



March 29, 2024

Mr. Christopher Bovie, President
Government Employees, AFGE, AFL-CIO
Local Union 2610
P.O. Box 3023
1 VA Center
Augusta, ME 04330

Case Number: 110-6027980()
LM Number: 503731

Dear Mr. Bovie:

This office has recently completed an audit of AFGE, Local 2610 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 you and Treasurer Leila Mills on March 20, 2024, 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 organization 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 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 2610's 2023 records revealed the following recordkeeping violations:

1. Reimbursed Auto Expenses

President Bovie received reimbursement for business use of his personal vehicle and did not retain adequate documentation to support payments to him totaling at least \$1,171 during 2023. 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.

2. Credit Card Expenses

Local 2610 did not retain adequate documentation for credit card expenses incurred by President Bovie totaling at least \$379. For example, a \$222 charge to Hilton Hotel on August 6, 2022 was not supported with a receipt or invoice. Also, a \$87 parking garage fee on August 13, 2022 was not accompanied with a 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.

Based on your assurance that Local 2610 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

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 2610 for the fiscal year ended June 30, 2023, was deficient in the following areas:

1. Disbursements to Officers

Local 2610 did not include some payments to officers for salary and reimbursed expenses totaling at least \$30,873 in the amounts reported Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported most of these payments in Item 49 (Professional Fees).

The union must report most direct disbursements to Local 2610 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. Professional Fees not Reported Properly

Local 2610 failed to properly report disbursements for professional fees in Item 49 of the LM-3 Report. The union reported \$26,845 in Item 49, however, the audit found that the union disbursed only \$1,630 for accounting fees. It appears the union erroneously reported other compensation paid to officers in Item 49 (Professional Fees), which should be reported in Item 24 (All Officers and Disbursements to Officers), next to the officers' name.

3. Investments not Reported Properly

Local 2610 failed to properly report the amounts of their investments in Item 28 (Investments). A review of the union's investment portfolios identifies that the unions' starting and ending balance was \$92,649 and \$106,432, respectively.

4. Office and Administrative Expenses

Local 2610 failed to properly report the amount of office and administrative expenses in Item 48 (Office and Administrative Expenses). The audit found that the only expenses related to office and administrative purposes were that of indirect payments for temporary lodging and transportation worth \$17,246. Therefore, it appears the union overreported its expenses in this category.

According to the LM-3 Instructions, in Item 48, the union should report the total disbursements for its ordinary office and administrative expenses, for example, rent, utilities, office supplies, postage, subscriptions, fidelity bond premiums, etc. Further, the LM-3 Instructions state that disbursements for temporary lodging and transportation by public carrier of officers should be reported in Item 48 when payment is made through a credit arrangement.

5. Failure to File Bylaws

Pursuant to 29 C.F.R. Section 458.3, the requirement under 29 C.F.R. Section 402.4 implementing LMRDA Section 201(a) is made applicable to labor organizations subject to the requirements of the CSRA. This provision requires labor organizations to file copies of

any revised constitution and bylaws when it files its annual financial report. The audit disclosed a violation of this requirement. Local 2610 amended its constitution and bylaws in 2003 but did not file the required copies with its LM report for that year. As agreed, Local 2610 will file a copy of its current constitution and bylaws with OLMS as soon as possible but not later than April 5, 2024.

Local 2610 must file an amended Form LM-3 for the fiscal year ended June 30, 2023, 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. The amended Form LM-3 must be filed no later than April 5, 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 Union 2610 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: Ms. Leila Mills, Treasurer