



July 6, 2017

Mr. Adrian Martinez, Secretary-Treasurer
SMART Local 818
10521 Maria Dr.
Fort Worth, TX 76108

Case Number: 420-6010372
LM Number: 003825

Dear Mr. Martinez:

This office has recently completed an audit of SMART Local 818 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 June 28, 2017, the following problem was 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 Violation

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 818's 2016 records revealed the following recordkeeping violation:

Salary Payments to Officers

Local 818 failed to record three checks totaling \$840.64 that were dated in the previous fiscal year but signed and cashed in the audit year.

Mr. Adrian Martinez

July 6, 2017

Page 2 of 2

Local 818 explained that these checks were for salary payments due for November and December 2015 but weren't paid until January 2016.

I want to extend my personal appreciation to SMART Local 818 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]

Senior Investigator

cc: Mike Araujo, International Auditor