



September 6, 2019

Mr. Joel Janney, President
Sheet Metal, Air, Rail and Transportation Workers
Local 313 TD

Case Number: 320-6016676 [REDACTED]
LM Number: 021054

Dear Mr. Janney:

This office has recently completed an audit of Sheet Metal, Air, Rail, and Transportation Workers (SMART) Local 313 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 Treasurer Bill Richter on August 28, 2019, 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 313's 2018 records revealed the following recordkeeping violations:

1. Lack of Authorization for Officer's Cell Phones and Internet Usage

During the audit, it was revealed that Local 313 paid Sprint and Mr. Richter monthly for cellular and Internet service totaling at least \$2,090. However, Local 313 does not maintain any written policy or authorization for the officers' cell phones or Internet usage and none was found during the audit in any of the union's records.

OLMS strongly encourages Local 313 establish clear policies regarding the use and payment of union cell phones and Internet usage and reduce these policies to writing. The union must keep a record, such as meeting minutes or bylaws, to show officer's cell phone and Internet expenses are authorized by the entity or individual in the union with the authority to establish expenses.

2. Reimbursed Auto Expenses

Local Chairman Andrew Duncan, Secretary William Graber, and Mr. Richter received reimbursement for the business use of their personal vehicles, but did not retain adequate documentation to support payments to them totaling at least \$240. Claims for mileage were documented on SMART expense vouchers, and the month and day of the claim was generally identified on the form. However, many of the vouchers retained by Local 313 did not document an adequate business purpose or did not sufficiently document the locations traveled to and from.

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.

Based on your assurance that Local 313 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

Reporting Violation

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. Local 313 amended its constitution and bylaws in 2015, but did not file a copy with its LM report for that year.

Local 313 has now filed a copy of its constitution and bylaws.

I want to extend my personal appreciation to SMART Local 313 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: Mr. Bill Richter, Treasurer