

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
New York District Office
201 Varick Street, Room 878
New York, NY 10014
(646) 264-3190 / FAX: (646) 264-3191



July 28, 2005

Mr. Michael Borg
451 Atlantic Avenue
Aberdeen, New Jersey 07747

Re: Case No. 130-12647

Dear Mr. Borg:

This office has recently completed an audit of American Federation of Government Employees Local 2149 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 Charles Keener, Treasurer of local 2149 on July 6, 2005, 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.

The CAP disclosed the following:

1. Your labor organization failed to file the annual financial report LM-3 for fiscal years ending 06/30/01, 06/30/02, 06/30/03, and 06/30/04. Please be advised that section 201 (b) of the Labor-Management Reporting & Disclosure Act of 1959, (LMRDA or the ACT) requires unions to file annual financial reports with the Department of Labor within 90 days after the close of the union's fiscal year. Therefore, the LM-3 reports for each of the fiscal years referenced above are long overdue.

As we discussed during the exit interview that was conducted on July 6, 2005, the LM-3 reports for fiscal years ending 06/30/03 and 06/30/04 must be filed on or before **August 18, 2005**. A separate LM-3 report must be filed for each fiscal year. Each of the reports must be signed by the President and Treasurer, or corresponding principal officers. The LM-3 reports must be forwarded directly to the attention of

7(c) at the address indicated on this letterhead. Since neither you nor Mr. Keener were in office when the LM-3 reports for fiscal years ending 06/30/03 and 06/30/04 were due, the reports

may be signed by

7(c)

former President and Treasurer respectively of

AFGE local 2149. If it is not possible to obtain their signatures, then you and Mr. Keener should sign the reports. Enclosed are the LM-3 forms with instructions as to prepare the LM-3.

As you were advised during the exit interview, your union will not be required to file the LM-3 report for fiscal years ending 06/30/01 and 06/30/02, at this time. However, please be advised that in the event any member of your union or any member of the public should request a copy of the LM-3 reports for fiscal years ending 06/30/01 and /or 06/30/02, then LM-3 reports for those fiscal years will have to be filed with this office, and provided to whomever may request those reports.

2. During the exit interview you and Mr. Keener were advised that your union's bonding coverage of \$7,500.00 was inadequate. Section 502 (a) of the LMRDA requires unions to obtain bonding coverage for their officers and employees who physically handle union funds, or who make decisions as to how union funds are to be spent. Each officer who handles union funds or who decides how those funds are to be spent must be bonded for at least 10% of the assets plus the receipts as of the latest completed fiscal year. During the exit interview it was agreed that your union would increase its bonding coverage to \$12,500.00. Please be advised that this issue has been resolved, since our office has received your union's amended certificate of bonding coverage, which confirms that your union currently has bonding coverage from 4 in the amount of \$12,500.00.

3. During the exit interview you and Mr. Keener were advised that bank statements and canceled checks were missing for the months of 10/03, 01/04, 03/04, 04/04, 05/04, and 06/04. The compliance audit was unable to be completed until copies of those bank statements and canceled checks were obtained from 4 where the union maintained its checking account during the audit period.

Please be advised that section 206 of the LMRDA requires labor organizations to maintain all books and records for a period of 5 years. You and Mr. Keener made a commitment that effective immediately, your union will maintain its books and records for a period of not less than 5 years. A copy of the LMRDA is enclosed for your information.

I want to extend my personal appreciation for your cooperation and courtesy during this compliance audit. If we can be of any assistance in the future, please do not hesitate to call Investigator Steven Biller at (646) 264-3183.

Sincerely,

7(c)

investigator

cc: Charles Keener

Enclosures