

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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June 26, 2009

Ms. Ingrid Rodgers
Musicians Local 154
1934 Wynkoop Drive
Colorado Springs, CO 80909-1432

LM File Number: 044-991
Case Number: [REDACTED]

Dear Ms. Rodgers:

This office has recently completed an audit of Musicians Local 154 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 June 24, 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 audit disclosed the following:

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 154 records revealed the following recordkeeping violation:

Failure to Maintain Records

Local 154 did not retain either hard copies or electronic copies of cancelled checks after the checks were no longer accessible on-line. Local 154's bank allows on-line access to copies of cancelled checks for only 120 days. Local 154 did not retain adequate documentation for reimbursed expenses incurred by union officers and for payment of invoices. A receipt for reimbursed hotel expenses was not kept, and an electronic invoice that was paid on-line was not kept as either a hard copy or an electronic copy.

As previously noted above, labor organizations must maintain all union records used or received in the course of union business. 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 Local 154 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violation.

I want to extend my personal appreciation to Musicians Local 154 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: Ms. Diane Merrill, President