

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, Secretary Treasurer
SMART Local 1886
26135 Hardin Road
Magnolia, TX 77354

Case Number: 420-6015697 [REDACTED]
LM Number: 015212

Dear Mr. Alston:

This office has recently completed an audit of SMART Local 1886 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 [REDACTED] 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 Local 1886's 2018 records revealed the following recordkeeping violation:

Committee Days

The audit revealed that during fiscal year 2018, the union paid President Ryan Gilley and Legislative Representative Josh Smith one committee day per month each. The local paid you at least three committee days a month as secretary treasurer. These committee day payments were not supported with documentation that identified each date union business was conducted, the number of hours worked on each date, and a description of the union business conducted.

During the exit interview, you informed me that Local 1886 pays the president's and legislative representative's committee day on the same dates as the union's membership meetings. You also advised your committee days are not recorded due to your Local 1886 duties being irregular in regards to dates and duration.

In order to comply with the LMRDA's recordkeeping requirements, the union must maintain records in support of committee day payments that identify each date union business was conducted, the number of hours worked on each date, and a description of the union business conducted.

During the exit interview, I provided several OLMS compliance tip sheets that contain information that Local 1886 may use to satisfy the recordkeeping requirements for this type of disbursement. Based on your assurance that Local 1886 will retain adequate documentation in the future, 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-2) filed by Local 1886 for the fiscal year ended December 31, 2018, was deficient in that:

Reporting Union Officers

Local 1886 did not report the names of some officers in Schedule 11 (All Officers and Disbursements to Officers). Local 1886 did not report the names of the officers who did not receive compensation from the union for the fiscal year. The union must report in Schedule 11 all persons who held office during the year, regardless of whether they received any payments from the union.

I am not requiring that Local 1886 file an amended LM report for 2018 to correct this deficient item, but Local 1886 has agreed to properly report this deficient item on all future reports it files with OLMS. Local 1886 has also agreed to file all future reports electronically.

I want to extend my personal appreciation to SMART Local 1886 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