

**U.S. Department of Labor**

Office of Labor-Management Standards  
Dallas-New Orleans District Office  
600 S. Maestri Place, Suite 604  
New Orleans, LA 70130  
(504) 589-6174 Fax: (504) 589-7174



September 17, 2019

Mr. Chris Alston, General Chairperson  
SMART GCA 803  
26135 Hardin Store Road  
Magnolia, TX 77354

Case Number: 420-6015712-  
LM Number: 517885

Dear Mr. Alston:

This office has recently completed an audit of SMART GCA 803 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 Vice General Chairperson Lance Henry on September 16, 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 GCA 803's 2018 records revealed the following recordkeeping violation:

**Lack of Salary Authorization**

GCA 803 did not maintain records to verify that the vice general chairperson's salary reported in Item 24 (All Officers and Disbursements to Officers) of the LM-3 was the authorized amount (four committee days each month) and therefore was correctly reported. The union must keep a record, such as meeting minutes, to show the current salary authorized by the entity or individual in the union with the authority to establish salaries.

Based on the union's members approving, during the September 11, 2019 membership meeting, the vice general chairperson's four committee days a month salary, OLMS will take no further enforcement action at this time regarding the above violation.

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 GCA 803 for the fiscal year ended December 31, 2018, was deficient in that:

Reporting Union Officers

GCA 803 reported officer salaries in Item 54 (Other Disbursements) instead of correctly reporting these expenses in Item 45 (Disbursements to Officers). All salary and expense payments made to the union's officers during the fiscal year must be reported in Item 45.

I am not requiring that GCA 803 file an amended LM report for 2018 to correct this deficient item, but GCA 803 has agreed to properly report this deficient item on all future reports it files with OLMS. GCA 803 has also agreed to file all future reports electronically.

I want to extend my personal appreciation to SMART GCA 803 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