



March 27, 2023

Mr. Timothy Blakey, Treasurer
SMART LU 95
20 McGregor Court
Clifton Park, NY 12065

Case Number: 110-6025732()
LM Number: 540563

Dear Mr. Blakey:

This office has recently completed an audit of SMART LU 95 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 and President Melvin Holmes on March 23, 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 requires, among other things, that labor organizations maintain adequate records for at least five years by which each receipt and disbursement of funds, as well as all account balances, can be verified, explained, and clarified. As a general rule, labor organizations must maintain 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 95's 2022 records revealed the following recordkeeping violations:

1. General Reimbursed Expenses

Local 95 did not retain adequate documentation for reimbursed cell phone and internet expenses incurred by former President Lauren Kross and former Secretary Kassie Cleary totaling at least \$1,689. For example, only partial bills for cell phone services were retained by the union. The union must maintain full receipts and invoices to determine the amounts reimbursed are for union business purposes a Section 206.

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. Reimbursed Auto Expenses

Former Local Chairman John Conte and Treasurer Timothy Blakey, who received reimbursement for business use of their personal vehicles, did not retain adequate documentation to support payments to them totaling at least \$4,372 during 2022. 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. The audit found that while although much of the information was recorded, the business purpose of each use was insufficiently identified on a number of occasions. "Meeting" is not a sufficient description of the business conducted.

3. Meeting Minutes

Local 95 failed to maintain minutes of all membership meetings held during the period. The audit found that meetings were held in the months of February, April, November, and December, however the minutes for February and April's meetings were recorded by the recording secretary but not retained by the union. Minutes of all membership or executive board meetings must be maintained to report any disbursement authorizations made at those meetings.

Based on your assurance that SMART LU 95 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Reporting Violation

The audit disclosed a violation of LMRDA Section 201(b), which requires labor organizations to file annual financial reports accurately disclosing their financial condition and operations. The Labor Organization Annual Report, Form LM-3, filed by SMART LU 95 for the fiscal year ended December 31, 2022, was deficient in the following areas:

1. Disbursements to Officers

Local 95 did not 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) even if that amount was zero. 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.

The union must report most direct disbursements to Local 95 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 Bylaws

The audit disclosed a violation of LMRDA Section 201(a), which requires that a union submit a copy of its revised constitution and bylaws with its LM report when it makes changes to its constitution or bylaws. The audit revealed Local 95 amended its constitution and bylaws in 1998, but did not file a copy with its LM report for that year.

Local 95 has now filed a copy of its constitution and bylaws.

I am not requiring that SMART LU 95 file an amended LM report for 2022 to correct the deficient items, but SMART LU 95 has agreed to properly report the deficient items on all future reports it files with OLMS.

Other Issue

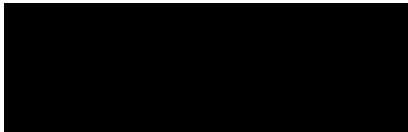
Expense Policy

As I discussed during the exit interview with SMART LU 95 Officers, the audit revealed that SMART LU 95 does not have a clear policy regarding the types of expenses personnel may claim for reimbursement. OLMS recommends that unions adopt written guidelines concerning

such matters.

I want to extend my personal appreciation to SMART LU 95 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,

A large black rectangular redaction box covering the signature of the investigator.

Investigator

cc: Mr. Melvin Holmes, President