

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Seattle District Office
1111 Third Avenue
Suite 605
Seattle, WA 98101
(206) 398-8099 Fax:(206) 398-8090



March 14, 2008

Mr. David Smith, Treasurer
AFGE, LU 1104
1450 Queen Avenue Southwest
Albany, OR 97321

LM File Number: 541-351
Case Number: [REDACTED]

Dear Mr. Smith:

This office has recently completed an audit of AFGE, LU 1104 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 January 31, 2008, 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 Violation

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-4) filed by Local 1104 for fiscal year ending December 31, 2007, was deficient in that Local 1104 failed to file its most recent bylaws.

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 1104 amended its constitution and bylaws in 2006, but did not file the required copies with its LM report for that year. Local 1104 has now filed a copy of its constitution and bylaws.

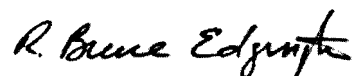
Other Issues

Dual Signatures

During the audit, you stated that you are typically the only signer on the union's checks. Your union's bylaws require that all checks be signed by the president and treasurer. The two signature requirement is an effective internal control of union funds. OLMS recommends that Local 1104 review these procedures to improve internal control of union funds.

I want to extend my personal appreciation to AFGE, LU 1104 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,



R. Bruce Edgington
District Director

cc: John Clark, President