

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
New Haven Resident Investigative Office
150 Court Street
Room 209
New Haven, CT 06510
(203)773-2130 Fax: (203)773-2333



November 23, 2009

Mr. Robert Nolting, Secretary Treasurer
Musicians AFL-CIO
Local 52
P.O. Box 2044
83 Wall Street
Norwalk, CT 06852-2044

LM File Number 010-420
Case Number: [REDACTED]

Dear Mr. Nolting:

This office has recently completed an audit of Musicians Local 52 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 November 19, 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 recordkeeping and reporting violations:

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 52's 2008 records revealed the following recordkeeping violations:

1. General Reimbursed Expenses

Local 52 did not retain adequate documentation for reimbursed expenses by President Victor Vigdor and Secretary Treasurer Robert Nolting totaling at least \$1,911. For example, \$450 was paid to President Vigdor for the New England Conference, no records to support this expense were found in the union records. Another example is a \$250 disbursement to Secretary Treasurer Nolting for "expenses" again without supporting documentation.

As previously 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. Office and Administrative Expenses

Local 52 did not maintain bills and invoices for office and administrative expenses totaling at least \$4,079.38. The union must maintain itemized bills and invoices provided by vendors. These itemized invoices are necessary to determine if such disbursements are for union business purposes and to sufficiently fulfill the recordkeeping requirement of LMRDA Section 206.

Local 52 did not maintain any records to support expenditures relating to telephone, electric, rent, insurance and office supply purchases. For example, eleven invoices from AT & T for telephone service were not found in the union records.

Based on your assurance that Local 52 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 52 for fiscal year ending December 31, 2007, was deficient in that:

1. Cash Reconciliation

It appears that the cash figures reported in Item 25 are not the cash figures 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.

2. Sale of Investments

Since Local 52 sold investments during the report period, the amount sold should be reported in Item 42 Sale of Investments & Fixed Assets.

Local 52 must file an amended Form LM-3 for fiscal year ending December 31, 2007, to correct the deficient items discussed above. I provided you with a blank form and instructions, and advised you that the reporting forms and instructions are available on the OLMS website (www.olms.dol.gov). The amended Form LM-3 should be submitted to this office at the above address as soon as possible, but not later than December 15, 2009. Before filing, review the report thoroughly to be sure it is complete, accurate, and signed properly with original signatures.

In addition, the following reporting violation was found:

3. Failure to File Form LM-3 for fiscal year ending December 31, 2008

Local 52 did not file its LM-3 for fiscal year ending December 31, 2008 on time. The LM-3 reports must be filed within 90 days after the end of your organization's fiscal year. The law does authorize the U.S. Department of Labor to grant an extension of time for filing reports for any reason. The LM-3 should report all income received by the union during the year including the sale of any investments and fixed assets that occurred in the year. All disbursements made during the year should be reported in Items 45 through 54.

I provided you with a blank form and instructions, and advised you that the reporting forms and instructions are available on the OLMS website (www.olms.dol.gov). The amended Form LM-3 should be submitted to this office at the above address as soon as possible, but not later than December 15, 2009. Before filing, review the report thoroughly to be sure it is complete, accurate, and signed properly with original signatures.

Other Violations

The audit disclosed the following other violation(s):

1. 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. Local 52 did not provide proof of bond during the audit.

Local 52 promised to provide proof of adequate bond to this office at the above address no later than December 15, 2009.

Mr. Robert Nolting
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I want to extend my personal appreciation to Musicians Local 52 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: Victor Vigdor, President