

# EXHIBIT B

Compliance Report  
to the Trustees,  
Plumbers' Benefit Funds, Local 130, U.A.

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**A M Mechanical, Inc.**

June 1, 2006 – December 31, 2007  
File #P130-0507-0043



Certified Public Accountants

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October 3, 2008

Trustees, Plumbers' Fringe Benefit Funds,  
Local 130, U.A.  
c/o Kevin C. Sherlock, Field Representative  
1340 W. Washington Blvd., 3rd Floor  
Chicago, IL 60607

Re: A M Mechanical, Inc.  
File #P130-0507-0043

Gentlemen:

In accordance with your instructions, we have analyzed the records that were presented for our inspection by the referenced employer in order to determine compliance with the reporting requirements for monthly contributions to the Chicago Journeymen Plumbers Local 130, U.A., and related Fringe Benefit Funds for the period June 1, 2006 through December 31, 2007.

A M Mechanical, Inc. conducts business as a corporation, presumably owned and/or operated by member Richard Miller and signatory Denise Acevedo, the corporate president. No ownership information was provided. We do not know whether either of them work with the tools; however, Mr. Miller's full time hours were reported to the Funds for at least part of the report period. Journeyman member Jimmy Acevedo, presumably a relative of Denise Acevedo, also worked for the contractor during the report period.

Attached hereto are schedules showing the detail of the under-reported hours and computation of amounts due to the Funds.

The findings include 968 unreported hours for member Richard Miller during the report period. Based upon information provided, his hours were only reported through September 2007, although he continued to work in the company, apparently in the capacity of an owner or manager. Since Mr. Miller was compensated on a basis other than hourly and presumably performed covered work, absent documentation to the contrary, Funds guidelines require that he be reported for at least 40 hours per week, 52 weeks per year, for the remainder of the report period.

The findings also include 741.20 unreported hours for several members from October 2006 through March 2007, mostly the result of clerical errors, but also including undocumented non-payroll checks to

(continued)

*field: 06/23/08*



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members, presumably for covered work, which consist of 27.22 unreported hours for journeyman Gene Quintell and 36.98 hours for journeyman Jimmy Acevedo, converted using each of their last known hourly rates.

The findings also include 926 unreported hours, subject to benefits, for M-0 metal trades member Rafael Soto Jr., for whom no documentation was provided to establish that he did not perform covered work. Absent any such documentation, we must assume the performance of covered work, with resulting benefit contributions owed.

The findings also include 1088.25 unreported hours for Denise Acevedo, 945 unreported hours for Brandon Hinkle, 1102.32 unreported hours for Michael O'Connor, 1413.54 unreported hours for Michael Sharpe, and 72 unreported hours for Lawrence McHugh, all for wages and non-payroll checks paid to these non-member employees during the report period. Because of this contractor's *refusal to cooperate*, there are *no job files and insufficient source documentation* to establish the nature of work performed by these non-members. Therefore, we have no choice but to assume they were all performing covered work, subject to benefit contributions.

The findings also include 83.46 unreported hours for payments to unaffiliated subcontractors Paul Lundy and Sewer Builders, for which no documentation as to the nature of services performed was provided. These unreported hours were derived by applying prevailing journeyman rates to the payments.

Finally, the findings include 1893.42 unreported hours presumed paid to "*unknown workers*" during the report period. These hours were the result of several checks written to Richard Miller, many of which were notated with the last names of members, some of which specifically identified the payment as "*payroll*" or "*pay*" or "*payroll cash*." While it is possible that some of these expenditures might not represent covered work, we have *insufficient information provided from a less than cooperative contractor* to dispute the presumption that these payments do, in fact, represent covered work. Accordingly, we must include these undocumented payments as unreported hours, derived by applying prevailing journeyman rates to these expenditures.

Because the records *eventually* provided were *severely deficient and incomplete*, we are unable to state, with any degree of certainty, that we were, in fact, able to determine *all* unreported hours. We also were not able to determine whether benefit contributions were actually *paid* on all hours originally reported by the employer. Nevertheless, our conclusion indicates that the employer owes the following amounts for the report period:

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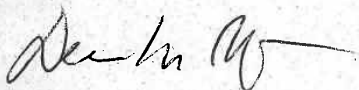
	2006	2007	TOTAL
Pension Fund	\$17,271.00	\$27,078.13	\$ 44,349.13
Welfare Fund	30,943.89	45,995.97	76,939.86
Education Fund	3,749.63	5,481.07	9,230.70
Group Legal Svcs	2,083.13	3,062.49	5,145.62
Plumbing Council	2,007.39	3,020.97	5,028.36
Working Dues	253.19	567.58	820.77
Savings Plan	399.50	851.50	1,251.00
<i>Sub-total</i>	\$56,707.73	\$86,057.71	142,765.44
<i>Add 8% Liquidated Damages</i>			11,421.24
<i>Add Interest @ 1½% per month through 10/15/08</i>			39,940.37
<b>TOTAL</b>			* \$ 194,127.05

*\* After 10/15/08 add interest per month of \$2,141.48*

This report was prepared for the purpose of determining jurisdictional hours worked and verifying that those hours were reported to the Funds. Since we did not apply all of the generally accepted auditing procedures which might be considered necessary in the circumstances, we are unable to express an opinion that the accompanying schedules (if applicable) represent all additional reportable hours.

We shall be pleased to furnish any additional information desired.

Very truly yours,



Dennis M. Siegel, CPA  
D M SIEGEL, LTD

DMS:icq  
Attachments

cc: A M Mechanical, Inc.

Douglas A. Lindsay Lit-4685  
Lewis, Overbeck & Furman, LLP