

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Boston District Office
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November 4, 2009

Ms. Susan Skayne, President
AFGE Local 3760
99 High Street, Suite 400
Boston, MA 02110

LM File Number: 511-838

Case Number: [REDACTED]

Dear Ms. Skayne:

This office has recently completed an audit of AFGE Local 3760 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 October 30, 2009, 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

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. The provision requires labor organizations to file annual reports that accurately disclose their financial condition and operations. The audit disclosed a violation of this requirement. The Labor Organization Annual Report LM-3 filed by Local 3760 for fiscal year ending December 31, 2008, was deficient in the following area:

Disbursements To Officers

Local 3760 did not include reimbursements to officers totaling at least \$100 in the amounts reported in Items 24 E (All Officers and Disbursements to Officers). It appears the union erroneously reported the reimbursement payment in Item 51 (Contributions, Gifts & Grants).

The union must report most direct disbursements to Local 3760 officers and some 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).

I am not requiring that Local 3760 file an amended LM report for 2008 to correct the deficient item, but Local 3760 has agreed to properly report the deficient item on all future reports it files with OLMS.

Other Issues

Signing Checks

During the audit, you advised that only the treasurer signs checks. Your union's by-laws require that all checks be signed by the president and treasurer. The two signature requirement is an effective internal control of union funds. Its purpose is to attest to the authenticity of a completed document already signed. OLMS recommends that Local 3760 review these procedures to improve internal control of union funds.

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I want to extend my personal appreciation to AFGE Local 3760 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,

Mark Letizi
District Director

CC: Ms. Patricia White, Treasurer