

U.S. Department of Labor

Office of Labor-Management Standards
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September 11, 2025

Brian Wear, Financial Secretary
Building Construction and Trades Council
1550 Chase Ave
Cincinnati, OH 45223

Case Number: 350-6030881()
LM Number: 033-877

Dear Mr. Wear:

This office has recently completed an audit of the Building Construction and Trades Council (BCTC) 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 August 20, 2025, 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 BCTC's 2024 records revealed the following recordkeeping violations:

1. Cancelled Check Images

BCTC did not retain front and back cancelled check images. Unions are required to maintain financial records on matters to be reported on for a minimum of five years after LM reports are filed.

2. Credit Card Expenses

BCTC did not retain adequate documentation for credit card expenses incurred by Executive Secretary James A. Hyden, totaling at least \$56.00. For example, a credit card charge on April 11, 2024, for \$36.00 failed to retain a receipt for the purchase of fuel.

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.

3. Meal Expenses

BCTC records of meal expenses did not always include written explanations of union business conducted or the names and titles of the persons incurring the restaurant charges. For example, a credit card charge on March 15, 2024, of \$111.69 for food purchased did not include the purpose, and names and titles of persons were not maintained. Union records of meal expenses must include written explanations of the union business conducted and the full names and titles of all persons who incurred the restaurant charges. Also, the records retained must identify the names of the restaurants where the officers or employees incurred meal expenses.

4. Union Owned Vehicle

The union did not maintain records necessary to verify the accuracy of the information reported in Schedules 11 (All Officers and Disbursements to Officers) and 12 (Disbursements to Employees) of the LM-2 / Item 24 (All Officer and Disbursements to Officers) of the LM-3.

BCTC incurred expenses totaling at least \$1,254.73 for automobiles during the 2024 fiscal year and did not maintain adequate records documenting for business and personal use of the union vehicle.

The LM-2 instructions include specific rules for the reporting of automobile expenses. The union must report operating and maintenance costs for each of its owned or leased vehicles in Schedules 11 and 12 of the LM-2, allocated to the officer or employee to whom each vehicle is assigned.

For each trip they take using a union owned or leased vehicle, officers and employees must maintain mileage logs that show the date, number of miles driven, whether the trip was business or personal, and, if business, the purpose of the trip.

5. Disposition of Property

BCTC did not maintain an inventory of trophies and beverages it purchased, sold, or gave away. The union must report the value of any union property on hand at the beginning and end of each year in Item 28 of the LM-2. The union must retain an inventory or similar record of property on hand to verify, clarify, and explain the information that must be reported in Item 28. The union must record in at least one record the date and amount received from each sale of union hats, jackets, and other items.

In addition, 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.

6. Failure to Record Receipts

BCTC did not record in its receipts records the gains from its investment accounts totaling at least \$29,976.39. Union receipts records must include an adequate identification of all money the union receives. The records should show the date and amount received, and the source of the money.

7. Receipt Dates not Recorded

Entries in BCTC's QuickBooks receipt journal reflect the date the union deposited money, but not the date money was received. Union receipts records must show the date of receipt. The date of receipt is required to verify, explain, or clarify amounts required to be reported in Statement B (Receipts and Disbursements) of the LM-2. The LM-2 instructions for Statement B state that the labor organization must record receipts when it actually receives money and disbursements when it actually pays out money. Failure to record the date money was received could result in the union reporting some receipts for a different year than when it actually received them.

8. Benefit Payments

BCTC failed to maintain a record to verify benefit payments made on behalf of James A. Hyden and failed to record two payments in its books, one in October 2023 for \$4,720.00 and in August 2024 for \$3,925.00. OLMS discovered a total of twelve ACH withdrawals from bank records totaling \$50,604.00; however, BCTC only recorded ten payments totaling \$41,932.00.

The union must keep a record, such as meeting minutes, to show the current benefit dollar amount authorized by the entity or individual in the union with the authority to establish the amount.

Based on your assurance that BCTC 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 Form LM-2 filed by BCTC for the fiscal year ended September 30, 2024, was deficient in the following areas:

1. Acquire/Dispose of Property

Item 15 (During the reporting period did your organization acquire or dispose of any assets in any manner other than by purchase or sale?) should have been answered, "Yes," because the union gave away trophies totaling more than \$396.08 during the year. The union must identify the type and value of any property received or given away in the additional information section of the LM report along with the identity of the recipient(s) or donor(s) of such property. The union does not have to itemize every recipient of such giveaways by name. The union can describe the recipients by broad categories if appropriate such as "members" or "new retirees." In addition, the union must report the cost, book value, and trade-in allowance for assets that it traded in.

2. Automobile Expenses

BCTC did not include in the amounts reported in Schedule 11 (All Officers and Disbursements to Officers) and Schedule 12 (Disbursements to Employees) disbursements for the operation and maintenance of union automobiles totaling at least \$1,254.73.

The LM-2 instructions provide two methods for reporting automobile-related expenses. The union must report in Schedules 11 and 12 direct and indirect disbursements for the operation and maintenance of union owned and leased vehicles and the operation and maintenance of vehicles owned by union personnel (including gasoline, repairs, and insurance). The union may divide the expenses and report them in Columns F and G based on miles driven for union business (supported by mileage logs) compared with miles driven for personal use.

Alternatively, rather than allocating the expenses between Columns F and G, if 50 percent or more of an officer's or an employee's use of a vehicle was for official business, the union may report all of the expenses relative to the vehicle assigned to the officer or employee in Column F of Schedule 11 or 12 with an explanation in Item 69 (Additional Information) that the officer or employee used the vehicle part of the time for personal business. Similarly, if a vehicle assigned to an officer or employee was used less than 50 percent of the time for business, all of the expenses relative to that vehicle may be reported in Column G with an explanation in Item 69 that the officer or employee used the vehicle partly for official business.

3. Failure to Itemize Disbursement or Receipt

BCTC did not properly report several "major" transactions in Schedules 15-19. A "major" transaction includes any individual transaction of \$5,000 or more or total transactions to or from any single entity or individual that aggregate to \$5,000 or more during the reporting period and which the local cannot properly report elsewhere in Statement B. The audit found at least three disbursements with a value greater than \$5,000.00 were not itemized. Check [REDACTED] was made payable to Cincinnati VA Medical Center for \$6,000.00, check [REDACTED]

was made payable to Twin Oaks Golf Course for \$10,924.00, and check [REDACTED] was made payable to Diabetes Research Institute Foundation for \$15,000.00.

4. Benefit Payments

BCTC failed to report the total benefit payments made on behalf of James A. Hyden. OLMS discovered a total of twelve ACH withdrawals totaling \$50,604.00, which were not reported in Schedule 11 of the LM-2 Report.

The union must report in Column F of Schedules 11 and 12 (Disbursements for Official Business) direct disbursements to officers and employees for reimbursement of expenses they incurred while conducting union business. In addition, the union must report in Column F of Schedules 11 and 12 indirect disbursements made to another party (such as a credit card company) for business expenses union personnel incur. However, the union must report in Schedules 15 through 19 indirect disbursements for business expenses union personnel incur for transportation by public carrier (such as an airline) and for temporary lodging expenses while traveling on union business. The union must report in Column G (Other Disbursements) of Schedules 11 and 12 any direct or indirect disbursements to union personnel for expenses not necessary for conducting union business.

BCTC must file an amended Form LM-2 for the fiscal year ended September 30, 2024 to correct the deficient items 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-2 must be filed no later than October 31, 2025. Before filing, review the report thoroughly to be sure it is complete and accurate.

I want to extend my personal appreciation to Building Construction and 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,

[REDACTED]
Investigator

cc: James A. Hyden, Executive Secretary