

U.S. Department of Labor

Office of Labor-Management Standards
Philadelphia-Pittsburgh District Office
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December 19, 2019

Mr. Glenn Finnan, Treasurer
Musicians (AFM) Local 21
2316 Baynard Blvd
Wilmington, DE 19802

Case Number: 140-6014988 [REDACTED]
LMNumber: 023-231

Dear Mr. Finnan:

This office has recently completed an audit of Musicians Local 21 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 Treasurer Glenn Finnan on December 18, 2019, 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 Violation

The audit disclosed a violation of LMRDA Section 201(6), 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 Local 21 for the fiscal year ended December 31, 2018, was deficient in that:

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. Local 21 amended its constitution and bylaws in 2018, but did not file a copy with its LM report for that year.

Local 21 has now filed a copy of its constitution and bylaws.

Other Issue

During the audit, you advised that there is a savings account in one name. Having two signatories on an account is an effective internal control of union funds. Adequate and effective internal controls require a separation of functions and responsibilities among a number of individuals who are actively involved in the financial process and who provide a system of "checks and balances" over each other's activities. OLMS recommends that Local 21 review these procedures to improve internal control of union funds.

I want to extend my personal appreciation to Musicians Local 21 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,

A large black rectangular redaction box covering the signature area.A small black rectangular redaction box covering the name of the investigator.

Investigator

cc: Mr. Rick Linn, President