Since you agreed to maintain better documentation and records in the future, no further action is required at this time.

Additionally, I recommend that your union avoids making cash withdrawals in the future. As with any financial transaction, if cash is withdrawn, adequate documentation must be maintained to verify the transaction was for a legitimate union purpose.

Overall, your records were unorganized and in poor condition. You were offered suggestions of how to better maintain your financial records. I strongly recommend that your Secretary-Treasurer attend the AFGE Treasurer's Training Course.

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

Sincerely,

FC

Investigator