



May 26, 2023

Donald Gregory, President
Building and Construction Trades Council
2082 Oakleaf St.
Joliet, IL 60436

Case Number: 310-6025113()
LM Number: 019493

Dear Donald Gregory:

This office has recently completed an audit of 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 Donald Gregory and Patrick Young on March 21, 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 the Will and Grundy Building Trades Council 2021 records revealed the following recordkeeping violations:

1. Disposition of Property

Will and Grundy Building Trades Council did not maintain an inventory of items given away during the July 26, 2021 golf outing held at the Inwood and Wedgewood Golf Courses. In the case of items given away to members, the union must retain records that identify the date the items were given away and the recipients of those items. At least \$5,990 worth of goods, including bottles of wine, Visa gift cards, and various other prizes were given away to members during the union's golf outing without a record of who received these items.

2. General Reimbursed and Credit Card Expenses

Will and Grundy Building Trades Council did not retain adequate documentation for credit card expenses incurred by Donald Gregory and Hugo Manzo totaling at least \$2,500. For example, \$1,613.65 spent at Sam's Club on 7/21/21 and \$325.75 was spent at Walgreens on gift cards on 7/20/21 and 7/23/21. While a receipt was maintained for the transactions, no purpose for the expenses were maintained.

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.

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 the Will and Grundy Building Trades Council for the fiscal year ended December 31, 2021, was deficient in the following areas:

1. Failure to Properly Report Receipts

Will and Grundy Building Trades Council did not properly report at least \$24,000 in per capita receipts in Line 39 (Per Capita Tax). Based on information received from Legacy Professionals LLP, it appears the per capita receipts were not reported on the LM-3 report. All per capita receipts received and deposited into the Council's general checking account should be recorded in Line 39 (Per Capita Tax).

Will Grundy Building Trades Council must file an amended Form LM-3 for the fiscal year ended December 31, 2021, to correct the deficient item discussed above. The report must be filed electronically using the Electronic Forms System (EFS) available at the OLMS website at www.olms.dol.gov. The amended Form LM-3 must be filed no later than June 16, 2023. Before filing, review the report thoroughly to be sure it is complete and accurate.

Other Issues

1. Inadequate Bonding

The audit revealed a violation of LMRDA Section 502 (Bonding), which requires that union officers and employees be bonded for no less than 10 percent of the total funds those individuals or their predecessors handled during the preceding fiscal year.

Will Grundy Building Trades Council officers and employees are currently bonded for \$32,000 but they must be bonded for at least \$35,123. Will and Grundy Building Trades Council should obtain adequate bonding coverage for its officers and employees immediately. Please provide proof of bonding coverage to this office as soon as possible, but not later than June 16, 2023.

I want to extend my personal appreciation to 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: Patrick Young, Financial Secretary Treasurer