



December 7, 2010

Mrs. Pamela Gilbertz, President
AFGE, Local Union 2883
P.O. Box 33056
Decatur, GA 30033-0056

Case Number: [REDACTED]
LM Number: 501036

Dear Mrs. Gilbertz:

This office has recently completed an audit of AFGE, Local Union 2883 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 Treasurer Dionne Mason on November 22, 2010, 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 requires, among other things, that labor organizations maintain adequate records for at least five years by which each receipt and disbursement of funds, as well as all account balances, can be verified, explained, and clarified. As a general rule, labor organizations must maintain 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 2883's 2008 records revealed the following recordkeeping violations:

1. General Reimbursed Expenses

Local 2883 did not retain adequate documentation for reimbursed expenses incurred by union officers and employees from January through August 2008 totaling at least \$2,200. For example, reimbursements of \$180 to [REDACTED] for March, April and May 2008 lunch purchases for membership meetings were not supported with receipts; reimbursements of \$245 to Terrence Manning for lunch purchases and airport parking were not supported with receipts; and checks totaling \$800 were disbursed to Alma Head for 2008 officers election purchases, but no receipts were available to support the disbursements.

As previously 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.

2. Failure to Record Receipt

Local 2883 did not record in its receipts ledger a September deposit. On September 9, 2008, a transfer credit in the amount of \$3,379 was deposited into the checking account from the savings account. The transaction appeared on the bank statement but it was not posted in the union's receipts column.

Union receipts records must include an adequate identification of all money the union receives. The records should show the date and amount received, and the source of the money.

3. Failure to Record Disbursement

Local 2883 did not record in its disbursement ledger a December disbursement. On December 24, 2008, counter check # [REDACTED] in the amount of \$400 was transacted by Secretary/Treasurer Sherri Wong. The check was shown on the bank statement but it was not posted in the union's disbursement column.

Based on your assurance that Local 2883 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Reporting Violations

The audit disclosed a violation of LMRDA Section 201(b), which requires labor organizations to file annual financial reports accurately disclosing their financial condition and operations. The Labor Organization Annual Report (Form LM-3) filed by Local 2883 for fiscal year ending December 31, 2008, was deficient in the following areas:

1. Disbursements to Officers (LM-3)

Local 2883 did not include some disbursements to officers totaling at least \$2,000 in the amounts reported in Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments in Item 24, or some of the reimbursements were not attributed to an officer's name at all. For example, Vice President [REDACTED] and Secretary/Treasurer [REDACTED] were both issued checks for reimbursements, but the dollar amounts were not attributed to them as an officer. Another example is that funds disbursed to Secretary/Treasurer Sherrie Wong were under reported by approximately \$1,200.

The union must report most direct disbursements to Local 2883 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).

2. Cash Reconciliation

It appears that figures reported in items 25, 38, 41, 43, 44, 45, 46, 48, 51, 54 and 55 are not the cash figures according to the union's books after reconciliation to the bank statements. The instructions for Item 25 state that the union should obtain account balances from its books as reconciled to the balances shown on bank statements.

Local 2883 must file an amended Form LM-3 for fiscal year ending December 31, 2008, to correct the deficient items discussed above. I provided you with a blank form and instructions, and advised you that the reporting forms and instructions are available on the OLMS website (www.olms.dol.gov). The amended Form LM-3 should be submitted to this office at the above address as soon as possible, but not later than December 16, 2010. Before filing, review the report thoroughly to be sure it is complete, accurate, and signed properly with original signatures.

I want to extend my personal appreciation to AFGE, Local Union 2883 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,

t
Investigator

CC: Dionne Mason, Treasurer