

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

Emerald Sewer & Plumbing, Inc.
April 1, 2008 to December 31, 2008
File #P130-0209-1881

LEGACY

PROFESSIONALS LLP
CERTIFIED PUBLIC ACCOUNTANTS

May 28, 2009

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: Emerald Sewer & Plumbing, Inc.
File # P130-0209-1881

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 April 1, 2008 through December 31, 2008.

Emerald Sewer & Plumbing, Inc conducts business as a C Corporation owned 50% by unaffiliated licensed plumber Terrence Cox and 50% by his spouse, Jane Cox. According to the prior audit, the company reportedly performs 90% new water service installation and 10% sewer work, employing one Local 130 journeymen throughout the audit period and one 1st period apprentice who joined in June 2008.

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

At the time of the audit the employer's accountant stated that the 2008 Corporate Tax Return was on extension and not completed. Due to the target of this audit, and the results of the prior audit completed by DM Siegel on behalf of the Local 130 Fringe Benefit Funds our only method to determine the gross sales based on the records provided were to review deposit slips from bank accounts associated with the contractor.

Our findings include 1560 unreported hours for salaried owner Terrence (Terry) Cox. The analytical procedures from the prior audit determined four to five plumbers would be necessary to produce the sales volume recorded each year if only jurisdictional work was performed, whereas the contractor reported only one plumber throughout the old and current audit periods. Therefore we assume Mr. Cox, as a licensed plumber, must have performed jurisdictional work, computed at 40 hours per week, 52 weeks per year, absent adequate documentation to the contrary.

Our findings also include 1476 unreported hours of assumed jurisdictional work throughout the report period for non-members Marco Guterrez who was compensated at \$33.00 per hour and Timothy Gleeson who was compensated at \$12.00 per hour. Our contact did not have an explanation as to the type of work that Mr. Guterrez or Mr. Gleeson performed.

The findings also include 288 unreported hours of assumed jurisdictional work in April and May 2008, and 1024 hours of jurisdictional work for Terence A. Cox. Mr. Cox became affiliated with Local 130 as a first period apprentice in June 2008 although no hours were reported on his behalf through at least the date of the audit. Time cards were not provided for the audit, therefore we cannot confirm whether the payroll reflects payment for school days attended by Mr. Cox. Per our conversation with Mr. Sherlock we were provided a list of school days attended by Mr. Cox and were to deduct the school days from the hours on the payroll. Therefore 176 hours of school days were not included in our report for 2008.

Our report also indicates 944 hours of delinquent contributions owed to Local 130 for Mr. John Murphy, Journeyman Plumber. The employer last reported on Mr. Murphy's behalf for June 2008.

As in the case in the prior audit, the accountant does not agree with our findings, however our conclusion therefore indicates that the employer owes the following amounts for the report period.

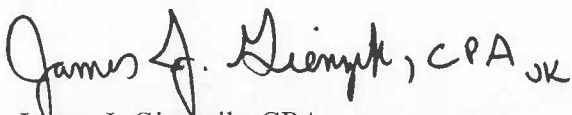
	2006	2007	2008	TOTAL
Pension Fund	\$ -	\$ -	\$30,107.36	\$ 30,107.36
Welfare Fund	0.00	0.00	42,107.56	\$ 42,107.56
Education Fund	0.00	0.00	5,685.08	\$ 5,685.08
Group Legal Services	0.00	0.00	3,091.96	\$ 3,091.96
Plumbing Council	0.00	0.00	2,518.12	\$ 2,518.12
Working Dues	0.00	0.00	302.08	\$ 302.08
Savings Plan	0.00	0.00	2,360.00	\$ 2,360.00
sub-total	\$ -	\$ -	\$86,172.16	86,172.16
Add 8% Liquidated Damages				6,893.77
Add Interest @1 1/2 % per month through 5/31/09				12,648.54
TOTAL				\$ 105,714.47

* After 5/31/09 add interest per month of \$1,292.59

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,



James J. Gienzik, CPA
Legacy Professionals LLP

cc: Emerald Sewer & Plumbing, Inc.

**UNREPORTED HOURS OF COVERED (OR UNDOCUMENTED) WORK
2008**

**TOTAL
UNREPORTED
HOURS**

MEMBERS: (*)

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Murphy, John xxx-xx-4180 Journeyman	Worked							152.00	200.00	152.00	160.00	136.00	144.00	
	Reported UNREPORTED	0.00	0.00	0.00	0.00	0.00	0.00	152.00	200.00	152.00	160.00	136.00	144.00	944.00
Cox, Terence xxx-xx-2917 Apprentice	Worked						72.00	120.00	200.00	112.00	128.00	112.00	104.00	
	Reported UNREPORTED	0.00	0.00	0.00	0.00	0.00	72.00	120.00	200.00	112.00	128.00	112.00	104.00	848.00
	Worked													
	Reported UNREPORTED	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Worked													
	Reported UNREPORTED	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Worked													
	Reported UNREPORTED	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Worked													
	Reported UNREPORTED	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL UNREPORTED HOURS FOR MEMBERS		0.00	0.00	0.00	0.00	0.00	72.00	272.00	400.00	264.00	288.00	248.00	248.00	1,792.00
NON-MEMBERS: (*)														
Cox, Terry xxx-xx-8626	Worked				160.00	200.00	160.00	160.00	200.00	160.00	160.00	200.00	160.00	
	Reported UNREPORTED	0.00	0.00	0.00	160.00	200.00	160.00	160.00	200.00	160.00	160.00	200.00	160.00	1,560.00
Gutierrez, Marco xxx-xx-6630	Worked				120.00	192.00	120.00	152.00	200.00	152.00	160.00	112.00	128.00	
	Reported UNREPORTED	0.00	0.00	0.00	120.00	192.00	120.00	152.00	200.00	152.00	160.00	112.00	128.00	1,336.00
Gleeson, Timothy xxx-xx-7940	Worked							88.00	52.00					
	Reported UNREPORTED	0.00	0.00	0.00	0.00	0.00	0.00	88.00	52.00	0.00	0.00	0.00	0.00	140.00
Cox, Terence xxx-xx-2917	Worked				104.00	184.00								
	Reported UNREPORTED	0.00	0.00	0.00	104.00	184.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	288.00
	Worked													
	Reported UNREPORTED	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Worked													
	Reported UNREPORTED	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL UNREPORTED HOURS FOR NON-MEMBERS		0.00	0.00	0.00	384.00	576.00	280.00	400.00	452.00	312.00	320.00	312.00	288.00	3,324.00
TOTAL UNREPORTED HOURS		0.00	0.00	0.00	384.00	576.00	352.00	672.00	852.00	576.00	608.00	560.00	536.00	5,116.00

(*) Hours "worked" and "reported" are displayed only for those months in which unreported hours are shown.

CONTRIBUTIONS AND DEDUCTIONS DUE

2008

		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL DUE
PENSION FUND	hours:				384.00	576.00	352.00	672.00	852.00	576.00	608.00	560.00	536.00	
	rate:				5.56	5.56	5.96	5.96	5.96	5.96	5.96	5.96	5.96	
	AMOUNT DUE:				2,135.04	3,202.56	2,097.92	4,005.12	5,077.92	3,432.96	3,623.88	3,337.60	3,194.56	\$ 3,107.36
WELFARE FUND 1st - 3rd Apprentice	hours:				384.00	576.00	280.00	552.00	652.00	464.00	480.00	448.00	432.00	
	rate:				8.84	8.84	9.11	9.11	9.11	9.11	9.11	9.11	9.11	
	hours:				3.84	3.84	72.00	120.00	200.00	112.00	128.00	112.00	104.00	
	rate:				4.11	4.11	4.11	4.11	4.11	4.11	4.11	4.11	4.11	
	AMOUNT DUE:	0.00	0.00	0.00	3,394.56	5,081.84	2,846.72	5,521.92	6,761.72	4,687.36	4,898.88	4,541.60	4,362.96	\$ 42,107.56
EDUCATION FUND	hours:				384.00	576.00	352.00	672.00	852.00	576.00	608.00	560.00	536.00	
	rate:				1.03	1.03	1.13	1.13	1.13	1.13	1.13	1.13	1.13	
	AMOUNT DUE:	0.00	0.00	0.00	395.52	593.28	397.76	759.36	962.76	650.88	687.04	632.80	605.68	\$ 5,685.08
GROUP LEGAL SVCS	hours:				384.00	576.00	352.00	672.00	852.00	576.00	608.00	560.00	536.00	
	rate:				0.58	0.58	0.61	0.61	0.61	0.61	0.61	0.61	0.61	
	AMOUNT DUE:	0.00	0.00	0.00	222.72	334.08	214.72	409.92	519.72	351.36	370.88	341.60	326.96	\$ 3,091.68
PLUMBING COUNCIL 1st - 3rd Apprentice	hours:				384.00	576.00	280.00	552.00	652.00	464.00	480.00	448.00	432.00	
	rate:				0.59	0.59	0.59	0.59	0.59	0.59	0.59	0.59	0.59	
	hours:						72.00	120.00	200.00	112.00	128.00	112.00	104.00	
	rate:						N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	AMOUNT DUE:	0.00	0.00	0.00	226.56	333.84	185.20	325.68	384.68	273.76	283.20	264.32	254.88	\$ 2,518.12
WORKING DUES (1)	hours:							152.00	200.00	152.00	160.00	136.00	144.00	
	rate:							0.32	0.32	0.32	0.32	0.32	0.32	
	AMOUNT DUE:	0.00	0.00	0.00	0.00	0.00	0.00	48.64	64.00	48.64	51.20	43.52	46.08	\$ 302.08
WORKING DUES (2)	hours:													
	rate:													
	AMOUNT DUE:	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$ -
SAVINGS PLAN	hours:							152.00	200.00	152.00	160.00	136.00	144.00	
	rate:							2.50	2.50	2.50	2.50	2.50	2.50	
	AMOUNT DUE:	0.00	0.00	0.00	0.00	0.00	0.00	380.00	500.00	380.00	400.00	340.00	360.00	\$ 2,360.00
TOTAL DUE		\$	\$	\$	\$ 6,374.40	\$ 9,561.60	\$ 5,722.32	\$ 11,450.64	\$ 14,270.80	\$ 9,824.86	\$ 10,314.68	\$ 9,501.44	\$ 9,151.12	\$ 86,172.16

(1) Non-apprentices
(2) Apprentices (after 1st six months)
effective 6/1/1997

Total Working Dues (see above) **\$ 302.08**

Plumbers' Benefit Funds
 Local 130, U.A.
 Interest
 At 1.5% Per Month

Employer: Emerald Sewer & Plumbing, Inc.

A/C No: 1881

2008	Deficiencies	Rate	Amount
Jan		25.5%	
Feb		24.0%	
Mar		22.5%	
Apr	6,374.40	21.0%	1,338.62
May	9,561.60	19.5%	1,864.51
Jun	5,722.32	18.0%	1,030.02
Jul	11,450.64	16.5%	1,889.36
Aug	14,270.80	15.0%	2,140.62
Sep	9,824.96	13.5%	1,326.37
Oct	10,314.88	12.0%	1,237.79
Nov	9,501.44	10.5%	997.65
Dec	9,151.12	9.0%	823.60
Total	86,172.16		12,648.54

2009	Deficiencies	Rate	Amount
Jan		7.5%	
Feb		6.0%	
Mar		4.5%	
Apr		3.0%	
May		1.5%	
Jun			
Jul			
Aug			
Sep			
Oct			
Nov			
Dec			
Total			

Total	86,172.16		12,648.54
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