

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Los Angeles District Office
915 Wilshire Boulevard
Room 910
Los Angeles, CA 90017
(213)534-6405 Fax: (213)534-6413



January 25, 2006

Ms. Gwendolyn Addie, Secretary-Treasurer
Musicians AFL-CIO
Local 189
211 E. March Lane, Suite J1
Stockton, CA 95207

LM File Number 041-997
Case Number: [REDACTED]

Dear Ms. Addie:

This office has recently completed an audit of Musicians Local 189 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 January 28, 2009, 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 189's 2007 records revealed the following recordkeeping violation:

Lack of Salary Authorization

Local 189 did not maintain records to verify that the salary reported in Item 24 (All Officer and Disbursements to Officers) of the LM-3 was the authorized amount 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 your assurance that Local 189 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations

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 189 for fiscal year ending December 31, 2007, was deficient in the following areas:

1. Disbursements to Officers

Local 189 did not include some reimbursements to officers totaling at least \$1,268.00 in the amounts reported in Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported some of these payments in Item 54-other disbursements.

2. 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 189 amended its constitution and bylaws in 2001, but did not file a copy with its LM report for that year.

Local 189 has now filed a copy of its constitution and bylaws.

I am not requiring that Local 189 file an amended LM report for 2007 to correct the deficient item, but Local 189 has agreed to properly report the deficient item on all future reports it files with OLMS.

I want to extend my personal appreciation to Musicians Local 189 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,



Supervisory Investigator

cc: Ljubomir Velickoic, President