



October 22, 2018

Mr. Timothy Yocham, Secretary Treasurer
SMART LU 894
PO Box 541
Kellyville, OK 74039

Case Number: 420-6014630 [REDACTED]
LM Number: 022392

Dear Mr. Yocham:

This office has recently completed an audit of SMART LU 894 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 [REDACTED] on October 18, 2018, 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

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 LM-3 filed by SMART LU 894 for the fiscal year ended December 31, 2017, was deficient in the following areas:

1. 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. SMART LU 894 amended its bylaws in 2015, but did not file a copy with its LM report for that year.

SMART LU 894 has now filed a copy of its constitution and bylaws.

2. Dues Improperly Reported

A total of \$258.00 in receipts was improperly reported under Item 43 Other Receipts. The amount of \$258.00 was dues and should have been reported under Item 38 Dues.

The union has agreed to adequately report all receipts and disbursements.

I am not requiring that SMART LU 894 file an amended LM report for 2017 to correct the deficient items, but SMART LU 894 has agreed to properly report the deficient items on all future reports it files with OLMS.

Other Violation

Non-Signatories Signing Union 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. Its purpose is to attest to the authenticity of a completed document already signed. Although the union's checks are signed by two officers, Timothy Yocham is the only signatory at the bank.

It is recommended that the union add an additional signatory to the union's checking account.

I want to extend my personal appreciation to SMART LU 894 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,

[REDACTED]

[REDACTED]

Investigator

cc: [REDACTED] President
[REDACTED] Vice President
Mr. Bradley Flowers, Local Chairman
Mr. Bruce Patrick, Local Chairman
Mr. Travis Hall, Vice Local Chairman
Mr. Stephen Alcorn, Vice Local Chairman
[REDACTED] Trustee
[REDACTED] Trustee
[REDACTED] Trustee