



April 23, 2015

Mr. Christopher James, Treasurer
AFSCME Local 46

Case Number: 310-6003668()
LM Number: 542972

Dear Mr. James:

This office has recently completed an audit of AFSCME Local 46 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 on April 7, 2015, 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.

Reporting Violations

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 (Form LM-3) filed by Local 46 for the fiscal year ended December 31, 2013, was deficient in the following areas:

1. Disbursements to Officers

Local 46 did not include some reimbursements to officers totaling at least \$5,400.00 in the amounts reported in Column E of Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments in Item 48 (Office and Administrative Expenses) or Item 54 (Other Disbursements). Additionally, Local 46 did not report the names of some officers and the total amounts of payments to them or on their behalf in Item 24 (All Officers and Disbursements to Officers). The union must report in Item 24 all persons who held office during the year, regardless of whether they received any payments from the union.

The union must report most direct disbursements to Local 46 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).

2. Payroll Deductions

Local 46 did not include some payroll deductions from officers on Line 10 in Item 24. The union must report on Line 10 the total amount of withheld taxes, payroll deductions, and other deductions from officers' wages. Disbursements for the transmittal of withheld taxes, payroll deductions and other deductions must be reported in Item 54 (Other Disbursements).

3. Failure to File Bylaws

The audit disclosed a violation of LMRDA Section 201(a), which requires that a union submit a copy of its revised constitution and bylaws with its LM report when it makes changes to its constitution or bylaws. Local 46 amended its constitution and bylaws in 2005, but did not file a copy with its LM report for that year. Local 46 filed a copy of its constitution and bylaws during the compliance audit; therefore, no further action needs to be taken.

Local 46 must file an amended Form LM-3 for the fiscal year ended December 31, 2013, to correct the deficient items discussed above. I encourage Local 46 to complete, sign, and file its report electronically using the Electronic Forms System (EFS) available at the OLMS website at www.olms.dol.gov. Reporting forms and instructions can be downloaded from the website, if you prefer not to file electronically. The amended Form LM-3 should be filed electronically no later than May 8, 2015 or submitted to this office at the above address by the same date. Before filing, review the report thoroughly to be sure it is complete and accurate. Paper reports must be signed with original signatures.

I want to extend my personal appreciation to AFSCME Local 46 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. Robert Sollars, President