

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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April 28, 2008

Ms. Faye Fowler, President
AFSCME, AFL-CIO Local 3382
1004 N. Breens Bay Road
Oconomowoc, WI 53066

LM File Number: 517-567
Case Number: [REDACTED]

Dear Ms. Fowler:

This office has recently completed an audit of AFSCME Local 3382 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 Treasurer Patricia Becker on April 25, 2008, 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 3382's 2007 records revealed the following recordkeeping violations:

General Reimbursed Expenses

Local 3382 did not retain adequate documentation for reimbursed meal expenses and reimbursed mileage expenses incurred by officers totaling at least \$404.34. For example, Treasurer Patricia Becker claimed reimbursement for a meal on April 14, 2007, for \$114. The expense voucher notes the purpose of the meal as "Rochester Dinner - Review Board - Closing for 2006 Trustees", and identifies the diners as "Me" and "Andrea." However, the itemized receipt shows that five meals were purchased.

Union records of meal expenses must include written explanations of the union business conducted and the full names and titles of all persons who incurred the restaurant charges. Also, the records retained must identify the names of the restaurants where the officers or employees incurred meal expenses. Itemized receipts provided by restaurants to officers and employees must also be maintained. These itemized receipts are necessary to determine if such disbursements are for union business purposes and to sufficiently fulfill the recordkeeping requirement of LMRDA Section 206.

For reimbursed mileage expenses, the union must maintain records which identify the dates of travel, locations traveled to and from, and number of miles driven. The record must also show the business purpose of each use of a personal vehicle for business travel by an officer or employee who was reimbursed for mileage expenses.

Based on your assurance that Local 3382 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Reporting Violation

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 LM-3 filed by Local 3382 for fiscal year ending December 31, 2007, was deficient in the following area:

Reporting of a Subsidiary Organization

Item 10 (Have a “subsidiary organization” as defined in Section X of the instructions?) should have been answered “no” because Local 3382 does not have a subsidiary organization. Section X of the LM-3 instructions defines a subsidiary organization as “any separate organization of which the ownership is wholly vested in the reporting labor organization or its officers or its membership, which is governed or controlled by the officers, employees, or members of the reporting labor organization, and which is wholly financed by the reporting labor organization.” Local 3382 has different chapters within the local, but these chapters are not considered subsidiary organizations for LM reporting purposes.

I am not requiring that Local 3382 file an amended LM report for 2007 to correct the deficient items, but Local 3382 has agreed to properly report the deficient item on all future reports it files with OLMS.

I want to extend my personal appreciation to AFSCME Local 3382 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: Patricia Becker, Treasurer