

LEGACY

PROFESSIONALS LLP
CERTIFIED PUBLIC ACCOUNTANTS

November 17, 2008

Mr. Gregory J. Watson
Pipe Fitters' Local 597
45 North Ogden Avenue
Chicago, Illinois 60607

Payroll hours Payroll Audit Report

Employer Name : B S G Construction Company, Inc./Gi-La Builders, Inc.

Employer # : 11160

Address : 2417 187th Place
Lansing, IL 60438

Date of Audit : July 14, 2008

Period Examined : January 1, 2001 through May 31, 2008

Employer representative, if any, present at the time of the payroll audit:

<u>Name</u>	<u>Title</u>
<u>Todd Miller</u>	<u>Attorney</u>

Location of Audit Allocco & Miller
3409 N. Paulina St.
Chicago, IL 60657

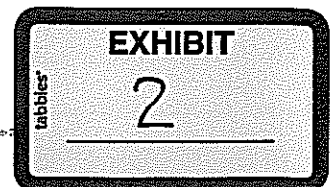
Summary or reason for underreported or overreported contributions :
The employer failed to report all hours worked.

As a result of the payroll audit conducted on the above employer's records:

<u>\$170,146.28</u>	Is due to (from) the Welfare Fund
<u>\$168,005.26</u>	Is due to (from) the Pension Fund
<u>\$18,899.28</u>	Is due to (from) the Training Fund
<u>\$6,212.11</u>	Is due to (from) the Piping Education Council
<u>\$10,626.17</u>	Is due to (from) Wage Work Assessment
<u>\$0.00</u>	Is due to (from) the 401(k) Fund
<u>\$0.00</u>	Is due to (from) the Defined Contribution Plan
<u>\$0.00</u>	Is due to (from) the LMCC

\$373,889.10 Total amount due

Thomas Moy
Payroll Auditor(s)



Pipe Fitters Local 597

Journeyman

Schedule of Deficiencies for year ended May 31,

2002

Employer: B S G Construction Company, Inc./Gi-La Builders, Inc.

Person Contacted: Todd Miller

Payroll Audit Period: January 1, 2001 through May 31, 2008
 Date of Audit: July 14, 2008
 Payroll Auditor(s): Thomas Moy

Soc. Sec. #	Employee	Code	2001												Total Hours		
			June	July	August	September	October	November	December	January	February	March	April	May			
336-20-9140	Frank Gill	C															2,079.72
343-50-2352	Frank G. Gill	C															2,079.77
359-62-8701	James O'Connor	C															243.30
326-78-8341	Michael Fallon	C															81.00
353-60-2692	Robert Massey	C															108.94
Total																	4,592.73

Date: as of	2001												Total				
	June	July	August	September	October	November	December	January	February	March	April	May					
6/1/01																	43,860.57
Welfare Fund																	18,370.92
Pension Fund																	20,896.92
Training Fund																	2,250.44
Piping Education Council																	826.69
Wage Work Assessment																	1,515.60
Total																	43,860.57

- Primary explanation for deficiencies / credits noted:
- A) Cash payments.
 - B) Cash payments made out to individuals.
 - C) The employer failed to report all hours worked.
 - D) Owner or owner's family who work with tools must report minimum of 155 hours beginning 7/1/07.

Pipe Fitters Local 597

Journeyman

Schedule of Deficiencies for year ended May 31,

2003

Employer B S G Construction Company, Inc./GI-La Builders, Inc.

Person Contacted Todd Miller

Payroll Audit Period January 1, 2001 through May 31, 2008

Date of Audit July 14, 2008

Payroll Auditor(s) Thomas Moy

Soc. Sec. #	Employee	Code	2002 June	2002 July	2002 August	2002 September	2002 October	2002 November	2002 December	2003 January	2003 February	2003 March	2003 April	2003 May	Total Hours
322-64-2237	Greg Gill	C							236.00						236.00
336-20-9140	Frank Gill	C							2,079.72						2,079.72
343-50-2352	Frank G. Gill	C							2,079.77						2,079.77
349-72-8363	Dustin Schultz	C							1,296.75						1,296.75
395-90-9113	Eric Olm	C							741.79						741.79
323-82-4952	Chris Dennis	C							91.59						91.59
346-74-7378	Frank J. Gill	C							180.15						180.15
352-74-1403	Matt Wlos	C							128.78						128.78
359-62-8701	James O'Connor	C							2,311.36						2,311.36
Total									9,145.91						9,145.91

	Date: as of	6/1/02	1/1/03												Total
Welfare Fund		4.47	4.47						40,882.22						40,882.22
Pension Fund		5.10	5.10						46,644.14						46,644.14
Training Fund		0.49	0.53						4,481.50						4,481.50
Piping Education Council		0.18	0.20						1,646.26						1,646.26
Wage Work Assessment		0.33	0.33						3,018.15						3,018.15
Total									96,672.27						96,672.27

Primary explanation for deficiencies / credits noted:

- A) Cash payments.
- B) Cash payments made out to individuals.
- C) The employer failed to report all hours worked.
- D) Owner or owner's family who work with tools must report minimum of 155 hours beginning 7/1/07.

Pipe Fitters Local 597

Journeymen

Schedule of Deficiencies for year ended May 31,

2004

Employer

B S G Construction Company, Inc./Gi-La Builders, Inc.

Person Contacted

Todd Miller

Payroll Audit Period

January 1, 2001 through May 31, 2008

Date of Audit

July 14, 2008

Payroll Auditor(s)

Thomas Moy

Soc. Sec. #	Employee	Code	2003												Total Hours
			June	July	August	September	October	November	December	2003	2004	2004	2004		
326-66-1654	John Burns	C											295.72	295.72	3.33
326-68-1101	Rodney Jensen	C											734.50	734.50	734.50
322-64-2237	Greg Gill	C											2,079.72	2,079.72	2,079.72
336-20-9140	Frank Gill	C											2,079.77	2,079.77	2,079.77
343-50-2352	Frank G. Gill	C											1,957.50	1,957.50	1,957.50
349-72-8363	Dustin Schultz	C											2,103.65	2,103.65	2,103.65
395-90-9113	Eric Olm	C											169.24	169.24	169.24
317-74-7225	Ken Flinke	C											1,950.00	1,950.00	1,950.00
359-62-8701	James O'Connor	C													
Total													11,373.43	11,373.43	11,373.43
	Date as of														
	Welfare Fund		6/1/03												Total
	Pension Fund		5.72												65,056.02
	Training Fund		5.35												60,847.85
	Piping Education Council		0.59												6,710.32
	Wage Work Assessment		0.20												2,274.69
			0.34												3,866.97
Total															138,755.85

Primary explanation for deficiencies / credits noted:

- A) Cash payments.
- B) Cash payments made out to individuals.
- C) The employer failed to report all hours worked.
- D) Owner or owner's family who work with tools must report minimum of 155 hours beginning 7/1/07.

Pipe Fitters Local 597

Journeyman

Schedule of Deficiencies for year ended May 31,

2005

Employer B S G Construction Company, Inc./Gi-La Builders, Inc.

Person Contacted Todd Miller

Payroll Audit Period January 1, 2001 through May 31, 2008
 Date of Audit July 14, 2008
 Payroll Auditor(s) Thomas Moy

Soc. Sec. #	Employee	Code	2004												Total Hours			
			June	July	August	September	October	November	December	January	February	March	April	May				
336-20-9140	Frank Gill	C																12.00
343-50-2352	Frank G. Gill	C																159.98
395-90-9113	Eric Olm	C																1,355.75
326-66-1654	John Burns	C																526.02
Total																		2,053.75
	Date added																	Total
	Welfare Fund		6/1/04															13,164.54
	Pension Fund																	11,501.00
	Training Fund																	1,334.94
	Piping Education Council																	410.75
	Wage Work Assessment																	718.81
Total																		27,130.04

Primary explanation for deficiencies / credits noted:

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- B) Cash payments made out to individuals.
- C) The employer failed to report all hours worked.
- D) Owner or owner's family who work with tools must report minimum of 155 hours beginning 7/1/07.

Pipe Fitters Local 597

Journeyman

Schedule of Deficiencies for year ended May 31,

2006

Employer

B S G Construction Company, Inc./G-H-La Builders, Inc.

Person Contacted

Todd Miller

Payroll Audit Period
Date of Audit
Payroll Auditor(s)

January 1, 2001 through May 31, 2008
July 14, 2008
Thomas Moy

Soc. Sec #	Employee	Code	2005 June	July	August	September	October	November	2005 December	2006 January	February	March	April	2006 May	Total Hours
326-66-1654	John Burns	C							464.00						464.00
Total									464.00						464.00

Date: as of	6/1/05														Total
Welfare Fund	7.91								3,670.24						3,670.24
Pension Fund	6.10								2,830.40						2,830.40
Training Fund	0.80								371.20						371.20
Piping Education Council	0.25								116.00						116.00
Wage Work Assessment	0.36								167.04						167.04
Total									7,154.88						7,154.88

Primary explanation for deficiencies / credits noted:

- A) Cash payments.
- B) Cash payments made out to individuals.
- C) The employer failed to report all hours worked.
- D) Owner or owner's family who work with tools must report minimum of 155 hours beginning 7/1/07.

Pipe Fitters Local 597

Journeyman

Schedule of Deficiencies for year ended May 31,

2008

Employer: B S G Construction Company, Inc./G/La Builders, Inc.
 Person Contacted: Todd Miller

Payroll Audit Period: January 1, 2007 through May 31, 2008
 Date of Audit: July 14, 2008
 Payroll Auditor(s): Thomas Moy

Soc. Sec. #	Employee	Code	2007												2008	Total													
			June	July	August	September	October	November	December	2008	January	February	March	April			May	Hours											
343-50-2352	Frank G. Gill	D		155.00	155.00	155.00	155.00	155.00	155.00	155.00	155.00	155.00	155.00	155.00	155.00	155.00	155.00	155.00	155.00	155.00	155.00	155.00	155.00	155.00	155.00	155.00	155.00	1,705.00	
336-20-9140	Frank Gill	D		155.00		104.00		155.00		155.00		155.00		155.00		155.00		155.00		155.00		155.00		155.00		155.00		155.00	1,644.00
Total				310.00	259.00	310.00	310.00	310.00	310.00	310.00	310.00	310.00	310.00	310.00	310.00	310.00	310.00	310.00	310.00	310.00	310.00	310.00	310.00	310.00	310.00	310.00	310.00	300.00	3,349.00

Date: m/d/y	6/1/07												Total																
Welfare Fund	8.66	2,684.60	2,242.94	2,684.60	2,684.60	2,684.60	2,684.60	2,684.60	2,684.60	2,684.60	2,684.60	2,684.60	2,684.60	2,684.60	2,684.60	2,684.60	2,684.60	2,684.60	2,684.60	2,684.60	2,684.60	2,684.60	2,684.60	2,684.60	2,684.60	2,684.60	2,684.60	2,684.60	29,002.34
Pension Fund	7.55	2,340.50	1,955.45	2,340.50	2,340.50	2,340.50	2,340.50	2,340.50	2,340.50	2,340.50	2,340.50	2,340.50	2,340.50	2,340.50	2,340.50	2,340.50	2,340.50	2,340.50	2,340.50	2,340.50	2,340.50	2,340.50	2,340.50	2,340.50	2,340.50	2,340.50	2,340.50	2,340.50	25,284.95
Training Fund	1.12	347.20	290.08	347.20	347.20	347.20	347.20	347.20	347.20	347.20	347.20	347.20	347.20	347.20	347.20	347.20	347.20	347.20	347.20	347.20	347.20	347.20	347.20	347.20	347.20	347.20	347.20	347.20	3,750.88
Piping Education Council	0.28	86.80	72.52	86.80	86.80	86.80	86.80	86.80	86.80	86.80	86.80	86.80	86.80	86.80	86.80	86.80	86.80	86.80	86.80	86.80	86.80	86.80	86.80	86.80	86.80	86.80	86.80	86.80	937.72
Wage Work Assessment	0.40	124.00	103.60	124.00	124.00	124.00	124.00	124.00	124.00	124.00	124.00	124.00	124.00	124.00	124.00	124.00	124.00	124.00	124.00	124.00	124.00	124.00	124.00	124.00	124.00	124.00	124.00	1,339.60	
Total			5,563.10	4,684.59	5,583.10	5,583.10	5,583.10	5,583.10	5,583.10	5,583.10	5,583.10	5,583.10	5,583.10	5,583.10	5,583.10	5,583.10	5,583.10	5,583.10	5,583.10	5,583.10	5,583.10	5,583.10	5,583.10	5,583.10	5,583.10	5,583.10	5,403.00	60,315.49	

Primary explanation for deficiencies / credits noted:

- A) Cash payments.
- B) Cash payments made out to individuals.
- C) The employer failed to report all hours worked.
- D) Owner or owner's family who work with tools must report minimum of 155 hours beginning 7/1/07.

Check Disbursements-Gi-La Builders, Inc.			For Bank Routing Number- 074000065		
2008		ck amount	Prevailing Journeyman rates	Account #0983538070 estimate hrs.	
Ck Date	Payee				
15-Jan	Cash	\$200.00	\$40.00	5	1295
22-Jan	Cash	\$400.00	\$40.00	10	1299
	Total January 2008			15	
2-Feb	Cash	\$500.00	\$40.00	12.5	1303
6-Feb	Cash	\$500.00	\$40.00	12.5	1305
13-Feb	Cash	\$600.00	\$40.00	15	1308
14-Feb	Cash	\$300.00	\$40.00	7.5	1309
16-Feb	Cash	\$200.00	\$40.00	5	1310
19-Feb	Cash	\$350.00	\$40.00	8.75	1311
20-Feb	Cash	\$300.00	\$40.00	7.5	1312
26-Feb	Cash	\$400.00	\$40.00	10	1314
	Total February 2008			78.75	
3-Mar	Cash	\$45.00	\$40.00	1.125	1317
10-Mar	Cash	\$700.00	\$40.00	17.5	1319
12-Mar	Cash	\$600.00	\$40.00	15	1323
22-Mar	Cash	\$1,000.00	\$40.00	25	1325
26-Mar	Cash	\$800.00	\$40.00	20	1329
	Total March 2008			78.625	
1-Apr	Cash	\$50.00	\$40.00	1.25	1330
3-Apr	Cash	\$500.00	\$40.00	12.5	1332
4-Apr	Cash	\$800.00	\$40.00	20	1334
9-Apr	Cash	\$500.00	\$40.00	12.5	1335
11-Apr	Cash	\$200.00	\$40.00	5	1337
12-Apr	Cash	\$700.00	\$40.00	17.5	1339
14-Apr	Cash	\$300.00	\$40.00	7.5	1340
16-Apr	Cash	\$600.00	\$40.00	15	1341
16-Apr	Cash	\$200.00	\$40.00	5	1343
18-Apr	Cash	\$250.00	\$40.00	6.25	1344
29-Apr	Cash	\$900.00	\$40.00	22.5	1345
	Total April 2008			125	
12-May	Cash	\$500.00	\$40.00	12.5	1352
13-May	Cash	\$1,200.00	\$40.00	30	1354
15-May	Cash	\$1,250.00	\$40.00	31.25	1357
21-May	Cash	\$300.00	\$40.00	7.5	1361
	Total May 2008			81.25	
26-May	Anthony Acres	662	40	16.55	1362
15-Jan	Catherine Gill	\$1,000.00	\$40.00	25	withdraw slip
14-May	Frank Gill	400	40	10	Withdraw slip
2-Jan	Jim Schmidt	\$1,500.00	\$40.00	37.5	1284
11-Mar	Ken Finke	\$650.00	\$40.00	16.25	1322
3-Apr	Gloria Bass	\$70.00	\$40.00	1.75	1331

Check Disbursements-Gi-La Builders, Inc.			For Bank Routing Number- 074000065			
			Prevailing	Account #0983538070		
2007		ck amount	Journeyman	estimate	Check	
Ck Date	Payee		rates	hrs.	numbers	
2-Jan	Cash	\$200.00	\$37.60	5.319149	1289	
5-Jan	Cash	\$200.00	\$37.60	5.319149	1293	
5-Jan	Cash	\$6,500.00	\$37.60	172.8723	1597	
9-Jan	Cash	\$2,000.00	\$37.60	53.19149	1599	
10-Jan	Cash	\$200.00	\$37.60	5.319149	1601	
10-Jan	Cash	\$1,000.00	\$37.60	26.59574	1602	
13-Jan	Cash	\$600.00	\$37.60	15.95745	1605	
16-Jan	Cash	\$100.00	\$37.60	2.659574	1606	
17-Jan	Cash	\$200.00	\$37.60	5.319149	1607	
19-Jan	Cash	\$300.00	\$37.60	7.978723	1609	
19-Jan	Cash	\$700.00	\$37.60	18.61702	1611	
26-Jan	Cash	\$800.00	\$37.60	21.2766	1615	
29-Jan	Cash	\$600.00	\$37.60	15.95745	1620	
	Total hours Jan. 07			356.383		
2-Feb	Cash	\$600.00	\$37.60	15.95745	1623	
3-Feb	Cash	\$400.00	\$37.60	10.6383	1625	
6-Feb	Cash	\$700.00	\$37.60	18.61702	1629	
12-Feb	Cash	\$500.00	\$37.60	13.29787	1631	
14-Feb	Cash	\$2,000.00	\$37.60	53.19149	1608	
15-Feb	Cash	\$800.00	\$37.60	21.2766	1632	
21-Feb	Cash	\$400.00	\$37.60	10.6383	1634	
27-Feb	Cash	\$6,000.00	\$37.60	159.5745	1636	
	Total hours Feb. 07			303.1915		
22-Mar	Cash	\$1,200.00	\$37.60	31.91489	1639	
24-Mar	Cash	\$700.00	\$37.60	18.61702	1640	
29-Mar	Cash	\$10,000.00	\$37.60	265.9574	1645	
29-Mar	Cash	\$400.00	\$37.60	10.6383	1646	
	Total hours March 07			327.1277		
2-Apr	Cash	\$50.00	\$37.60	1.329787	1648	
3-Apr	Cash	\$25.00	\$37.60	0.664894	1649	
4-Apr	Cash	\$800.00	\$37.60	21.2766	1001	
6-Apr	Cash	\$500.00	\$37.60	13.29787	1002	
6-Apr	Cash	\$329.25	\$37.60	8.756649	1003	
9-Apr	Cash	\$800.00	\$37.60	21.2766	1004	
11-Apr	Cash	\$500.00	\$37.60	13.29787	1005	
17-Apr	Cash	\$5,314.29	\$37.60	141.3375	1010	
17-Apr	Cash	\$1,000.00	\$37.60	26.59574	1009	
18-Apr	Cash	\$600.00	\$37.60	15.95745	1013	
20-Apr	Cash	\$700.00	\$37.60	18.61702	1015	
23-Apr	Cash	\$51,450.49	\$37.60	1368.364	1021	
24-Apr	Cash	\$500.00	\$37.60	13.29787	1025	
28-Apr	Cash	\$500.00	\$37.60	13.29787	1029	
30-Apr	Cash	\$10,000.00	\$37.60	265.9574	1032	

Check Disbursements-Gi-La Builders, Inc.			For Bank Routing Number- 074000065		
			Prevailing	Account #0983538070	
2007		ck amount	Journeyman	estimate	Check
Ck Date	Payee		rates	hrs.	numbers
30-Apr	Cash	\$500.00	\$37.60	13.29787	1036
	Total April 07			1956.623	
4-May	Cash	\$3,300.00	\$37.60	87.76596	1040
9-May	Cash	\$500.00	\$37.60	13.29787	1052
10-May	Cash	\$1,000.00	\$37.60	26.59574	1053
11-May	Cash	\$800.00	\$37.60	21.2766	1058
14-May	Cash	\$200.00	\$37.60	5.319149	1059
15-May	Cash	\$500.00	\$37.60	13.29787	1060
18-May	Cash	\$600.00	\$37.60	15.95745	1064
19-May	Cash	\$400.00	\$37.60	10.6383	1061
24-May	Cash	\$300.00	\$37.60	7.978723	1072
24-May	Cash	\$700.00	\$37.60	18.61702	1073
30-May	Cash	\$200.00	\$37.60	5.319149	1078
30-May	Cash	\$10,000.00	\$37.60	265.9574	1079
31-May	Cash	\$200.00	\$37.60	5.319149	1081
	Total May 07			497.3404	
1-Jun	Cash	\$600.00	\$40.00	15	1083
3-Jun	Cash	\$400.00	\$40.00	10	1086
8-Jun	Cash	\$500.00	\$40.00	12.5	1094
13-Jun	Cash	\$1,000.00	\$40.00	25	1096
15-Jun	Cash	\$300.00	\$40.00	7.5	1097
16-Jun	Cash	\$1,000.00	\$40.00	25	1100
19-Jun	Cash	\$200.00	\$40.00	5	1103
21-Jun	Cash	\$1,875.48	\$40.00	46.887	51
22-Jun	Cash	\$600.00	\$40.00	15	1109
23-Jun	Cash	\$200.00	\$40.00	5	1113
27-Jun	Cash	\$700.00	\$40.00	17.5	1116
28-Jun	Cash	\$7,000.00	\$40.00	175	1117
28-Jun	Cash	\$400.00	\$40.00	10	1118
29-Jun	Cash	\$300.00	\$40.00	7.5	1119
30-Jun	Cash	\$8,200.00	\$40.00	205	1120
	Total June 07			581.887	
3-Jul	Cash	\$500.00	\$40.00	12.5	1123
6-Jul	Cash	\$300.00	\$40.00	7.5	1124
7-Jul	Cash	\$307.00	\$40.00	7.675	1125
9-Jul	Cash	\$300.00	\$40.00	7.5	1127
11-Jul	Cash	\$300.00	\$40.00	7.5	1130
13-Jul	Cash	\$200.00	\$40.00	5	1132
13-Jul	Cash	\$300.00	\$40.00	7.5	1134
13-Jul	Cash	\$1,500.00	\$40.00	37.5	48
13-Jul	Cash	\$3,251.74	\$40.00	81.2935	1135
14-Jul	Cash	\$800.00	\$40.00	20	1136
18-Jul	Cash	\$300.00	\$40.00	7.5	1139
19-Jul	Cash	\$400.00	\$40.00	10	1142

Check Disbursements-Gi-La Builders, Inc.			For Bank Routing Number- 074000065		
2007		ck amount	Prevailing Journeyman rates	Account #0983538070 estimate hrs.	Check numbers
Ck Date	Payee				
21-Jul	Cash	\$1,500.00	\$40.00	37.5	1144
23-Jul	Cash	\$1,300.00	\$40.00	32.5	1147
	Total July 07			281.4685	
2-Aug	Cash	\$600.00	\$40.00	15	66
3-Aug	Cash	\$2,000.00	\$40.00	50	1151
7-Aug	Cash	\$400.00	\$40.00	10	1155
15-Aug	Cash	\$118.00	\$40.00	2.95	1166
16-Aug	Cash	\$500.00	\$40.00	12.5	debit memo
16-Aug	Cash	\$1,000.00	\$40.00	25	1169
16-Aug	Cash	\$200.00	\$40.00	5	1168
16-Aug	Cash	\$1,000.00	\$40.00	25	1167
20-Aug	Cash	\$300.00	\$40.00	7.5	1170
22-Aug	Cash	\$350.00	\$40.00	8.75	1173
24-Aug	Cash	\$800.00	\$40.00	20	74
27-Aug	Cash	\$300.00	\$40.00	7.5	1176
29-Aug	Cash	\$300.00	\$40.00	7.5	1184
30-Aug	Cash	\$1,200.00	\$40.00	30	1186
31-Aug	Cash	\$350.00	\$40.00	8.75	1187
	Total August 07			235.45	
5-Sep	Cash	\$1,600.00	\$40.00	40	1190
7-Sep	Cash	\$300.00	\$40.00	7.5	1193
7-Sep	Cash	\$500.00	\$40.00	12.5	1194
11-Sep	Cash	\$600.00	\$40.00	15	1196
12-Sep	Cash	\$600.00	\$40.00	15	1199
14-Sep	Cash	\$200.00	\$40.00	5	1201
14-Sep	Cash	\$1,200.00	\$40.00	30	1198
18-Sep	Cash	\$700.00	\$40.00	17.5	1204
28-Sep	Cash	\$500.00	\$40.00	12.5	1212
	Total September 07			155	
2-Oct	Cash	\$100.00	\$40.00	2.5	1215
3-Oct	Cash	\$500.00	\$40.00	12.5	1214
6-Oct	Cash	\$150.00	\$40.00	3.75	1217
9-Oct	Cash	\$1,000.00	\$40.00	25	1219
11-Oct	Cash	\$200.00	\$40.00	5	1224
12-Oct	Cash	\$500.00	\$40.00	12.5	1226
16-Oct	Cash	\$700.00	\$40.00	17.5	1232
16-Oct	Cash	\$300.00	\$40.00	7.5	1231
19-Oct	Cash	\$300.00	\$40.00	7.5	1233
24-Oct	Cash	\$200.00	\$40.00	5	1237
26-Oct	Cash	\$200.00	\$40.00	5	1240
30-Oct	Cash	\$1,500.00	\$40.00	37.5	1242
30-Oct	Cash	\$300.00	\$40.00	7.5	1243
	Total October 07			148.75	
1-Nov	Cash	\$1,000.00	\$40.00	25	1246

Check Disbursements-Gi-La Builders, Inc.			For Bank Routing Number- 074000065			
		ck amount	Prevailing Journeyman rates	Account #0983538070 estimate hrs.	Check numbers	
2007 Ck Date	Payee					
	Total May 07			319.1489		
23-Jun	Ken Finke	\$5,000.00	\$40.00	125	1111	
23-Oct	Ken Finke	\$5,000.00	\$40.00	125	1239	
23-Oct	Ken Finke	\$5,000.00	\$40.00	125	1238	
	Total October 07			250		
24-Nov	Marty Hickey	\$396.15	\$40.00	9.90375	1265	
1-Aug	Mike Newton	\$600.00	\$40.00	15	1153	
21-Jun	Merri Zysko Burns	\$660.00	\$40.00	16.5	1108	
15-Aug	Rachel Gill	\$456.00	\$40.00	11.4	1164	
30-Aug	Rachel Gill	\$544.00	\$40.00	13.6	1185	
				25		
22-Apr	Robert Dolton	\$2,000.00	\$37.60	53.19149	1023	
20-Jul	Robert Dolton	\$2,000.00	\$40.00	50	1143	
9-Aug	Robert Dolton	\$1,000.00	\$40.00	25	1157	
1-Jun	Steve Schmidt	\$500.00	\$40.00	12.5	1082	
27-Jan	Tim O'Connor	\$400.00	\$37.60	10.6383	1617	
27-Jan	Vince Schrementi	\$4,344.00	\$37.60	115.5319	1624	
11-Jan	William Teeter	\$500.00	\$37.60	13.29787	1603	

November 17, 2008

Mr. Gregory J. Watson
Pipe Fitters' Local 597
45 North Ogden Avenue
Chicago, Illinois 60607

**Cash Hours
Payroll Audit Report**

Employer Name : B S G Construction Company, Inc./Gi-La Builders, Inc.

Employer # : 11160

Address : 2417 187th Place
Lansing, IL 60438

Date of Audit : July 14, 2008

Period Examined : January 1, 2001 through May 31, 2008

Employer representative, if any, present at the time of the payroll audit:

<u>Todd Miller</u>	<u>Attorney</u>
Name	Title

Location of Audit Allocco & Miller
3409 N. Paulina St.
Chicago, IL 60657

Summary or reason for underreported or overreported contributions :
The employer failed to report cash hours.

As a result of the payroll audit conducted on the above employer's records:

<u>\$76,810.19</u>	Is due to (from) the Welfare Fund
<u>\$62,808.61</u>	Is due to (from) the Pension Fund
<u>\$8,780.30</u>	Is due to (from) the Training Fund
<u>\$2,374.66</u>	Is due to (from) the Piping Education Council
<u>\$3,439.40</u>	Is due to (from) Wage Work Assessment
<u>\$0.00</u>	Is due to (from) the 401(k) Fund
<u>\$0.00</u>	Is due to (from) the Defined Contribution Plan
<u>\$0.00</u>	Is due to (from) the LMCC
<u>\$154,213.16</u>	Total amount due

Thomas Moy
Payroll Auditor(s)

Pipe Fitters Local 597

Journeyman

Schedule of Deficiencies for year ended May 31,

2006

Employer

B S G Construction Company, Inc./GI-La Builders, Inc.

Person Contacted

Todd Miller

Payroll Audit Period
Date of Audit
Payroll Auditor(s)

January 1, 2001 through May 31, 2008
July 14, 2008
Thomas Moy

Sec. Sec. #	Employee	Code	2005 June	July	August	September	October	November	December	2005 December	2006 January	February	March	April	2006 May	Total Hours
N/A	Cashl	A														788.34
N/A	Steven Gritswell	B														47.64
336-20-9140	Frank Gill	B				138.50										138.50
N/A	Terri O'Connor	B														20.77
N/A	Catherine Gill	B					20.77						22.16			22.16
Total						138.50	20.77	193.90	249.85			127.42	274.23	12.74		1,017.41
	Welfare Fund		6/1/05													Total
	Pension Fund		7.91			1,095.54	164.29	1,533.75	1,976.31			1,007.89	2,169.16	100.77		8,047.71
	Training Fund		6.10			844.85	126.70	1,182.79	1,524.09			777.26	1,672.80	77.71		6,206.20
	Piping Education Council		0.80			110.80	16.62	155.12	199.88			101.94	219.36	10.19		813.93
	Wage Work Assessment		0.25			34.63	5.19	48.48	62.46			31.86	68.56	3.19		254.37
			0.36			49.86	7.48	69.80	89.95			45.87	98.72	4.59		366.27
Total						2,135.68	320.28	2,989.94	3,852.69			1,964.82	4,228.62	196.45		15,088.48

Primary explanation for deficiencies / credits noted:
 A) Cash payments.
 B) Cash payments made out to individuals.

Pipe Fitters Local 597

Journeymen

Schedule of Deficiencies for year ended May 31,

2007

Employer **B S G Construction Company, Inc./GI-La Builders, Inc.**

Person Contacted **Todd Miller**

Payroll Audit Period **January 1, 2001 through May 31, 2008**
 Date of Audit **July 14, 2008**
 Payroll Auditor(s) **Thomas Moy**

Sec. Sec. #	Employee	Code	2006 June	July	August	September	October	November	December 2006	2007 January	February	March	April	2007 May	Total Hours
N/A	Cash	A					276.59	203.19	237.15	356.38	303.19	327.12	1,956.62	497.34	4,157.58
N/A	Bill Finke	B						33.24							33.24
N/A	Brian Ziron	B						79.78							79.78
N/A	Catherine Gill	B						37.23							37.23
317-74-7225	Ken Finke	B					79.78	39.89							438.81
N/A	Marlene Dalton	B						55.85							55.85
N/A	Tim Barker	B						30.31							30.31
N/A	Tim O'Connor	B						36.17		10.64					46.81
N/A	Arthur Baker	B								6.75					6.75
N/A	Cindy Teeler	B								13.29					13.29
N/A	Frank Gill	B								50.71					50.71
336-20-9140	John S. Dutka	B											53.19		15.95
N/A	Robert Dolton	B								115.53					115.53
N/A	Vince Schrennert	B								13.29					13.29
N/A	William Teeler	B													
Total							356.37	515.66	237.15	566.59	303.19	327.12	2,009.81	832.43	5,148.32
	Welfare Fund		6/1/06												Total
	Pension Fund		8.66				3,086.16	4,465.62	2,053.72	4,906.67	2,625.63	2,832.86	17,404.95	7,208.84	44,584.45
	Training Fund		6.90				2,458.95	3,558.05	1,636.34	3,909.47	2,092.01	2,257.13	13,867.69	5,743.77	35,523.41
	Piping Education Council		0.94				334.99	484.72	222.92	532.59	285.00	307.49	1,889.22	782.48	4,839.41
	Wage Work Assessment		0.26				92.66	134.07	61.66	147.31	78.83	85.05	522.55	216.43	1,338.56
			0.38				135.42	195.95	90.12	215.30	115.21	124.31	783.73	316.32	1,956.36
Total							6,108.18	8,838.41	4,064.76	9,711.34	5,196.69	5,606.84	34,448.14	14,267.84	88,242.19

Primary explanation for deficiencies / credits noted:

A) Cash payments.

B) Cash payments made out to individuals.

Pipe Fitters Local 597

Journeymen

Schedule of Deficiencies for year ended May 31, 2008

Employer: B S G Construction Company, Inc./Gl-La Builders, Inc.
 Person Contacted: Todd Miller

Payroll Audit Period: January 1, 2001 through May 31, 2008
 Date of Audit: July 14, 2008
 Payroll Auditor(s): Thomas Moy

Soc. Sec. #	Employee	Code	2007 June	July	August	September	October	November	December	2007 January	2008 February	March	April	2008 May	Total Hours
N/A	Cash	A	501.88	281.46	235.45	155.00	145.75	192.50	60.00	15.00	78.75	78.62	125.00	81.25	2,033.66
N/A	Beverly Bu	B			51.05			17.50		37.50				10.00	17.50
336-20-9140	Frank Gill	B	12.50												61.05
N/A	Jim Schmidt	B	26.26		15.00										50.00
N/A	John S. Dulka	B	125.00				250.00								41.25
317-74-7225	Ken Finke	B						9.90							391.25
N/A	Marty Hickey	B													9.90
N/A	Mike Newton	B			15.00										15.00
N/A	Merrl Zysko Burns	B		16.50											16.50
N/A	Rachel Gill	B			25.00										25.00
N/A	Robert Dolken	B		50.00											75.00
N/A	Steve Schmidt	B	12.50		25.00										12.50
N/A	Anthony Acres	B								25.00					16.55
N/A	Catherine Gill	B													25.00
N/A	Gloria Bass	B													1.75
Total			774.64	331.46	366.50	155.00	396.75	219.90	60.00	77.50	78.75	94.87	126.75	107.80	2,791.92
Wellfare Fund	Date audit	6/1/07													Total
Pension Fund		8.66	6,708.38	2,870.44	3,173.89	1,342.30	3,453.18	1,904.33	519.60	671.15	681.98	821.57	1,097.66	933.55	24,178.03
Training Fund		7.55	5,848.53	2,502.52	2,767.08	1,170.25	3,010.56	1,660.25	453.00	585.13	594.56	716.27	986.96	813.89	21,079.00
Piping Education Council		1.12	867.60	371.24	410.48	173.60	446.60	246.29	67.20	86.80	88.20	106.25	141.96	120.74	3,126.96
Wage Work Assessment		0.28	216.90	92.81	102.62	43.40	111.65	61.57	16.80	21.70	22.05	26.56	35.49	30.18	781.73
		0.40	309.86	132.58	146.60	62.00	159.50	87.96	24.00	31.00	31.50	37.95	50.70	43.12	1,116.77
Total			13,951.27	5,969.59	6,600.67	2,791.55	7,181.49	3,960.40	1,080.60	1,395.78	1,418.29	1,708.60	2,282.77	1,941.48	50,282.49

Primary explanation for deficiencies / credits noted:
 A) Cash payments.
 B) Cash payments made out to individuals.

Check Disbursements-Gi-La Builders, Inc.			For Bank Routing Number- 074000065		
			Prevailing	Account #0983538070	
2005		ck amount	Journeyman	estimate	Check
Ck Date	Payee		rates	hrs.	number
5-Nov	Cash	\$2,000.00	\$36.10	55.40166	1511
23-Nov	Cash	\$5,000.00	\$36.10	138.5042	1519
	Total November 2005			193.9058	
2-Dec	Cash	\$2,000.00	\$36.10	55.40166	33
15-Dec	Cash	\$5,000.00	\$36.10	138.5042	87
20-Dec	Cash	\$300.00	\$36.10	8.310249	1522
				202.2161	
	Total December 2005				
	Checks Payable To:				
2-Dec	Steven Griswell	\$1,720.00	\$36.10	47.64543	1521
24-Sep	Frank Gill	\$5,000.00	\$36.10	138.5042	993
25-Oct	Terri O'Connor	\$750.00	\$36.10	20.77562	1508

Check Disbursements-Gi-La Builders, Inc.			For Bank Routing Number- 074000065		
			Prevailing	Account #0983538070	
2006		ck amount	Journeyman	estimate	Check
Ck Date	Payee		rates	hrs.	number
24-Feb	Cash	\$4,600.00	\$36.10	127.4238	1524
24-Mar	Cash	\$9,000.00	\$36.10	249.3075	1535
28-Mar	Cash	\$100.00	\$36.10	2.770083	1538
	Total March 2006			252.0776	
23-Apr	Cash	\$460.00	\$36.10	12.74238	1540
16-Oct	Cash	\$100.00	\$37.60	2.659574	42
19-Oct	Cash	\$2,500.00	\$37.60	66.48936	71
19-Oct	Cash	\$1,200.00	\$37.60	31.91489	1542
23-Oct	Cash	\$1,100.00	\$37.60	29.25532	1544
26-Oct	Cash	\$2,300.00	\$37.60	61.17021	1546
26-Oct	Cash	\$100.00	\$37.60	2.659574	1547
31-Oct	Cash	\$3,100.00	\$37.60	82.44681	1551
	Total October 2006			276.5957	
2-Nov	Cash	\$200.00	\$37.60	5.319149	1553
3-Nov	Cash	\$200.00	\$37.60	5.319149	1557
11-Nov	Cash	\$4,000.00	\$37.60	106.383	1569
14-Nov	Cash	\$500.00	\$37.60	13.29787	1572
15-Nov	Cash	\$1,100.00	\$37.60	29.25532	1573
17-Nov	Cash	\$400.00	\$37.60	10.6383	1576
20-Nov	Cash	\$600.00	\$37.60	15.95745	1579
21-Nov	Cash	\$240.00	\$37.60	6.382979	1582
22-Nov	Cash	\$200.00	\$37.60	5.319149	1583
25-Nov	Cash	\$200.00	\$37.60	5.319149	1584
	Total November 2006			203.1915	
4-Dec	Cash	\$1,400.00	\$37.60	37.23404	1586
7-Dec	Cash	\$250.00	\$37.60	6.648936	1588
12-Dec	Cash	\$277.00	\$37.60	7.367021	39
12-Dec	Cash	\$500.00	\$37.60	13.29787	1590
15-Dec	Cash	\$300.00	\$37.60	7.978723	54
22-Dec	Cash	\$4,690.00	\$37.60	124.734	90
30-Dec	Cash	\$1,500.00	\$37.60	39.89362	1595
	Total December 2006			237.1543	
	Checks payable to:				
21-Nov	Bill Finke	\$1,250.00	\$37.60	33.24468	1578
10-Nov	Brian Ziron	\$300.00	\$37.60	79.78723	1566
27-Mar	Catherine Gill	\$800.00	\$36.10	22.16066	1537

Check Disbursements-Gi-La Builders, Inc.				For Bank Routing Number- 074000065			
6-Nov	Catherine Gill	\$600.00	\$37.60	15.95745	1560		
6-Nov	Catherine Gill	\$800.00	\$37.60	21.2766	1562		
	Total November 2006			37.23404			
19-Oct	Ken Finke	\$3,000.00	\$37.60	79.78723	72		
2-Nov	Ken Finke	\$1,500.00	\$37.60	39.89362	1559		
2-Nov	Marlene Dalton	2100	\$37.60	55.85106	1558		
6-Nov	Tim Barker	\$400.00	\$37.60	10.6383	1561		
20-Nov	Tim Barker	\$740.00	\$37.60	19.68085	1577		
	Total November 2007			30.31915			
2-Nov	Timothy O'Connor	\$1,360.00	\$37.60	36.17021	1555		

Notes & Procedures

BSG Construction, Inc. /Gi-La Builders, Inc.
2417 187th Place
Lansing, IL 60438

Employer #11160

On July 14, 2008, a compliance audit was started for the above mentioned company on behalf of the Trustees of Pipe Fitters Local 597 Fringe Benefits Funds. We also reviewed the records of their related company, Gi-La Builders, Inc. The audit was conducted at the Law office of:

Allocco, Miller, & Cahill, P.C.
3409 N. Paulina St.
Chicago, IL 60657
773-868-4841

The contact for the audit was Todd Miller, attorney.

The records for this audit were segregated in several boxes between BSG Construction, Inc. & Gi-La Builders, Inc. We sorted out the items in these boxes and found out we were not able to complete the compliance audit because of missing records.

BSG Construction, Inc. Federal # 36-4055805

Missing documents include:

- Payroll journals-January 1, 2001 through December 31, 2003.
- Payroll journals-April 1, 2005 through June 30, 2005.
- Check disbursement register from January 1, 2001 through June 30, 2005.

We were only able to verify hours worked for member Michael Hoest for the period from January 1, 2004 through March 31, 2005. We used the employer's weekly payroll journals to trace the hours worked to the Fund's contribution reports. No discrepancies were found during this period.

During the audit period the contractor worked in and contributed to Local 150 on employee Jay Gallatin.

Based on W-2's issued for calendar years 2001 through 2005, listed below are the employees who worked at BSG Construction, Inc.:

- Jay Gallatin-Local 150
- Michael Hoest-Local 597
- John Burns
- Rodney Jensen

We were unable to classify two employees (John Burns & Rodney Jensen). The wages earned for John Burns & Rodney Jensen in the calendar year 2003 will be written up as discrepancies on the journeymen worksheet. The spreadsheet we created to recap wages based on W-2 forms will become part of our audit report.

The wages earned (\$9924.53) by John Burns for the calendar year 2003 were converted to hours by dividing the gross amount by the prevailing journeyman' rate of (\$33.56) which equals 295.7250 hours. The hours will be written up in the month of December 03.

The wages earned (\$112.00) by Rodney Jensen for the calendar year 2003 were converted to hours by dividing the gross amount by the prevailing journeyman's rate of (\$33.56) which equals 3.3373 hours.

All such derived hours have been deemed jurisdictional in nature, absent any documentation whatsoever to the contrary, and are therefore subject to benefit contributions.

Please Note:

All employees of BSG Construction, Inc. fell off the payroll after June 2005. There was an injunction against BSG Construction, Inc. in April 2007 filed by William Dugan for \$14,220.93 which may explain why we don't have all documents for BSG Construction, Inc.

Gi-La Builders, Inc. Federal # 36-2984383

Missing documents include:

- W-2's for the calendar year 2005 through 2007.
- Payroll journals for period from January 1, 2005 through May 31, 2008.
- Payroll journals missing weeks between quarters, missing quarters, etc. before 2005.

Based on W-2's issued for calendar years 2001 through 2005, listed below are the employees who worked at Gi-La Builders, Inc.:

- Greg Gill
- Frank Gill

- Michelle Gahan****
- Frank G Gill
- Marcella Gill****
- Dustin Schultz
- Brian Gill****
- James O'Connor
- Eric Olm
- Chris Dennis
- Frank J Gill
- Matt Wlos
- John Burns
- Michael Fallon
- Robert Massey

In addition there was a 1099 issued to Ken Finke for the amount of \$5680.00.

All names listed above were given to the contact person for the employer to classify on the audit date. The employer ignored our request.

All employees listed above will be written up for the calendar years from 2001 through 2005. Employees with an asterisk next to their name are considered office employees. They will not be written up. A spreadsheet was created on how we configured the hours for the employees listed above minus the asterisk employees. The spreadsheet will be included in our audit report.

We used this method to configure the hours worked for the employees. We took the gross amount from the W-2's and divided by the prevailing journeyman rate, or by the employee's hourly rate if known. Discrepancies were included in December of each year.

The hours derived have been deemed jurisdictional in nature, absent any documentation to the contrary, and are therefore subject to benefit contributions.

In addition a package was received from the Fund's attorney, William Callinan, of Johnson & Krol, LLC. This package contained checks written by the employer for the period from September 05 through August 08. We sorted the package and found most checks written in this time frame were made payable to cash, some were made out to individuals instead of companies. These checks written for cash and individuals will be written up as discrepancies.

We created spreadsheets recapping these cash & individual payments. These spreadsheets listed the individual names (if applicable), the check dates, check amounts, prevailing journeyman rates, the estimated hours to be written up, and the check numbers. These spreadsheets will be included with our audit report. All such hours derived have been deemed jurisdictional in nature, absent any documentation to the contrary, and are therefore subject to benefit contributions.

There was an addendum made to the CBA effective July 1, 2007. "Owners" or "Family Members" who perform covered work in a month are to report a minimum of 155 hours or actual hours worked if more than 155 hours. An "Owner" is person that owns more than 5% of the company. An Owner's "Family Member" is defined to include any Owner's spouse, daughter, son, stepchild or parent. We suspect Frank G. Gill & Frank Gill are working with tools. We cannot distinguish who is the son or who is the father. They will be written up beginning July 1, 2007 at 155 hours per month less any hours picked up from the check disbursement files.

The audit report is segregated into two parts (cash & payroll) to differentiate the hours owed through payroll and the hours owed through the employer's checking account (Gi-La).

There were some 1099 forms viewed on Gi-La Builders, Inc. Listed below are companies which may or not be doing covered work:

- Ameron Fiberglass Pipe System
- Higgins Heating & Cooling Corp.
- Kara Plumbing

The period of audit for both companies, records permitting, will be from January 1, 2001 through May 31, 2008.

A corporate search with the Illinois Secretary of State shows both companies being dissolved. These documents are included in the audit report.

Due to the additional records still needed to complete the audit, we are submitting this report as a preliminary draft.



SERVICES PROGRAMS PRESS PUBLICATIONS DEPARTMENTS CONTACT

CORPORATION FILE DETAIL REPORT

Entity Name	GI-LA BUILDERS, INC.	File Number	51565134
Status	DISSOLVED		
Entity Type	CORPORATION	Type of Corp	DOMESTIC BCA
Incorporation Date (Domestic)	10/02/1978	State	ILLINOIS
Agent Name	FRANK GILL	Agent Change Date	04/16/2007
Agent Street Address	1121 W 171ST ST	President Name & Address	FRANK GILL 2417 187TH PL LANSING IL 60438
Agent City	EAST HAZEL CREST	Secretary Name & Address	INVOLUNTARY DISSOLUTION 03 14 08
Agent Zip	60429	Duration Date	PERPETUAL
Annual Report Filing Date	00/00/0000	For Year	2007

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SERVICES PROGRAMS PRESS PUBLICATIONS DEPARTMENTS CONTACT

CORPORATION FILE DETAIL REPORT

Entity Name	BSG CONSTRUCTION, INC.	File Number	64217941
Status	DISSOLVED		
Entity Type	CORPORATION	Type of Corp	DOMESTIC BCA
Incorporation Date (Domestic)	04/20/2005	State	ILLINOIS
Agent Name	FRANK G GILL	Agent Change Date	04/20/2005
Agent Street Address	2417 187TH PL	President Name & Address	
Agent City	LANSING	Secretary Name & Address	INVOLUNTARY DISSOLUTION 09 01 06
Agent Zip	60438	Duration Date	PERPETUAL
Annual Report Filing Date	00/00/0000	For Year	2006

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