



August 29, 2005

Mr. Dwight Jenkins  
Secretary-Treasurer, Local 3343  
American Federation of Government Employees, AFL-CIO  
c/o SSA  
500 Federal Street  
Troy, NY 12180-2832

RE: \_\_\_\_\_ 2

Dear Mr. Jenkins:

This office has completed an audit of the American Federation of Government Employees (AFGE), AFL-CIO, LU 3343, under the Compliance Audit Program (CAP) to determine compliance with the provision of Title VII of the Civil Service Reform Act of 1978 (CSRA) by your organization. As explained to you and Mr. Pedro Aviles during our opening and closing interviews, the reporting requirements that are required under the Labor-Management Reporting Disclosure Act of 1959 (LMRDA) are applicable to federal sector unions as stated in the CSRA Standards of Conduct Regulations, section 458.3. I have included the Standards of Conduct regulations booklet and the LMRDA booklet for your reference.

These regulations establish certain reporting and recordkeeping requirements. Section 206 requires, among other things, that adequate records be maintained 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, all records used or received in the course of doing union business must be retained. In the case of disbursements, this includes not only the retention of original bills, invoices, receipts, and vouchers, but also adequate additional documentation showing the nature of the union business requiring the disbursements, the goods or services received, and the identity of the recipients of the goods or services. In the case of receipts, records must include the date, amount, purpose, and source of all monies received by Local 3343.

As discussed during the exit interview with yourself and President Pedro Aviles on August 19, 2005, the following problems were disclosed during the CAP:

- Local 3343 properly maintained the majority of documentation necessary to verify its financial activities. However, sufficient documentation was not maintained in support of all disbursements. The date, amount and business purpose of every expense must be recorded on at least one union record.

For example, receipts were not retained to back up check numbers. Though the union retained an email from the individual requesting the reimbursement, but no receipts were in the records. Receipts should be retained.

If a receipt is not sufficiently descriptive, a note can be written on it providing the additional information. For example, a receipt for a dinner at Buca di Beppo restaurant which the union paid for was included in the records, but it was not descriptive enough to explain the purpose of this restaurant and who was present at this dinner.

As agreed, provided that Local 3343 maintain adequate documentation for its disbursements in the future, no additional enforcement action will be taken regarding this violation.

The CAP disclosed a violation of the CSRA regulations which requires that unions submit a copy of their current constitution and bylaws with its LM report when bylaw changes are made.

- Local 3343 failed to file an amended Constitution and Bylaws with our office as required. As discussed, your union just recently amended the Constitution and Bylaws in April 2004. Please be sure to include two copies with any amendments with your annual LM report in the future.

I also made the following recommendations regarding internal controls Local 3343:

- During the audit, you advised that you sign blank checks in advance. Your union's bylaws require that all checks be signed by the president and treasurer. The countersignature requirement is an effective internal control of union funds. Its purpose is to attest to the authenticity of a completed document already signed. However, countersigning a blank check in advance does not attest to the authenticity of a completed check, and completely circumvents and undermines the whole purpose of the countersignature requirement. You may want to revise your check disbursement method. Try to arrange more frequent meetings to avoid this practice.
- When issuing travel advances, issue only checks, not cash, to keep more accurate track of your disbursements. I also suggested that those officers who are traveling utilize their government credit card for cash advances for per diem, and then request reimbursement for the additional per diem the union provides.
- Two officers should be reviewing and signing off on vouchers. If one of the individuals submitting the request is an officer, have another officer review and sign.
- Consider establishing an audit committee to thoroughly review the union's financial books as a system of checks and balances.

I strongly recommend that you make sure that this letter and the compliance assistance materials that were provided to you are passed on to yours and Mr. Aviles's successors at whatever time you may leave office

I want to thank you and Mr. Jenkins for your cooperation and courtesy during this compliance audit. If we can be of any assistance in the future, please do not hesitate to contact me or any other representative of our office at 716/551-4976; after September 26, 2005, please contact 716/842-2900.

Sincerely,

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Investigator

Cc: Pedro Aviles, President