

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Nashville District Office
233 Cumberland Bend Drive
Room 110
Nashville, TN 37228
(615)736-5906 Fax: (615)736-7148



May 28, 2009

Mr. Craig Krampf, Secretary-Treasurer
Musicians AFL-CIO
Local 257
11 Music Circle North
P O Box 120399
Nashville, TN 37212

LM File Number 022-230

Case Number: [REDACTED]

Dear Mr. Krampf:

This office has recently completed an audit of Nashville Association of Musicians Local 257 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 Dave Pomeroy and you on May 7, 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.

The CAP disclosed the following findings:

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-2 filed by Local 257 for fiscal year ending December 31, 2008, was deficient in that:

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 257 amended its constitution and bylaws in 2008, but did not file a copy with its LM report for that year.

Local 257 has now filed a copy of its constitution and bylaws.

Other Issues

Use of Signature Stamp

During the audit, Investigator Elam noticed that it was Local 257's practice for former Secretary-Treasurer [REDACTED] to sign all union checks and to stamp the signature of former President [REDACTED] on union checks for the [REDACTED] Account and the [REDACTED] Account. Article I, Sections 3 and 19 of Local 257's bylaws requires that checks be signed by the president and treasurer. The two signature requirement is an effective internal control of union funds. Its purpose is to attest to the authenticity of a completed document already signed. However, the use of a signature stamp for the second signer does not attest to the authenticity of the completed check, and negates the purpose of the two signature requirement. OLMS recommends that Local 257 review these procedures to improve internal control of union funds.

I want to extend my personal appreciation to Nashville Association of Musicians Local 257 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]

Investigator

cc: Dave Pomeroy
President

Mr. Craig Krampf
May 28, 2009
Page 3 of 3