



March 28, 2023

Mr. Grady Mullins, Executive Director
Dayton Building and Construction Trades Council
1200 East Second Street
Dayton, OH 45403-1052

Case Number: 350-6025617()
LM Number: 038-125

Dear Mr. Mullins:

This office has recently completed an audit of the Dayton Building and Construction Trades Council 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 [REDACTED] on February 13, 2023, 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.

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 Dayton Building and Construction Trades Council's 2021 records revealed the following recordkeeping violations:

1. Credit Card Expenses

Dayton Building and Construction Trades Council did not retain adequate documentation

for credit card expenses incurred by Executive Director Grady Mullins totaling at least \$1,200. For example, no invoice was maintained for a credit card charge of \$60 on November 30, 2021 for, "The Business Journals". Further, no invoices or itemized statements were maintained for three monthly statements. The itemized statements were later provided by Mr. Allen.

As noted above, labor organizations must retain original receipts, bills, and vouchers for all disbursements. 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 Dayton Building and Construction Trades Council will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violations.

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 Dayton Building and Construction Trades Council for the fiscal year ended December 31, 2021, was deficient in that:

1. Disbursement to Officers

The Dayton Building and Construction Trades Council did not include some reimbursements to officers in the amounts reported in Item 24 (All Officers and Disbursements to Officers). It appears the union erroneously reported at least some of the payments in Items 48.

The union must report most direct disbursements to Dayton Building and Construction Trades Council 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).

I am not requiring that the Dayton Building and Construction Trades Council file an amended LM report for 2021 to correct the deficient items, but the Dayton Building and Construction Trades Council has agreed to properly report the deficient items on all future reports it files with OLMS.

Mr. Grady Mullins

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I want to extend my personal appreciation to the Dayton Building and Construction Trades Council 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: Mr. Shawn Herzog, President