

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Cleveland District Office
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October 16, 2007

Ms. Karen Ferren, Secretary-Treasurer
Musicians
Local 118
116 Pine Ave. NE
Warren, OH 44481-1232

LM File Number 050-538

Case Number: [REDACTED]

Dear Ms. Ferren:

This office has recently completed an audit of Musicians Local 118 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 Francis Montanaro on October 3, 2007, 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 LM-3 filed by Local 118 for fiscal year ending December 31, 2006, was deficient in the following areas:

1. Certain payment types were misclassified. Officer salaries were reported as an allowance (item 24E) instead of under Gross Salary (item 24D). Certificates of Deposits were reported as an investment (item 28) instead of under Cash (item 25). The portion of dues receipts allocated for disbursement as per capita was incorrectly reported under item 39, instead of under dues (item 38).

Ms. Karen Ferren
October 16, 2007
Page 2 of 2

2. Cash for FY 2006 did not reconcile. As reported on the 2006 LM-3, the beginning cash balance, plus receipts, minus disbursements, did not approximate the ending cash balance. The audit determined that inaccuracies in beginning and ending cash balances and receipts caused this error. Additionally, amounts in the union's certificates of deposit need to be reported in the beginning and ending cash balances.

Local 118 must file an amended Form LM-3 for fiscal year ending December 31, 2006 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 November 2, 2007. Before filing, review the report thoroughly to be sure it is complete, accurate, and signed properly with original signatures.

I want to extend my personal appreciation to Musicians Local 118 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: Francis Montanaro, President