

U.S. Department of Labor

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Sent via email to [REDACTED] and [REDACTED]

May 31, 2022

Ms. Virginia Dziekonski, President
Symphony Opera and Ballet Musicians
Pacific Northwest Ballet Players Organization
3015 NW 77th Street
Seattle, WA 98117

Case Number: 530-6022923 [REDACTED]
LM Number: 542058

Dear Ms. Dziekonski:

This office has recently completed an audit of Symphony Opera and Ballet Musicians Pacific Northwest Ballet Players Organization (Pacific Northwest Ballet) 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 Evan Pengra Sult on May 26, 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.

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 the Pacific Northwest Ballet for the fiscal year ended June 30, 2021, was deficient in the following areas:

1. 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. The Pacific Northwest Ballet amended its constitution and bylaws in 2019 but did not file a copy with its LM report for that year.

As agreed, the Pacific Northwest Ballet will file a copy of its current constitution and bylaws with OLMS as soon as possible but not later than June 9, 2022.

2. Disbursements to Officers

The Pacific Northwest Ballet did not include some reimbursements to you, former Treasurer Dana Bliss, Secretary Jennifer Nelson, and Members Ingrid Fredrickson and Steven Schermer in the amounts reported in Item 24 (All Officers and Disbursements to Officers), Column E (Allowances and Other Disbursements). The Pacific Northwest Ballet's disbursements records indicate that you, Ms. Bliss, Ms. Nelson, Ms. Fredrickson,

and Mr. Schermer received reimbursed expenses totaling \$7,240; however, the amount reported in Column E for you, Ms. Bliss, Ms. Nelson, Ms. Fredrickson, and Mr. Schermer was \$0. It appears the union erroneously reported these payments in Item 54 (Other Disbursements).

The union must report most direct disbursements to Pacific Northwest Ballet 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. Certificates of Deposit Reported as Investments

The Pacific Northwest Ballet improperly included the value of certificates of deposit as investments in Statement A (Assets and Liabilities). For LM reporting purposes, OLMS considers a certificate of deposit to be cash. The purchase or redemption of a certificate of deposit is a transfer of cash from one account to another and, therefore, the local should not report these transactions as receipts or disbursements.

The Pacific Northwest Ballet must file an amended Form LM-3 for the fiscal year ended June 30, 2021, to correct the deficient items discussed above. The report must be filed electronically using the Electronic Forms System (EFS) available at the OLMS website at www.olms.dol.gov. The amended Form LM-3 must be filed no later than June 9, 2022. Before filing, review the report thoroughly to be sure it is complete and accurate.

I want to extend my personal appreciation to the Pacific Northwest Ballet 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,



Investigator

cc: Mr. Evan Pengra Sult, Treasurer