



May 3, 2024

Mr. Gilbert Garcia, former Treasurer
Government Employees (AFGE) Local 1944 AFL-CIO
11310 Oro Canyon
San Antonio, TX 78254

Case Number: 420-6027945()
LM Number: 503558

Dear Mr. Garcia:

This office has recently completed an audit of Government Employees AFGE Local 1944 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 on May 1, 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 1944's 2022 records revealed the following recordkeeping violations:

1. General Disbursements and Reimbursed Expenses

Local 1944 did not retain adequate documentation for general disbursements and reimbursed expenses incurred by former officers totaling at least \$38,242.52. For example, former officers failed to submit proper receipts and invoices to support at least 16 disbursements for meals, travel expenses, supplies, legal services, etc.

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.

2. Failure to Keep Records

Local 1944 did not maintain union records of receipts or disbursements. Union receipts and disbursements records are necessary to verify the accuracy of the information reported on LM reports and must include an adequate identification of all money the union receives and spends.

Because Local 1944 terminated on November 28, 2023, 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 violations of this requirement in that:

1. Disbursements to Officers

Local 1944 did not include some reimbursements to officers totaling at least \$5,188.31 in the amounts reported Item 24 (All Officers and Disbursements to Officers) on their 2022 LM-3 report. It appears the union erroneously reported these payments in Item 48.

The union must report most direct disbursements to Local 1944 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. Failure to File

Local 1944 terminated on November 28, 2023, but did not file the required terminal LM report using the OLMS Electronic Filing system (EFS) within 30 days after the date of termination. As agreed, Local 1944 will file a terminal report with OLMS as soon as possible but not later than May 15, 2024.

Other Violation

The audit disclosed the following other violation:

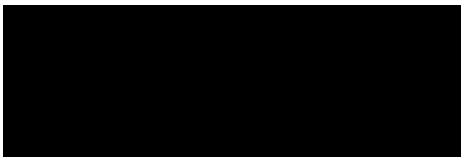
Inadequate Bonding

Pursuant to 29 C.F.R. Section 458.35, officers and employees of any labor organization subject to the CSRA are required to be bonded in accordance with Section 502(a) of the LMRDA. This provision requires that union officers and employees be bonded for no less than 10% of the total funds those individuals or their predecessors handled during the preceding fiscal year.

The audit revealed that Local 1944's officers and employees were not bonded for the minimum amount required at the time of the audit. However, Local 1944 was terminated on November 28, 2023. As a result, OLMS will take no further enforcement action regarding this issue.

I want to extend my personal appreciation to AFGE Local 1944 for the cooperation and courtesy extended during this compliance audit. If we can provide any additional assistance, please do not hesitate to call.

Sincerely,



Senior Investigator