

# 2010 Annual Report

## Office of Labor-Management Standards

U.S. Department of Labor  
John Lund, Director



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## Introduction

When the Labor-Management Reporting and Disclosure Act (LMRDA) was enacted in 1959, Congress declared, "it is essential that labor organizations, employers and their officials adhere to the highest standards of responsibility and ethical conduct in administering the affairs of their organizations, particularly as they affect labor-management relations." The LMRDA primarily promotes union democracy and financial integrity in private sector labor unions through standards for union officer elections and union trusteeships and safeguards for union assets. Additionally, the LMRDA promotes transparency through reporting and disclosure requirements for labor unions and their officials, employers, labor relations consultants, and surety companies. The Office of Labor-Management Standards (OLMS) continues today to pursue this important mission through criminal and civil enforcement of the LMRDA.

The major provisions of the LMRDA, by title, are:

- Title I: Bill of Rights for union members
- Title II: Requirements for reporting and disclosure by labor unions, union officers and employees, employers, labor relations consultants and surety companies
- Title III: Rules for establishing and maintaining trusteeships
- Title IV: Standards for conducting fair elections of union officers
- Title V: Safeguards for protecting union funds and assets

OLMS also administers provisions of the Civil Service Reform Act of 1978 and the Foreign Service Act of 1980, which extend comparable protections to Federal labor unions. In addition, OLMS' Division of Statutory Programs administers the Department's responsibilities under the Federal Transit Act by ensuring that fair and equitable arrangements protecting mass transit employees are in place before the release of Federal transit grant funds.

OLMS is the front line agency responsible for enforcing the LMRDA through its criminal and civil investigations. Criminal investigations include embezzlement, deprivation of rights by violence, extortionate picketing, willful failure to file reports, filing false reports, prohibited union office holding or employment of convicted persons, and fraud related to union elections. Civil investigations include violations of the LMRDA involving union election procedures, financial disclosure requirements, and trusteeship standards.

OLMS conducts audits of union finances, administers a comprehensive compliance assistance program, and offers information and technical support to union officers and members to further the goals of financial integrity, union democracy, and transparency.

Compliance assistance also plays a central role in the OLMS enforcement strategy. OLMS has an active compliance assistance program to promote voluntary compliance with the LMRDA by informing union officers and employees of their responsibilities and informing members of their legal rights.

## Summary

This report consists of six sections, with related tables and charts.

- Section 1 presents key criminal enforcement results pursuant to LMRDA Title V (financial safeguards for labor organizations), for FY 2010 and the preceding four-year average, together with noteworthy criminal enforcement actions in FY 2010. A more complete listing of these actions is located at [www.dol.gov/olms/regs/compliance/enforcement\\_1.htm](http://www.dol.gov/olms/regs/compliance/enforcement_1.htm) on the OLMS website.
- Section 2 presents key civil enforcement results pursuant to LMRDA Title III (trusteeships) and Title IV (union officer elections) together with noteworthy union officer election case summaries for FY 2010. Listings of union officer election voluntary settlement agreements are located at [www.dol.gov/olms/regs/compliance/civil\\_actions.htm](http://www.dol.gov/olms/regs/compliance/civil_actions.htm) (2001-2009) and [www.dol.gov/olms/regs/compliance/civil\\_actions\\_2010.htm](http://www.dol.gov/olms/regs/compliance/civil_actions_2010.htm) (2010). Final decision letters in election and trusteeship cases are located on the OLMS website at [www.dol.gov/olms/regs/compliance/OLMS\\_FOIA.htm](http://www.dol.gov/olms/regs/compliance/OLMS_FOIA.htm).
- Section 3 presents reporting and disclosure data and related program activity pursuant to LMRDA Title II (reporting requirements). Reports are available for public disclosure on the OLMS Online Public Disclosure Room, [www.unionreports.gov](http://www.unionreports.gov).
- Section 4 summarizes grant certification activity pursuant to Section 13(c) of the Federal Transit Act, ensuring fair and equitable arrangements protecting mass transit employees.
- Section 5 presents major regulatory activities in FY 2010.
- Section 6 briefly describes compliance assistance activities conducted in FY 2010.

## Program Activities

### 1. Safeguarding Union Assets

As part of the effort to protect and safeguard union funds and assets, OLMS investigates possible embezzlement from unions and other violations of criminal laws. Over the past 10 years, restitution of \$104,650,293 has been paid or ordered to be paid to defrauded unions and other parties. OLMS also conducts audits of labor unions to ensure and promote their compliance with the LMRDA. Compliance audit closing letters are located at [www.dol.gov/olms/regs/compliance/CA\\_closing\\_letters.htm](http://www.dol.gov/olms/regs/compliance/CA_closing_letters.htm) on the OLMS website.

<b>OLMS Enforcement Statistics – Financial Integrity</b>	<b>FY 2010</b>	<b>FY 2006 – FY 2009 Yearly Average</b>
Criminal Cases Processed	355	386
Indictments	129	119
Convictions	130	119
Compliance Audits Conducted	541	763

Union officers, employees, and representatives have a duty to manage the funds and property of the union solely for the benefit of the union in accordance with its constitution. A union officer or employee who embezzles or misappropriates union funds or assets commits a federal crime punishable by fine and/or imprisonment. OLMS is responsible for investigating these crimes. The following are some of the most significant criminal enforcement actions from FY 2010.

### **Former Officer Feeds Gambling Habit with \$217,528 in Embezzled Union Funds**

In August 2010, Thomas Pokrywczynski, former financial secretary-treasurer of the Amalgamated Transit Union (ATU) Local Division 1342 in Buffalo, New York, and treasurer of the ATU New York State Legislative Conference Board in Syracuse, New York, was sentenced to 24 months imprisonment following his guilty plea. He pled guilty to embezzling approximately \$71,000 from the local division and \$183,000 from the conference board between January 2002 and March 2008. As treasurer of the New York State Conference Board, Pokrywczynski used an ATM card to make over 400 unauthorized cash withdrawals from that body's bank account. Pokrywczynski also failed to deposit all incoming receipts payable to Local Division 1342 into the local's bank account. In some instances, Pokrywczynski kept the cash he received and, on other occasions, he deposited local division funds into the conference board's bank account to replenish funds he took from that body. Pokrywczynski told the sentencing judge that he stole the money to gamble at casinos. In addition to his term of imprisonment, Pokrywczynski was ordered to make total restitution of \$217,528 to the two labor organizations.

### **Former Local President and Former International Trustee Both Guilty of Embezzlement**

Wayne Mitchell, former president of Communications Workers of America (CWA) Local 14170 in New York, New York, pled guilty on April 21, 2010, to one count of embezzlement of union funds, which totaled between \$200,000 and \$400,000. From 2006 through 2008, Mitchell perpetrated the embezzlement through salary overpayments and writing checks to himself. Mitchell's plea followed an investigation that arose from an OLMS compliance audit of the local. During the course of the investigation, OLMS also discovered an embezzlement by former CWA International Trustee Lawrence DeAngelis, who had been appointed trustee over Local 14170 by the International because of Mitchell's embezzlement. DeAngelis wrote checks and made wire transfers to himself from the union's account. On April 23, 2010, DeAngelis was charged and pled guilty to one count of embezzlement of union funds in excess of \$60,000. DeAngelis was sentenced to one year in prison, three years supervised release, and was ordered to pay restitution of \$63,000 and a \$3,000 fine.

### **Former Transit Employees Secretary-Treasurer Causes Detour of Local's Funds**

While serving as secretary-treasurer of the Transit Employees Union, an unaffiliated union based in South Euclid, Ohio, Lisa Wright embezzled \$71,470 in union funds. Wright issued herself 120 unauthorized union checks, forging signatures and providing false purposes for the checks. Additionally, Wright made nine unauthorized withdrawals from the union's savings account. In February 2010, she pled guilty to one count of embezzlement, and on May 19, 2010, was sentenced to three years probation and full restitution.

### **Former UAW Local Bookkeeper Pleads Guilty to Embezzling Over \$200,000**

While serving as bookkeeper for United Auto Workers (UAW) Local 383 in Benton Harbor, Michigan, Robbin Wolff embezzled \$200,397 by issuing 194 extra salary checks to herself and using union credit cards to make personal charges. Wolff attempted to conceal her embezzlement by falsifying union records. Wolff pled guilty to one count of embezzlement and one count of falsifying union records. She was sentenced to 24 months imprisonment for the embezzlement and an additional 12 months for falsifying union records, with time to be served concurrently. Upon release from imprisonment, Wolff will be on supervised release for two years for the former offense and one year for the latter offense; the time to be served concurrently. Wolff was ordered to pay full restitution and a special assessment of \$125.

### **Former AFSCME District Council President Embezzles More Than \$180,000**

Paula Dorsey, former president of American Federation of State, County and Municipal Employees (AFSCME) District Council 48, located in Milwaukee, Wisconsin, embezzled more than \$180,000 between 2004 and 2009. The money was stolen from an account funded by the AFSCME National Union for "Operation Big Vote," a non-partisan program to encourage minority voting. The OLMS investigation disclosed that Dorsey made at least 76 cash withdrawals from the union account, totaling over \$180,000, at a casino in conjunction with gambling losses. On August 11, 2010, Dorsey pled guilty to embezzlement. On December 15, 2010, Dorsey was sentenced to three years probation and was ordered to pay restitution in the amount \$180,000.

### **Former Machinists District Lodge Employee Sentenced for Embezzlement**

Linda Tickle, former office manager of International Association of Machinists (IAM) District Lodge 711 in Chattanooga, Tennessee, was also assigned similar responsibilities at Lodge 56 and Lodge 1458. While so employed, Tickle embezzled money from Lodge 56 and Lodge 1458 by writing checks to herself. The OLMS computer cadre of forensic investigators retrieved the lodge's computer records for analysis, which was instrumental to the success of this investigation. Tickle pled guilty to two counts of embezzlement of union funds totaling \$40,048 and was sentenced to five months imprisonment, three years probation, and was ordered to pay restitution of \$40,048 and a \$200 assessment.

### **Former Machinists Local Lodge Secretary-Treasurer Sentenced to Prison**

Hugo Vargas, former secretary-treasurer of the International Association of Machinists (IAM) Local Lodge 845, located in Las Vegas, Nevada, embezzled \$106,294 by making 33 unauthorized in-person bank withdrawals, 131 unauthorized ATM withdrawals, and 12 unauthorized debit card purchases and payments. Of the 131 unauthorized ATM withdrawals, 27 were made at casino locations, two were made in Thailand, and three were made in Mexico. Vargas was arrested and pled guilty to one count of embezzlement in the amount of \$106,294. He was

sentenced to 13 months in prison, followed by a 3-year period of supervised release, and was ordered to pay restitution of \$106,294 and a \$100 assessment.

### **Former Secretary-Treasurer Receives Prison Sentence for Embezzlement**

An OLMS joint investigation with the Internal Revenue Service (IRS) of James L. Miles, former secretary-treasurer of International Brotherhood of Electrical Workers (IBEW) Local 1023, located in Barstow, California, resulted in Miles entering a guilty plea to embezzling union funds totaling \$93,283 and filing a false tax return. Miles misappropriated these funds by signing more than 350 checks payable to himself or to his creditors. Miles was sentenced to one year in federal prison followed by three years of supervised release. He was also ordered to pay \$78,283 in restitution to the Local, \$15,000 to the bonding company, and \$14,466 to the IRS.

### **Former Local Bookkeeper Sentenced for Embezzling Union Funds**

Cheryl Staley, former bookkeeper for International Union of Operating Engineers (IUOE) Local 501 in Los Angeles, California pled guilty to a complex scheme that resulted in her embezzling \$231,653 in union funds. Staley embezzled cash receipts over the course of a five-year period and concealed her theft by manipulating the electronic dues records database, which recorded cash dues payments for the union's Las Vegas members. Staley used the majority of the stolen money at local casinos to feed an apparent gambling addiction. Staley was sentenced to five years probation, during which time she is restricted from entering a casino without first notifying her probation officer. She was also ordered to attend gambling addiction classes and pay \$231,653 in restitution.

### **Former AFGE Local President Guilty of Embezzlement**

Sid Mannetti, former president of American Federation of Government Employees (AFGE) Local 1170, located in Seattle, Washington, embezzled \$50,463 between January 2006 and February 2008. On January 25, 2010, Mannetti was charged with and pled guilty to a single count of embezzling union funds. Mannetti embezzled Local 1170 funds by his unauthorized use of the union credit card and unauthorized cash withdrawals. The credit card charges totaled \$32,928, the bulk of which was used to pay personal debts, such as \$2,546 worth of car repairs at a Chevrolet dealership. The cash withdrawals totaled \$18,578, with one withdrawal totaling \$6,000. On July 12, 2010, Mannetti was sentenced to 24 months of probation with six months of home confinement, in addition to a court ordered restitution payment of \$50,463.

### **Former CWA Local Financial Secretary Sentenced for Embezzling More Than \$110,000**

Sherrell Mitchell, former financial secretary of Communications Workers of America (CWA) Local 86823, located in St. Louis, Missouri, was charged with embezzling union funds in the amount of \$110,139. The OLMS investigation disclosed that between January 2002 and May 2009, Mitchell wrote herself 358 unauthorized checks totaling \$58,709 and made 225 unauthorized cash withdrawals totaling \$51,430. Mitchell concealed the theft from other officers by having the bank statements sent to her home instead of the union's P.O. Box, shredding the bank statements, and giving inflated financial reports at meetings. When confronted by investigators, Mitchell stated that the money was used to support her gambling habit. On April 8, 2010, Mitchell was sentenced to six months home detention and five years probation. Full restitution was also ordered.

## 2. Protecting Union Democracy

The LMRDA establishes democratic standards for conducting union officer elections, such as the frequency and method of election, the right of members in good standing to be candidates, rights of candidates, and voting rights of members. When a union member files a timely complaint protesting a regularly scheduled election of union officers following a timely and proper internal protest, OLMS conducts an investigation. If the investigation reveals a violation of the union-democracy provisions of the LMRDA that may have affected the outcome of the election, OLMS asks the union to agree to allow OLMS to supervise a new election. If the union agrees, a voluntary compliance agreement is signed. If the union does not voluntarily agree to remedy the violation, OLMS may take legal action seeking a new election supervised by OLMS. The agency also conducts investigations to determine the validity of the imposition or continuation of trusteeships imposed by national unions on subordinate bodies. Trusteeship investigations are conducted upon receipt of a complaint from a member or subordinate body.

<b>OLMS Enforcement Statistics – Union Democracy</b>	<b>FY 2010</b>	<b>FY 2006 – FY 2009 Yearly Average</b>
Election Investigations Conducted	145	127
Lawsuits Filed	8	8
Voluntary Compliance Agreements Obtained	23	25
Supervised Elections Completed	29	32
Trusteeship Investigations	10	12

The following are highlights of some of the most significant OLMS election and trusteeship cases during FY 2010.

### **Local Postal Workers Union Voluntarily Agrees to Rerun Election for President**

On November 4, 2009, OLMS entered into a voluntary settlement agreement with Postal Workers Local 497 in Springfield, Massachusetts, to conduct a new election for the office of president under OLMS supervision. OLMS investigation of the local's regularly scheduled May 5, 2009 election found that an ineligible member had been permitted to run for the position of president. In addition, the local agreed to open and count 120 ballots that had been voided in the original election due to a missing signature or employee number on the return ballot envelope. These return ballot envelopes, however, contained preprinted member address labels that OLMS determined were sufficient to verify voter eligibility. OLMS' tally of these additional 120 ballots did not change the previous outcome of any of the contested races. The OLMS supervised election for the office of president was conducted by mail ballot and was completed on January 22, 2010.

### **Operating Engineers Local 150 Holds OLMS-Supervised Election**

On December 14, 2009, International Union of Operating Engineers (IUOE) Local 150, located in Countryside, Illinois, signed a Stipulation of Settlement and Order in the U.S. District Court for the Northern District of Illinois. The Order mandated that OLMS supervise the next regularly scheduled IUOE Local 150 officer election during calendar year 2010. During its investigation of the local's August 2007 election, OLMS found that both union and employer funds had been used to promote the incumbent slate. The Secretary of Labor filed suit in September 2008 to overturn the election. The local's approximately 23,000 members are divided into eight districts

located in three states and are employed by hundreds of employers throughout Northern Illinois, Northern Indiana, and Northwestern Iowa. OLMS supervised the multi-step nominations process, beginning with the nominations meetings held at each local district office, for the 21 positions included on the ballot. The mail ballot election included the tally of 10,227 valid ballots. The OLMS-supervised election was completed on August 28, 2010.

### **OLMS Supervises Southwest Airlines Pilots Association March 2010 Election**

Following an election investigation conducted in 2008, which revealed that certain union officials used union laptops and union time to campaign, the Southwest Airlines Pilots Association (SWAPA) in Dallas, Texas, entered into a voluntary settlement agreement on February 13, 2009, to have OLMS supervise a new election for the second vice president position. OLMS and SWAPA agreed to conduct the election by paper mail ballot. On March 11 and 12, 2010, following the mail ballot voting period, OLMS picked up the voted ballots, checked voter eligibility, and counted the voted ballots. OLMS ensured the 6,000 SWAPA members a democratic union officer election.

### **Union Insular de Trabajadores Industriales y Construcciones Electricas**

On June 17, 2010, OLMS negotiated a voluntary settlement agreement with the Union Insular de Trabajadores Industriales y Construcciones Electricas (UITICE), an independent union located in Guaynabo, Puerto Rico. UITICE has approximately 1,680 members and represents mostly construction workers, technicians, and installers of One-Link Communications, Suiza Dairy, Ryder Hospital, and the Autoridad de Energía Eléctrica (Power Company) in Puerto Rico. UITICE agreed to conduct nominations and an election under the OLMS supervision for the positions of president, vice-president, secretary-treasurer, sub-secretary-treasurer, marshal and four vocals (trustees). During the investigation, OLMS found that UITICE had not held an election of officers in at least 12 years. The supervised election was held in 17 different polling sites throughout Puerto Rico. Twenty-six (26) investigators and managers from different OLMS offices nationwide volunteered to work 14 to 16 hour shifts over a two-day period. Over 70% of the union members voted. The supervised election was completed on October 29, 2010.

### **Voluntary Settlement Agreement for AAUP Election**

OLMS and the American Association of University Professors (AAUP) entered into a voluntary settlement agreement in which AAUP agreed that OLMS would rerun the position of Assembly of State Conferences (ASC) Chair. The OLMS investigation revealed that delegate elections were not properly held in many of the state conferences. The violations included having a single polling site where all members from an entire state were required to vote and appointing, instead of electing, delegates. A supervised election for the ASC Chair was conducted by referendum and was completed in June 2010.

### **Unlawful Trusteeship Lifted and Election Supervised for AFT Local**

OLMS received a complaint alleging that a trusteeship imposed on Federation of Indian Service Employees Local 4524, in Albuquerque, New Mexico, by its parent body, American Federation of Teachers (AFT), had been in effect longer than the 18 months presumptively allowed by law. The OLMS investigation found that the continuation of the trusteeship was unlawful. OLMS and AFT then entered into a voluntary agreement to lift the trusteeship and conduct nominations, an election and the installation of officers under OLMS supervision. The OLMS-supervised election was completed and the new officers were installed in June 2010.

### **Successful Lawsuit Results in Rerun of Election of Officers of Transport Workers Local**

In accordance with a consent order signed on July 19, 2010, OLMS supervised a new election of officers for Transport Workers Local 234 in Philadelphia, Pennsylvania. The consent order followed an OLMS investigation and resulting April 25, 2008 lawsuit. The lawsuit sought to nullify the local's September 27, 2007 election. The complaint alleged that Local 234 improperly disqualified an entire slate of candidates after one member of that slate was disqualified for inadvertently accepting nominations for two different offices. The supervised election was for all officer positions and included the offices of president, executive vice-president, three vice presidents, financial-secretary, recording secretary and seven executive board members. On the day of the election, 36 investigators representing offices from each of the four OLMS regions supervised voting at 20 polling sites throughout the city of Philadelphia. There were 3,605 ballots cast, representing a voter turnout of over 70%.

### **3. Labor Union and Labor-Management Transparency**

The LMRDA is predicated on the principle that union members, officers, and the general public benefit by having access to information about labor unions, their officers and employees, employers, labor relations consultants, and surety companies. To this end, OLMS administers a comprehensive reporting and disclosure program. OLMS also offers compliance assistance sessions for union members and officials on the financial reporting obligations under the LMRDA. Unions must file annual financial reports (LM-2, LM-3, LM-4, or simplified filings) with OLMS. Unions must also file trusteeship reports (LM-15, LM-16) when supervision or control is established over a subordinate body. Other entities – employers (LM-10), labor relations consultants (LM-20, LM-21), union officers and employees (LM-30), and surety companies (S-1) – are also required to file reports under certain circumstances. Reports are available for public disclosure on the OLMS Online Public Disclosure Room, [www.unionreports.gov](http://www.unionreports.gov). OLMS also collects and maintains collective bargaining agreements (CBAs) filed by CBA signatories on a voluntary basis. CBAs covering 1,000 or more workers are maintained by OLMS and are located at [www.dol.gov/olms/regs/compliance/cba/index.htm](http://www.dol.gov/olms/regs/compliance/cba/index.htm).

OLMS received and processed the following public disclosure reports in FY 2010.

<b>OLMS LMRDA Reports Administration</b>	<b>FY 2010</b>
LM-2 Labor Organization Annual Reports Processed	4,599
LM-3 Labor Organization Annual Reports Processed	10,931
LM-4 Labor Organization Annual Reports Processed	6,835
Simplified Labor Organization Annual Reports Processed	1,510
LM-10 Employer Reports Processed	1,023
LM-15 Trusteeship Reports Processed (initial, semiannual, and 15A)	387
LM-16 Terminal Trusteeship Reports Processed	97
LM-20 Labor Relations Consultant Agreement and Activities Reports Processed	429
LM-21 Labor Relations Consultant Receipts and Disbursements Reports Processed	97
LM-30 Labor Organization Officer and Employee Reports Processed	1,485
S-1 Surety Company Annual Reports Processed	84
<b>Total Reports Processed</b>	<b>27,477</b>



Near the close of FY 2010, OLMS introduced its new Electronic Forms System (EFS). EFS is a web-based system for completing and submitting Labor Organization Annual Financial Reports. Currently, EFS is available for use by Form LM-2 filers only, but it will be expanded to include Forms LM-3 and LM-4 in the future. EFS allows any labor organization with a web-enabled computer the ability to complete, sign, and electronically file an LM-2 without purchasing a digital signature or downloading special software. EFS performs all calculations for the LM report and completes a form error check prior to submission to OLMS. EFS also allows unions that maintain electronic accounting records to import financial data from their accounting programs directly into their LM form.

When labor organization annual reports are not timely filed or the reports filed are not acceptable, OLMS opens an investigation to obtain compliance. Additionally, when reports due from employers, labor relations consultants, and union officers and employees are not timely or properly filed, OLMS pursues delinquent and deficient reports from these entities, as “Special Reports” cases.

<b>OLMS Enforcement Statistics – Reporting and Disclosure</b>	<b>FY 2010</b>	<b>FY 2006 – FY 2009 Yearly Average</b>
LM-2/3/4 Delinquent Reports Cases Completed	2,570	2,162
LM-2/3/4 Deficient Reports Cases Completed	570	750
Special Reports Cases Completed	174	63

#### **4. Employee Protections**

OLMS’ Division of Statutory Programs (DSP) administers responsibilities under Federal transit law by ensuring that fair and equitable arrangements protecting mass transit employees are in place before the release of Federal transit assistance. When Federal funds are used to acquire, improve, or operate a transit system, Federal law requires that arrangements must be made to protect the rights of affected mass transit employees. These arrangements must be approved by OLMS before the U.S. Department of Transportation’s Federal Transit Administration (FTA) can release funds to mass transit employers. In FY 2010, DSP certified 2,490 Federal transit grants within an average processing time of 21 days per grant, well under a 45-day goal instituted by DSP. More information about employee protections under Federal transit law, including compliance assistance materials, can be located on the OLMS website at [www.dol.gov/olms/regs/compliance/compltransit.htm](http://www.dol.gov/olms/regs/compliance/compltransit.htm).

#### **5. Regulatory Activities**

##### **Form LM-2 and Form LM-3 Rulemaking**

On October 13, 2009, OLMS published in the *Federal Register* a final rule that rescinded regulations published in the *Federal Register* (74 FR 52401) on January 21, 2009, which had not yet gone into effect. The January 21, 2009 regulations (74 FR 3677) had revised Labor Organization Annual Report Form LM-2, used by the largest labor organizations to file their annual financial reports under the LMRDA and established a procedure by which the Secretary of Labor may revoke, under certain circumstances, a particular labor organization’s authorization to file a simplified Form LM-3 annual report.

### **Form T-1 Trust Annual Report**

On December 1, 2010, OLMS published in the *Federal Register* (75 FR 74936) a final rule rescinding the Form T-1 Annual Report (75 FR 5456). The Form T-1 was an annual financial disclosure report that was to be filed by labor unions with total annual receipts of \$250,000 or more about certain related organizations, called “trusts.” In addition, the final rule reinstated a previously abandoned requirement that unions report financial information concerning their “subsidiary organizations.” Subsidiary organizations are entities that are wholly owned, controlled, and financed by a single union. Filers have the option of either consolidating the subsidiary information in the union’s disclosure report, or attaching a regular annual report for the subsidiary. Additionally, the final rule reinstated the OLMS policy that the LMRDA does not cover intermediate bodies that are wholly composed of public sector labor organizations.

### **Executive Order 13496: Notification of Employee Rights Under Federal Labor Laws**

On May 20, 2010, OLMS published in the *Federal Register* (75 FR 28368) a final rule implementing provisions of Executive Order (E.O.) 13496, signed by President Barack Obama on January 30, 2009 (74 FR 6107, February 4, 2009). E.O. 13496 requires Federal contractors and subcontractors to post a notice in their workplaces informing employees of their rights under Federal labor laws, and provides that the requirement to post the employee notice be included in Federal contracts and subcontracts. The rule established regulations implementing E.O. 13496, and prescribed the form and content of the required notice. The notice outlines the fundamental rights regarding union activity and collective bargaining that employees have under the National Labor Relations Act (NLRA); provides examples of conduct that is illegal under the NLRA; and provides contact information in the event that an employee suspects that the law has been violated. The regulations also include enforcement procedures and provisions regarding sanctions, penalties, and remedies that may be imposed for violations.

### **Form LM-30 Labor Organization and Employee Report**

On August 10, 2010, OLMS published in the *Federal Register* for notice and comment (75 FR 48416) a proposal to revise the Form LM-30, Labor Organization Officer and Employee Report. The purpose of the Form LM-30 is to make public any actual or potential conflict between the personal financial interests of union officers or employees and their obligations to the union and its members. The proposed Form LM-30 revisions would address the complexity of the form and its instructions, as well as the scope and extent of the LM-30 reporting obligations.

## **6. Compliance Assistance**

In FY 2010, OLMS undertook the following initiatives as part of a comprehensive compliance assistance program to educate unions about the LMRDA:

- OLMS continued its program of structured, nationwide compliance assistance seminars. The goal of this program is to provide an opportunity each year for the officers of every labor organization to attend a compliance assistance seminar. The content of the compliance assistance seminar is similar throughout the country so that every officer in attendance is exposed to the same material. In FY 2010, OLMS conducted 145 compliance assistance seminars for 4,332 attendees. In total, OLMS provided 25,966 contact hours of compliance assistance (i.e., the number of participants multiplied by the number of hours of instruction).

- OLMS continued to be responsive to all specific requests for compliance assistance seminars.
- In FY 2010, OLMS established voluntary compliance partnerships with 10 national and international unions resulting in significant improvements in the reporting and bonding compliance of participating union affiliates, as well promoting training initiatives and development of best practices.
- OLMS continued to promote and use an electronic mailing list system to send email messages to unions, accountants, union members, and other interested parties. The electronic mailing list currently has 2,196 subscribers.
- OLMS created and implemented an “eLaws Advisor” guide for union officer elections, an interactive web-based tool for providing compliance assistance to union officials and members.
- OLMS updated website pages for electronic annual financial disclosure forms for additional clarity and ease of use; created a “Compliance Tips” website page with five new compliance tips; and created an “Employer-Consultant Reporting” website page with links to a fact sheet, reporting forms, and instructions.