

**U.S. Department of Labor**

Office of Labor-Management Standards  
Buffalo District Office  
130 South Elmwood, Suite 510  
Buffalo, NY 14202  
(716) 842-2900 / FAX: (716) 842-2901



November 23, 2009

David Angus, President  
Musicians, AFL-CIO  
Local Union 66  
875 East Main Street  
Rochester, NY 114805

LM File Number: 021-014

Case Number: [REDACTED]

Dear Mr. Angus:

This office has recently completed an audit of the Musicians Local 66 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 Office Administrator Annette Farrington on November 12, 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 audit of Local 66's 2008/2009 records revealed the following recordkeeping 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 66 for fiscal year ending March 31, 2009, was deficient in that:

1. Cash Reconciliation

It appears that the cash figure reported in Item 25 is not the cash figure according to the union's books after reconciliation to the bank statements. The instructions for Item 25 state that the union should obtain account balances from its books as reconciled to the balances shown on bank statements. Additionally the instructions state that the union should enter Cash at Start of Reporting Period (Item 25A), add Total Receipts (Item 44), then subtract Total Disbursements (Item 55). The results will be reported in Item 25B (Cash at End of reporting Period). Local 66 reported cash at the end of the reporting period as \$111, 436. OLMS calculated Item 25B as \$166,379. A difference of \$54,943.

2. Disbursements to Officers

Local 66 did not include some reimbursements to officers totaling at least \$1,135 in the amounts reported Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported these payments in Item 48 (Office & Administrative Expense) or Item 54 (Other Disbursements).

The union must report most direct disbursements to Local 66 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).

Local 66 must file an amended Form LM-3 for fiscal year ending March 31, 2009, to correct the deficient items discussed above. The amended Form LM-3 should be submitted to this office at the above address as soon as possible, but not later than December 21, 2009. Before filing, review the report thoroughly to be sure it is complete, accurate, and signed properly with original signatures.

#### Other Violation

The audit disclosed the following other violation:

##### Inadequate Bonding

The audit revealed a violation of LMRDA Section 502 (Bonding), which requires that union officers and employees be bonded for no less than 10 percent of the total funds those individuals or their predecessors handled during the preceding fiscal year.

The audit revealed that Local 66's officers and employees were not bonded for the minimum amount required at the time of the audit. However, the union obtained adequate bonding coverage and provided evidence of this to OLMS after the audit. As a result, OLMS will take no further enforcement action regarding this issue.

Local 66 has provided OLMS a copy of adequate bonding coverage in the amount \$50,000.

I want to extend my personal appreciation to Local 66 for their cooperation and courtesy extended during this compliance audit. I strongly recommend that you make sure this letter and

Mr. David Angus  
November 23, 2009  
Page 3 of 3

the compliance assistance materials provided to you are passed on to future officers. If we can be of any additional assistance, please do not hesitate to call.

Sincerely,



Investigator

cc: Charles Bailey, Board of Directors  
Norman Booth, Board of Directors