



June 24, 2011

Mr. Jule Garrison, President
Government Employees AFGE AFL-CIO Local 1815
PO Box 620726
Ft Rucker, AL 36362

Case Number: [REDACTED]
LM Number: 501488

Dear Mr. Garrison:

This office has recently completed an audit of Government Employees AFGE AFL-CIO Local 2206 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 Secretary/Treasurer Jimmy Parker on June 16, 2011, 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 1815's 2010 records revealed the following recordkeeping violations:

1. Information not Recorded in Meeting Minutes

During the audit President Jule Garrison advised OLMS that the Executive Board

authorized a purchase of a Dell computer system on 4-29-10 in the amount of \$1,735.20. Garrison advised the membership was aware of the purchase but no minutes or documented approval by the membership was present. Article V, Section 2 of the by laws dated June 2007 require all expenses in excess of \$500.00 to be approved by the membership. Minutes of all membership or executive board meetings must report any disbursement authorizations made at those meetings.

2. Disposition of Property

Local 1815 did not maintain an inventory of hats it purchased, sold, or gave away. The union must report the value of any union property on hand at the beginning and end of each year in Item 30 of the LM-3. The union must retain an inventory or similar record of property on hand to verify, clarify, and explain the information that must be reported in Item 30.

The union must record in at least one record the date and recipient of each hat given away or the amount received from each sale.

3. Voided Checks

Local 1815 did not retain four voided checks. There was no dollar amount listed in the union records for the checks. Voided checks are required to be maintained to provide in sufficient detail the necessary information to explain or clarify the information provided in the union records.

4. General Disbursements

Local 1815 did not retain adequate documentation for disbursements totaling at least \$49.91. For example, a check dated 1-6-10, in the amount of \$49.91, payable to Ivy Florist in Enterprise, AL did not have an invoice or receipt.

As 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.

5. Fixed Assets

Local 1815 did not have a fixed asset list or inventory sheet that could be located for the audit year or any previous year. The union had fixed assets, including, but not limited to: copier/printers, desktop computers, a microwave oven, and office furniture. The proper maintenance of union records is the responsibility of the president and treasurer (or corresponding principal officers) of your union who are required to sign your union's LM report.

Based on your assurance that Local 1815 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Reporting Violation

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 Form LM-3 filed by Local 1815 for fiscal year ending December 31, 2009, was deficient in the following area:

Certificates of Deposit Reported As Investments

Local 1815 improperly included the value of a certificate of deposit as an investment on line 28 (Investments) of the Form LM-3. For LM reporting purposes, OLMS considers a certificate of deposit to be cash. The purchase or redemption of a certificate of deposit is a transfer of cash from one account to another and, therefore, the local should not report these transactions as receipts or disbursements.

I am not requiring that Local 1815 file an amended LM report for 2009 to correct the deficient item, but Local 1815 has agreed to properly report the deficient item on all future reports it files with OLMS.

Other Violation

Failure to File Required Financial Reports

The audit revealed that Local 1815 had not filed their Form LM-3 for FYE December 31, 2010 as of June 16, 2011. Local 1815 must file a Form LM-3 for FYE December 31, 2010. The Form LM-3 should be submitted to the US Department of Labor National Office as soon as possible, but no later than July 1, 2011. Before filing, review the report thoroughly to be sure it is complete and accurate, and properly signed with original signatures.

I want to extend my personal appreciation to Government Employees AFGE AFL-CIO Local 1815 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,

[REDACTED]

Investigator

cc: Jimmy Parker, Financial Secretary