

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
Cleveland District Office
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March 15, 2010

Mr. James Medley, Financial Secretary
Mine Workers AFL-CIO
Local Union 7690
305 Oak Park Road
Cadiz, Ohio 43907

LM File Number 047-225
Case Number: [REDACTED]

Dear Mr. Medley:

This office has recently completed an audit of Mine Workers Local Union 7690 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 March 12, 2010, 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 7690 for fiscal year ending December 31, 2009 was deficient in the following areas:

1. Disbursements to Officers

Local 7690 did not include door prize payments and some reimbursements to officers totaling at least \$298.00 in the amounts reported in Item 24 (All Officers

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and Disbursements to Officers). It appears the union erroneously reported these payments in Items 48 and 54.

The union must report most direct disbursements to Local 7690 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).

2. Per Capita Tax

Local 7690 did not correctly report per capita tax payments totaling at least \$2,800.00 in Item 47 (Per Capita Tax). It appears the union erroneously reported these payments in Item 54. The LM-3 instructions require that the union report your organization's total amount of per capita tax paid as a condition or requirement of affiliation with your parent national or international union, state and local central bodies, a conference, joint or system board, joint council, federation, or other labor organization in Item 47.

I am not requiring that Local 7690 file an amended LM report for 2009 to correct the deficient items, but Local 7690 has agreed to properly report the deficient items on all future reports it files with OLMS.

I want to extend my personal appreciation to Mine Workers Local Union 7690 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 solid black rectangular box used to redact a signature.

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Lead Investigator

cc: Lewis Sutherland, President