



April 30, 2012

Mr. Donald Mitchell, Secretary-Treasurer  
Building & Construction Trades Department, AFL-CIO  
1408 N. Washington St.  
Dallas, TX 75204

Case Number: [REDACTED]  
LM Number: 020690

Dear Mr. Mitchell:

This office has recently completed an audit of Building & Construction Trades 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 April 23, 2012, 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 Building & Construction Trades for fiscal year ending December 31, 2010, was deficient in that or deficient in the following area:

#### Disbursements to Officers/Employees

Building & Construction Trades did not report payments totaling \$4,550 to its employee in Item 46 (To Employees (less deductions)). It appears that Building & Construction Trades erroneously reported these payments in Item 48 (Office & Administrative Expenses).

#### Fixed Assets

Building & Construction Trade erroneously reported \$1,600 in Item 29 (Fixed Assets) for assets that no longer exist. Item 29 (Fixed Assets) should only include the book value at the start and end of the reporting period of all fixed assets, such as land, buildings, automobiles, and office equipment owned by your organization. Building & Construction Trades does not have any fixed assets and should have placed a "0" in Item 29.

Building & Construction Trade must file an amended Form LM-3 for fiscal year ending December 31, 2010, to correct the deficient items discussed above. I provided you with a blank form and instructions, and advised you that the reporting forms and instructions are available on the OLMS website ([www.olms.dol.gov](http://www.olms.dol.gov)). An acceptable amended Form LM-3 correcting the

deficient items was submitted to OLMS on April 23, 2012; therefore, no further action will be taken regarding these violations.

Other Violations

The audit disclosed the following other violation(s):

Building & Construction Trades failed to conduct its regular scheduled officer election in February 2012. However, this violation was satisfied during Building & Construction Trades' March 2012 Executive Committee Meeting in which a nominations meeting occurred and the incumbent officers were re-elected by acclamation. No further action will be taken regarding this violation.

I want to extend my personal appreciation to Building & Construction Trades 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. Joe Hall, President