



June 16, 2016

Ms. Angela Patterson, Treasurer  
AFGE LU 2459  
3614 Leopard Drive  
Texarkana, TX 75501

Case Number: 420-6007432  
LM Number: 501476

Dear Ms. Patterson:

This office has recently completed an audit of AFGE LU 2459 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, President Donnie Golden, 1<sup>st</sup> Vice President John Huddleston, Sergeant at Arms Bo Watson, Chief Steward Robert Young, Jr., and 2<sup>nd</sup> Vice President Burl Fant on June 15, 2016, 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 Violation

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 LU 2459's 2015 records revealed the following recordkeeping violation:

### Missing Voucher or Receipt

LU 2459 did not retain adequate documentation for check [REDACTED] in the amount of \$130.00.

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. The union has agreed to maintain all vouchers and receipts to support union disbursements.

Based on your assurance that LU 2459 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations

### Reporting Violation

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 LU 2459 for the fiscal year ended December 31, 2015, was deficient in the following area:

#### Disbursements to Officers

LU 2459 did not include a disbursement to Donnie Golden totaling \$25.00 in the amounts reported Item 24 (All Officers and Disbursements to Officers). The union has agreed to properly report all disbursements to officers.

The union must report most direct disbursements to LU 2459 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).

I am not requiring that LU 2459 file an amended LM report for 2015 to correct the deficient items, but LU 2459 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to AFGE LU 2459 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,

[REDACTED]

Investigator

cc: Mr. Donnie Golden, President  
Mr. John Huddleston, 1st Vice President  
Mr. Burl Fant, 2<sup>nd</sup> Vice President  
Mr. Bo Watson, SAA  
Mr. Robert Young, Chief Steward  
[REDACTED] Secretary