



September 5, 2019

Mr. Patrick Griffin, Secretary-Treasurer
SMART Local 1016
4419 Briarwood Drive
Enid, OK 73703

Case Number: 420-6016904 [REDACTED]
LM Number: 032428

Dear Mr. Griffin:

This office has recently completed an audit of SMART Local 1016 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 August 13, 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 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 1016's 2018 records revealed the following recordkeeping violation:

Lost Wages

Local 1016 did not retain adequate documentation for a lost wage reimbursement payment to Secretary-Treasurer Patrick Griffin totaling at least \$255.

The union must maintain records in support of lost wage claims that identify each date lost wages were incurred, the number of hours lost on each date, the applicable rate of

pay, and a description of the union business conducted. The OLMS audit found that Local 1016 failed to maintain a complete record of lost wage payments.

Based on your assurance that Local 1016 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violation.

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 Form LM-3 filed by Local 1016 for the fiscal year ended December 31, 2018, was deficient in the following areas:

1. Other Receipts

Local 1016 failed to report a \$400 deposit in Item 43 Other receipts.

The union must report all money received in Statement B and on the correct line in Items 38 Dues through 43 Other Receipts.

2. Disbursements to Officers

Local 1016 did not include some reimbursements to officers totaling at least \$263.42, officer allowances totaling at least \$1,250, or a \$255 lost time claim to an officer in the amounts reported in Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments in Item 54 Other Disbursements.

Local 1016 failed to report the gross salaries paid to officers in column D and the tax deductions in the "Less Deductions" line of Item 24. Local 1016 mistakenly reported only their net salaries.

Local 1016 did not report the names of the local chairman, assistant local chairman and legislative representative and the total amounts of payments to them or on their behalf in Item 24 (All Officers and Disbursements to Officers). 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 1016 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).

3. 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 1016 last amended its constitution and bylaws in 2004, but did not file a copy with its LM report for that year. Local 1016 has now filed a copy of its 2004 constitution and bylaws.

Local 1016 must file an amended Form LM-3 for the fiscal year ended December 31, 2018, to correct the deficient items discussed above. The report must be filed electronically using the Electronic Forms System (EFS) available at the OLMS website at www.olms.dol.gov. The amended Form LM-3 must be filed no later than **September 30, 2019**. Before filing, review the report thoroughly to be sure it is complete and accurate.

Other Issue

Outdated Bylaws

As discussed in the exit interview, Local 1016's bylaws are outdated. Although Local 1016 amended their local bylaws in 1983 and 2004, Local 1016's bylaws still contain outdated information including the local chairman's salary, the amount of members' dues, the location the union meetings are held, etc. In addition, the allowances paid to the secretary-treasurer and local chairman are not in the bylaws.

I want to extend my personal appreciation to SMART Local 1016 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,



Senior Investigator

cc: Mr. Charles Reed, President
Mr. Travis Buller, Local Chairman