



December 15, 2010

Ms. Karin T. Thompson, President
Government Emp AFGE LU 2138
555 Willard Avenue
Newington, CT 06111

Case Number: [REDACTED]
LM Number: 542-668

Dear Ms. Thompson:

This office has recently completed an audit of Gov Emp AFGE LU 2138 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, Sec-Treas George Cross, Fair Practices Coordinator Kathryn Keegan, and Acting Recording Secretary Marie Souza on December 8, 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.

Recording 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 2138's 2009 records revealed the following recordkeeping violation:

Recordkeeping Violation

1. Information not Recorded in Meeting Minutes

While information in the November 2009 minutes indicated that a meeting was held in October 2009, and that it was a contentious meeting, in which various items were discussed, there were no minutes for the October meeting in your files. During the audit, you indicated that some union records had been removed from the union office while you were out sick in 2009, and that the October minutes had never been recovered. Minutes of all membership or executive board meetings must report any disbursement authorizations made at those meetings.

Based on your assurance that Local 2138 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Reporting Violations

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 (LM-3) filed by Local 2138 for fiscal year ending December 31, 2009, was deficient in the following areas:

1. Disbursements to Officers (LM-3)

Local 2138 did not include some reimbursements to officers totaling at least \$347 in the amounts reported Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments in Item 54, Other Disbursements. These omissions included a reissued check (#■■■■, for \$59.50) and a reimbursement check (#■■■■, for \$40.10) paid to Secretary-Treasurer George Cross, a reimbursement for amounts spent on a retirement party (#■■■■ for \$230) paid to President Karin Thompson, and reimbursement for postage costs to Chief Steward Elizabeth McElrath (#■■■■, for \$17.50).

The union must report most direct disbursements to Local 2138 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).

Based on your assurance that Local 2138 will properly report such items in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Other Violations

The audit disclosed the following other violation:

1. 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 2138's officers and employees are currently bonded for \$15,000, but they must be bonded for at least \$15,608. Local 2138 should obtain adequate bonding coverage for its officers and employees immediately. Please provide proof of bonding coverage to this office as soon as possible, but not later than January 17, 2011.

I want to extend my personal appreciation to Government Employees, AFGE LU 2138 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,



Investigator

cc: Mr. George Cross, Secretary-Treasurer