



July 6, 2022

Mr. Keith D. Nelson, Secretary-Treasurer
Musicians' Local 369
3701 W, Vegas Dr,
Las Vegas, NV 89108

Case Number: 520-6022781()
LM Number: 055551

Dear Mr. Nelson:

This office has recently completed an audit of Musicians' Local 369 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 John Gaughan, President; Dawn Allen-McCoy, accountant on January 10, 2022, 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 Musicians' Local 369's 2020 records revealed the following recordkeeping violations:

1. General Reimbursed and Credit Card Expenses

Musicians' Local 369 did not retain adequate documentation for reimbursed expenses and credit card expenses incurred by President Gaughan totaling \$108.60. A credit card

charge on February 20, 2020, to Mirabeau Park Hotel for \$108.60 was recorded in the union books and bank statements for that month, but there was no receipt with an explanation for the charge.

2. Meal Expenses

Musicians' Local 369 did not appear to always require officers to submit itemized receipts for meal expenses totaling at least \$106.60. The union must maintain itemized receipts provided by restaurants to officers and employees. These itemized receipts are necessary to determine if such disbursements are for union business purposes and to sufficiently fulfill the recordkeeping requirement of LMRDA Section 206.

Musicians' Local 369 records of meal expenses did not always include written explanations of union business conducted or the names and titles of the persons incurring the restaurant charges. For example, a credit card charge of \$72.17 was made by Secretary-Treasurer Nelson on March 12, 2020, at Triple George Grill on March 12, 2020. On November 5, 2020, \$33.43 was charged to Those Guys Pies was billed to the same credit card. Union records of meal expenses must include written explanations of the union business conducted and the full names and titles of all persons who incurred the restaurant charges. Also, the records retained must identify the names of the restaurants where the officers or employees incurred meal expenses.

3. Information not Recorded in Meeting Minutes

During the audit, [REDACTED] received a payment of \$15.00 on February 26, 2020, for attending a Scale Committee meeting. Musicians' Local 369 maintained no minutes of that meeting or an attendance list. Minutes of all membership or executive board meetings must report any disbursement authorizations made at those meetings.

4. LM-3 Report for 2020

The LM-3 report for the FYE 2020 lists President Gaughan receiving \$326.00 and Secretary-Treasurer Nelson \$211.00 in Schedule 11, column F "Disbursements for Official Business." When asked, Dawn Allen-McCoy said she could not find support documentation related to these expenses.

As noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. The president and treasurer (or corresponding principal officers) of your union, who are required to sign your union's LM report, are responsible for properly maintaining union records.

Based on your assurance that Musicians' Local 369 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

I want to extend my personal appreciation to Musicians' Local 369 for the cooperation and

Mr. Keith D. Nelson

July 6, 2022

Page 3 of 3

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: John Gaughan, President