



December 21, 2023

Mr. James Schultz, President
Musicians Local 94
907 S. Detroit, Ste. 1345
Tulsa, OK 74120

Case Number: 420-6027374()
LM Number: 023039

Dear Mr. Schultz:

This office has recently completed an audit of Musicians Local 94 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 Treasurer Tamara Kirk on December 6, 2023, 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 94's 2022 records revealed the following recordkeeping violations:

1. General and Credit Card Expenses

Local 94 did not retain adequate documentation for disbursements and the union credit card statements. Local 94 had two American Express credit cards assigned to Treasurer Kirk and President Schultz, which were used for the payment of utilities and the purchase of office supplies, mail, and computer application subscriptions totaling \$4,113.39.

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.

2. Information not Recorded in Meeting Minutes

Local 94 failed to accurately record details of the three loans obtained in the meeting minutes. Specifically, Local 94 obtained a Small Business Administration Payroll Protection Program (PPP) loan to pay Kirk's salary and members' dues and per capita. During the audit, Kirk provided documentation for the PPP loan, which showed loan [REDACTED] for \$2,700.00, dated April 22, 2021, was paid in full as of August 18, 2021. However, the union's August 30, 2022 meeting minutes stated that the loan was forgiven.

The union must maintain supporting documentation of financial transactions. Records such as meeting minutes should include accurate loan information and the authorization of all disbursements.

3. Lack of Salary Authorization

Local 94 did not maintain records to verify that the salaries/honorariums reported in Item 24 (All Officer and Disbursements to Officers) of the LM-3 were authorized for certain officers, the authorized amount, and correctly reported. During the audit period, Local 94 paid \$125.00 honorariums to officers annually and a bimonthly salary of \$500.00 to Treasurer Tamara Kirk.

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 94 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 (LM-3) filed by Local 94 for the fiscal year ended June 30, 2022, was deficient in the following areas:

1. General Expenses

Local 94 did not properly report amounts in Item 47 (Per Capita), Item 48 (Office and Administrative Expenses), Item 49 (Professional Fees), and Item 54 (Other Disbursements). The amount reported for Item 47 should have been \$11,884.43 for per capita dues payment. The amount for Item 48 should have been \$16,133.05 for the purchase of office supplies, mail, and computer application subscriptions. The amount for Item 49 should have been \$1,515.00 for accounting services. The amount for Item 54 should have been \$1,246.92 for bank service charges and reimbursements to members for over payment of dues.

2. Disbursements to Officers

Local 94 did not include some reimbursements to officers in the amounts reported in Item 24 (All Officers and Disbursements to Officers). For example, on June 9, 2022, Kirk paid for her Amazon Prime membership with the union credit card and Executive Board Member Steve Craft was paid \$85 in salary. In addition, the local failed to report \$3,529.92 in taxes deducted from Kirk's pay in Item 24, Column F (Less Deductions).

The union must report most direct disbursements to Local 94 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).

3. Other Receipts

Local 94 failed to report Kirk's repayment of \$99.99 to the union for her Amazon Prime membership in Item 34 (Other Receipts) on the LM-3.

The union must report all receipts actually received in Statement B (Receipts and Disbursements). Receipts, other than those reported in Items 38 through 42, including proceeds from the sale of supplies, loans obtained, repayments of loans made, rents, and funds collected for transmittal to third parties, should be entered in Item 43 (Other Receipts).

Local 94 has filed an amended Form LM-3 for the fiscal year ended June 30, 2022, correcting the deficient items discussed above.

I want to extend my personal appreciation to Musicians Local 94 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

cc: Ms. Tamara Kirk, Treasurer
Mr. Vernon Howard, Vice President