

**U.S. Department of Labor**

Employment Standards Administration  
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September 5, 2007

Mr. Donald Reginek, President  
Steelworkers AFL-CIO Local 274  
6975 Northeast River Rd  
Sauk Rapids, MN 56379

LM File Number: 013-236  
Case Number: [REDACTED]

Dear Mr. Reginek:

This office has recently completed an audit of Steelworkers Local 274 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, 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 Local 274 for fiscal year ending December 31, 2007, was deficient in the following areas:

1. Cash Accounts Reported As Investments

Local 274 improperly included the value of certificates of deposit and the union's money market account as investments in Statement A (Assets and Liabilities). As noted in the LM-3 instructions, the union is to report in Item 25 (Cash) all cash on hand and on deposit. This includes funds in banks, credit unions, and other financial institutions, such as checking accounts, savings accounts, certificates of deposit, and money market accounts.

2. Interest and Dividends

Local 274 failed to properly report the interest and dividends received from the union's accounts at Edward Jones Investments in Item 41 (Interest and Dividends). Item 41 included the \$68 in interest received from the union's checking account but failed to include the \$3,142.07 in interest and dividends from the union's CDs, money market account, and medium term note.

I am not requiring that Local 274 file an amended LM report for 2007 to correct the deficient items, but Local 274 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to Steelworkers Local 274 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: Treasurer Marvin Skwira