



January 3, 2024

Mr. Victor Powers, President  
AFGE Local 2586  
PO Box 839  
Altus, OK 73521

Case Number: 420-6027550( )  
LM Number: 501338

Dear Mr. Powers:

This office has recently completed an audit of American Federation of Government Employees (AFGE) Local 2586 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 Treasurer Martha Aponte-Hittle, Vice President Bill Gunther, and yourself on December 20, 2023, 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 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 organizations 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/purpose 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 AFGE Local 2586's 2022 records revealed the following recordkeeping violations:

1. Failure to Record Receipts

Local 2586 did not record in its receipts records the money received from the snack area (aka “vending machine”). Union receipts records must include an adequate identification of all money the union receives. The records should show the date and amount received, and the source of the money.

2. Information not Recorded in Meeting Minutes

Local 2586 failed to provide meeting minutes for months when meetings were held. For example, there were no Membership meeting minutes for April, May, and June 2022. In addition, there were no Executive Board meeting minutes provided for January, May, July, and October 2022. Minutes of all membership or executive board meetings must report what was discussed and any disbursement authorizations made at those meetings.

3. General Reimbursed Expenses

Local 2586 did not retain adequate documentation for reimbursed expenses incurred by union officers and employees. For example, Member Jason Stufft was reimbursed \$656.31 for a television purchase for Local 2586’s Executive Board meeting room. Former Treasurer Josie Hill was reimbursed \$2,179 for travel and attendance at the AFGE convention in Florida, and received checks [REDACTED] and [REDACTED] for new member recruitment. Former Local 2586 President Kevin Davenport received check [REDACTED] for new member recruitment, and current Local 2586 President Victor Powers received checks [REDACTED] and [REDACTED] for new member recruitment.

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.

4. Credit Card Expenses

Local 2586 did not retain adequate documentation for credit card expenses incurred by union officers totaling at least \$1,507.73. For example, current Local 2586 President Victor Powers made a purchase of \$21.50 from Whataburger on 11/18/2022; Former Treasurer Josie Hill made a purchase of \$33.40 from Amazon on 10/03/2022, and former Local 2586 President Kevin Davenport made a purchase from Jersey Mike’s Subs for \$48.87 on 12/22/2022.

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.

The proper maintenance of union records is the personal responsibility of the individuals who are required to file Local 2586's LM report. You should be aware that under the provisions of Section 209(a) of the LMRDA and Section 3571 of Title 18 of the U.S. Code, willful failure to maintain records can result in a fine of up to \$100,000 or imprisonment for not more than one year, or both. Under the provisions of Section 209(c) of the LMRDA and Section 3571 of Title 18 of the U.S. Code, willful destruction or falsification of records can result in a fine of up to \$100,000 or imprisonment for not more than one year, or both. The penalties provided in Section 209(c) and Section 3571 of Title 18 apply to any person who caused the violations, not just the individuals who are responsible for filing the union's LM report.

### 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 (Form LM-3) filed by Local 2586 for the fiscal year ended December 31, 2022, was deficient in the following areas:

#### 1. Disbursements to Officers

Local 2586 failed to 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. For example, former Treasurer Josie Hill received two new member/recruitment checks totaling \$150, which was reported erroneously in Item 48 (Officer and Administrative Expenses). Former President Kevin Davenport and Former Executive Vice President Victor Powers, both received \$250 in new member/recruitment checks; however, not only were these disbursements erroneously reported in Item 48, neither individual was listed as officers on the LM-3 report. In addition, Powers made a purchase of \$21.50 from Whataburger and Davenport made a purchase of \$48.87 from Jersey Mike's Subs.

The union must report most direct disbursements to Local 2586 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. Erroneously Reported Expenses

Local 2586 failed to properly report several expenses totaling \$82,712.49 under the correct item number on their 2022 LM-3 report. It appears the union erroneously reported these payments in Item 48 (Office and Administrative Expenses). For example, Davenport made a purchase of \$1,721 from LRP Publications. Local 2586 officers purchased approximately \$3,248.08 in turkeys, hams, and various raffle items that were given to the membership. Check [REDACTED], dated July 8, 2022 for \$5,529.41 was written to Local 908 for legal fees. Local 2586 made Per Capita Tax payments of \$72,214 to AFGE National. See the instructions for Statement B for the proper place to report all other receipts and disbursements.

Local 2586 must file an amended Form LM-3 for the fiscal year ended December 31, 2022, to correct the deficient items discussed above. The report must be filed electronically using the Electronic Forms System (EFS) available at the OLMS website at [www.olms.dol.gov](http://www.olms.dol.gov). The amended Form LM-3 must be filed no later than **January 12, 2024**. Before filing, review the report thoroughly to be sure it is complete and accurate.

I want to extend my personal appreciation to AFGE Local 2586 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: Mrs. Martha Aponte-Hittle, Treasurer  
Mr. Bill Gunther, Vice President