



January 30, 2013

Mr. Kevin Adkisson, President  
Building & Construction Trades Dept. AFL-CIO  
Tennessee State Council  
10412 Lexington Drive  
Knoxville, TN 37932

Case Number: [REDACTED]  
LM Number: 544290

Dear Mr. Adkisson:

This office has recently completed an audit of Building & Construction Trades Dept. AFL-CIO 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 Former Treasurer [REDACTED] and you on January 28, 2013, 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 Violation

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-4) was deficient in that:

##### Failure to File Annual Financial Reports

The audit disclosed a violation of LMRDA Section 201(b), which requires labor organizations to file annual financial reports with the Secretary of Labor. The council failed to file annual financial reports for fiscal years ending June 30, 2011 and June 30, 2012.

The council has now filed the required annual financial reports.

#### Other Violation

The audit disclosed the following other violation:

##### 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.

Building & Construction Trades AFL-CIO Tennessee State Council's officers and employees are currently not bonded, but they must be bonded for at least \$1,163.18. The 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 March 1, 2013.

I want to extend my personal appreciation to Building & Construction Trades Dept. AFL-CIO Tennessee State 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