

# 2020 Annual Report



## Office of Labor-Management Standards

U.S. Department of Labor

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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 are, by title:

- 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; and
- Title V: Safeguards for protecting union funds and assets.

Unions representing U.S. Postal Service employees became subject to the LMRDA with the passage of the Postal Reorganization Act of 1970.

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 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, prohibition of convicted persons from holding union office or employment, and fraud related to union elections. Civil investigations include violations of the LMRDA involving union election procedures, financial disclosure requirements, and trusteeship standards. OLMS also conducts audits of union finances.

Compliance assistance also plays a major role in 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 describes OLMS’s new Form T-1 which is to be used by labor organizations to report annual financial information on trusts in which they are interested.
- Section 2 presents key fiscal year (FY) 2020 criminal enforcement and performance results pursuant to LMRDA Title V (financial safeguards for labor organizations) together with noteworthy criminal enforcement actions. A complete listing of the 2020 criminal actions is located on the OLMS website for calendar years (CY) [2019](#) and [2020](#).
- Section 3 presents key FY 2020 civil enforcement and performance results pursuant to LMRDA Title III (trusteeships) and Title IV (union officer elections) together with noteworthy union officer election case summaries for 2020. A listing of all 2020 voluntary agreements for OLMS-supervised union officer elections is located on the OLMS website for CYs [2019](#) and [2020](#). FY 2020 court actions for election investigations are located on the OLMS website for CYs [2019](#) and [2020](#). Final decision letters in election and trusteeship cases are located on the OLMS website in the [FOIA reading room](#).
- Section 4 presents reporting and disclosure data and related program activity pursuant to LMRDA Title II (reporting requirements). Section 4 also presents key 2020 reporting, enforcement and performance results. Reports are available for public disclosure on the OLMS Online Public Disclosure Room website, [www.unionreports.gov](http://www.unionreports.gov).
- Section 5 summarizes grant certification activity pursuant to the section 13(c) program, which ensures fair and equitable arrangements protecting mass transit employees, as required by the Federal Transit Act.
- Section 6 briefly describes compliance assistance activities conducted in FY 2020.

OLMS [Annual Reports for 2004–2019](#) are located on the OLMS website.

## Program Activities

### 1. Promulgation of Form T-1

On March 6, 2020, OLMS published a final rule in the Federal Register establishing a new annual financial report, Form T-1, to be used by labor organizations for trusts in which they are interested. The rule establishes financial transparency for such trusts through detailed, itemized reporting, thereby fulfilling the statutory purpose of preventing labor organizations or employers from circumventing or evading LMRDA reporting requirements.

The Form T-1 requires every LMRDA-covered labor organization, with total annual receipts of \$250,000 or more, to file a Form T-1 each year for any trust in which the union is interested, as defined by section 3(l) of the Labor-Management Reporting and Disclosure (LMRDA), provided at least one prong of the financial or managerial dominance test is satisfied:

- (1) Labor organizations appoint or select a majority of the trust's governing board; or
- (2) Labor organizations contribute more than 50 percent of the trust's receipts during the reporting period.

Any contributions made pursuant to a collective bargaining agreement (CBA) shall be considered the labor organization's contributions.

Prior to the Form T-1, LMRDA-covered labor organizations reported the funds disbursed to such trusts on the labor organizations' annual Form LM-2 report, but they were not obligated to itemize disbursements made by their trusts, as the Form T-1 requires. Employers must report certain payments to unions and union officials on the Form LM-10, and union officials must report certain payments from employers on the Form LM-30. The Form T-1 will enable the Department to cross-check trust receipts and disbursements with those reported on the Forms LM-2, LM-10, and LM-30.

The Form T-1 is likely to detect and deter corruption on the part of labor organization, trust, and employer officials. The required financial disclosures will allow dues-paying members of labor organizations to see exactly how covered trusts are using the labor organization's financial contributions. Similarly, the disclosures will create public transparency and the associated accountability for officials. The Form T-1 will shed light on the union, trust, or employer officials who would use such funds for illicit purposes, such as bribery or embezzlement.

## **2. 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. OLMS also conducts audits of labor unions to detect embezzlements and ensure and promote compliance with the LMRDA. This effort extended to national and international unions, as OLMS initiated an audit under the International Compliance Audit Program (I-CAP) during FY 2020. Compliance audit closing [letters](#) are located on the OLMS website. Because it is not feasible for OLMS to audit every union, OLMS developed a methodology to direct its auditing resources to unions where criminal activity is more likely to be found. The effectiveness of this methodology is measured by the percent of audits resulting in the opening of a "fallout" criminal case.

In 2020, OLMS exceeded its performance goal by achieving a fallout rate of 20 percent. By achieving this high percentage of audits resulting in criminal case fallouts, OLMS was able to redirect resources from audits to its criminal investigation program. Thus, despite reduced agency resources, OLMS still exceeded its planned numbers of both compliance audits and criminal investigations completed.

<b>OLMS Performance Goal – Financial Integrity</b>	<b>FY 2020 Target</b>	<b>FY 2020 Results</b>
Percent of Audits Resulting in a Criminal Case	16.5%	20%

<b>OLMS Enforcement Statistics – Financial Integrity</b>	<b>FY 2020 Plan</b>	<b>FY 2020 Results</b>
Criminal Investigations Completed	211	223
Indictments	80	61*
Convictions	80	69*
Compliance Audits Conducted	225	245

\* Note that COVID-19 pandemic caused the court systems to close for approximately three months.

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 imprisonment or fine, or both. OLMS is responsible for investigating these crimes. Further, section 504 of the LMRDA prohibits individuals convicted of certain crimes from holding union office or employment or serving in other prohibited capacities. The bar continues for 13 years after conviction or after the end of imprisonment, whichever is later. The following are some of the most significant criminal enforcement actions from FY 2020.

### **Former UAW Official Sentenced and Six More Officials Pleaded Guilty for Union-Auto Industry Corruption**

In 2020, the ongoing investigation of union and auto industry corruption involving the United Auto Workers International Union (UAW) in Detroit, Michigan, and the UAW Region 5 and Midwest Community Action Program (CAP) Council, both in St. Louis, Missouri, produced additional criminal prosecutions in the United States District Court for the Eastern District of Michigan. The joint investigations conducted with the Department of Labor’s Office of Inspector General, the Federal Bureau of Investigation, and the Internal Revenue Service focused on criminal conspiracies in which UAW officials committed fraud and embezzlement, took bribes and kickbacks, and laundered money. In February 2020, Michael Grimes, a former senior official in the General Motors (GM) Department of the UAW, was sentenced to 28 months in prison and 12 months of supervised release. Grimes was also ordered to forfeit \$1,509,500 in proceeds from his crimes. In September 2019, Grimes pleaded guilty to one count of conspiracy to commit honest services wire fraud and one count of conspiracy to commit money laundering.

Between October 2019 and September 2020, six more individuals pleaded guilty to crimes involving the UAW. Dennis Williams and Gary Jones, former UAW Presidents; Vance Pearson, former UAW Region 5 Director; and Edward “Nick” Robinson, former UAW Midwest CAP Council President, all pleaded guilty to conspiracy to embezzle union funds. Additionally, Jones and Pearson pleaded guilty to conspiracy to use a facility of interstate commerce to aid a racketeering enterprise, and Jones and Robinson pleaded guilty to conspiracy to defraud the United States. Joseph Ashton, former UAW Vice President in the GM Department and Director of the UAW-GM Center for Human Resources, and Jeffery Pietrzyk, former senior official in the UAW GM Department, pleaded guilty to conspiracy

to commit honest services wire fraud and to commit money laundering. They all will be sentenced in FY 2021. A total of 15 UAW defendants have pleaded guilty and nine have been sentenced in the investigations to date. Additional union officials are under prosecution in FY 2021.

As a result of the criminal activity uncovered by OLMS, the Department of Labor's Office of Inspector General, the Federal Bureau of Investigation, and the Internal Revenue Service, the United Auto Workers agreed, in FY 21, to oversight by an independent monitor for a period of six years as part of a civil settlement. As part of the agreement, the union paid back \$15 million to the joint training center for inappropriate charges as well as \$1.5 million to settle tax issues with the Internal Revenue Service. Additionally, the union agreed to hold a referendum vote to determine whether representatives on the International Executive Board should be elected directly by the union members.

### **Former Union Officer Sentenced to Prison for Interstate Transportation of Stolen Property**

In December 2019, Audonus Duplessis, former President of American Federation of Government Employees Local 2463 in Washington, D.C., was sentenced to 12 months and one day in prison, three years of supervised probation, and 300 hours of community service. He was also ordered to pay \$87,020 in restitution. In September 2019, Duplessis pleaded guilty to one count of interstate transportation of stolen property. The OLMS investigation found that Duplessis crossed state lines with stolen union funds to purchase a Dodge Charger automobile.

### **Former Union Official Sentenced to Prison for Embezzling Over \$184,000**

In December 2019, Rodney Capello, former business manager for Laborers Local 722—Hawaii Electrical Workers in Honolulu, Hawaii, was sentenced to 18 months in prison and three years of supervised release, and he was ordered to pay \$184,771 in restitution. In August 2019, Capello pleaded guilty to one count of embezzling union funds. The OLMS investigation found that between 2013 and 2015, Capello wrote unauthorized checks to himself, including extra paychecks, and made unauthorized cash withdrawals. In order to conceal his crimes, he failed to record these personal disbursements in the union books, falsified union records, and forged officers' signatures on certain records.

### **Former Union Official Sentenced to Prison for Aggravated Identity Theft and Failure to File Tax Returns**

In January 2020, Nathan Lum, former Longshore Division Director of the International Longshore and Warehouse Union Local 142 in Honolulu, Hawaii, was sentenced to 30 months in prison and was ordered to pay \$314,178 in restitution. In March 2019, Lum pleaded guilty to one count of aggravated identity theft and one count of failure to file income tax returns. In most years, Lum earned over \$200,000 in gross pay from the union, but failed to file tax returns for any income received from 2011 through 2015. In addition, Lum misused his union position by accepting and failing to report approximately \$90,000 in payments from a California-based company, Relativity Media, in 2012 and 2013 in connection with efforts to secure Hawaii tax credits from the State Legislature. The investigation also disclosed that Lum stole Social Security payments intended for his father who was deceased. The investigation was conducted jointly with the Internal Revenue Service—Criminal Investigation, the Federal Bureau of Investigation, and the Social Security Administration's Office of Inspector General.

### **Former Union Officer Sentenced to Prison for Embezzling \$154,000 From Teachers**

In May 2020, Rhondalyn Cornett, former President of the Indianapolis Education Association in Indianapolis, Indiana, pleaded guilty to one count of wire fraud for embezzling from the union. She was then sentenced to 16 months of incarceration and two years of supervised release. Cornett was also ordered to pay \$154,118 in restitution. The investigation found that from 2014 until her resignation in 2018, Cornett embezzled from her union, which represented teachers who serve the most economically disadvantaged students in the state. The joint investigation was conducted with the United States Attorney's Office for the Southern District of Indiana, the Department of Labor's Office of Inspector General, the Federal Bureau of Investigation, and the Indianapolis Metropolitan Police Department.

### **Former Union Official Sentenced to Prison for Wire Fraud**

In June 2020, Tony J. Liesenfeld, former President and Secretary/Treasurer of American Federation of Government Employees Local 148 in Lewisburg, Pennsylvania, was sentenced to one year and one day of incarceration and two years of supervised release. Liesenfeld was also ordered to pay \$100,000 in restitution, which included costs incurred by the union related to Liesenfeld's trial and removal from office. In October 2019, Liesenfeld pleaded guilty to one count of wire fraud in the amount of at least \$77,716. The OLMS investigation found that between June 2011 and November 2015, Liesenfeld embezzled from the union while serving as a corrections officer at Lewisburg Federal Penitentiary. He used the union credit card to make unauthorized purchases and cash withdrawals, and forged checks from a union account.

### **Two Former Union Officials Sentenced to Prison for Embezzling Over \$200,000**

In February 2020, Terry Slaughter, former Secretary/Treasurer of United Food and Commercial Workers Local 1208 in Tar Heel, North Carolina, was sentenced to six months of imprisonment and three years of supervised release, and was ordered to pay \$62,315 in restitution. In February 2019, Slaughter pleaded guilty to embezzlement. In July 2020, Keith Ludlum, former President of Local 1208, was sentenced to 14 months of imprisonment and two years of supervised release. Ludlum was ordered to pay \$213,201 in restitution. In January 2020, Ludlum pleaded guilty to one count of embezzlement of union funds and one count of conspiracy. The OLMS investigation found that between January 2012 and March 2015, Slaughter and Ludlum embezzled more than \$200,000 in union funds by issuing unauthorized checks to themselves and others, and by making unauthorized purchases with their union debit cards.

### **Former Union Employee Sentenced for Wire Fraud**

In June 2020, Jessica Pangburn, former office secretary for Operating Engineers Local 953 in Albuquerque, New Mexico, was sentenced to one day of jail (time served), two years of supervised release, and 25 hours of community service. She was also ordered to pay \$69,469 in restitution. In November 2019, Pangburn pleaded guilty to one count of wire fraud. The OLMS investigation found that Pangburn misappropriated funds by duplicating her payroll checks in the union's payroll system to receive double or triple payment per pay period. She concealed her actions by re-categorizing these extra payments in QuickBooks so they did not appear on the normal check ledger. Pangburn's actions

took a toll on the union resulting in pay cuts for staff members necessary for the recovery of the union's treasury.

### **Two Former Union Officials Sentenced for Embezzlement Scheme**

In July 2020, Evelyn Smith and Beverly Davis, former Secretary/Treasurer and a former employee of Communications Workers of America Local 6222 in Houston, Texas, respectively, were both sentenced to three years of probation. Smith and Davis were ordered to pay restitution of \$50,967 and \$85,536, respectively. In December 2019, Smith and Davis both pleaded guilty to one count of embezzlement of union funds. The OLMS investigation determined that Davis falsified reports to hide her crime and that Smith controlled the union's general fund at the time she made the unauthorized transactions. Both women spent the stolen money on personal expenses.

### **Former Union Official Sentenced to Prison for Embezzling Over \$103,000**

In July 2020, Tony Westly, former business manager and Financial Secretary of Plasterers and Cement Masons Local 148 in Atlanta, Georgia, was sentenced to six months in prison and three years of probation, which included six months of home confinement. He was also ordered to pay \$103,698 in restitution. In November 2019, Westly pleaded guilty to one count of embezzlement of union funds. The OLMS investigation determined that Westly embezzled union funds by issuing unauthorized checks, debit card purchases, and payroll payments and that he falsified documents to conceal his crime.

### **Former Union Official Sentenced to Prison for Conspiracy to Solicit and Receive Bribes**

In July 2020, John Ulrich, former Vice President and Recording Secretary of Teamsters Local 812, a union representing beverage industry workers in Great Neck, New York, was sentenced to 18 months of imprisonment followed by two years of supervised release. He was also ordered to forfeit \$55,000. Ulrich was later ordered by the court to pay \$147,569 in restitution. In December 2019, he pleaded guilty to one count of conspiracy to solicit and receive bribes to influence the operation of an employee benefit plan. Ulrich solicited tens of thousands of dollars in bribe payments from an executive with the third party administrator (TPA), a vendor paid to process medical claims for the union's health plan, in exchange for Ulrich using his influence to ensure the union's continued retention of the TPA. The joint investigation was conducted with the United States Attorney's Office for the Southern District of New York, the Department of Labor's Inspector General, the Employee Benefits Security Administration, and the Federal Bureau of Investigation.

### **Former Union Officer Sentenced for Embezzling Over \$107,000**

In September 2020, Chad Michael Waldoch, former Secretary/Treasurer of Sheet Metal, Air, Rail, and Transportation Workers Local 980 in Fargo, North Dakota, was sentenced to 30 months of supervised release. He was also ordered to pay \$50,270 after previously paying \$56,436 in restitution. In June 2020, Waldoch pleaded guilty to one count of embezzlement of union funds in the amount of \$107,707. The OLMS investigation found that Waldoch embezzled by forging union checks to himself and concealed his embezzlement by altering bank statements, filing false Form LM-3 reports, and falsifying union records.

### 3. Protecting Union Democracy

Title IV of 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 member voting rights. OLMS investigates properly-filed complaints protesting union officer elections. Before filing a complaint with OLMS, union members must avail themselves of the union’s internal protest procedures. If OLMS’s investigation reveals a violation of Title IV of the LMRDA that may have affected the outcome of the election, OLMS seeks a voluntary compliance agreement with the union to allow OLMS to supervise a new election. If the union does not voluntarily agree to remedy the violation, OLMS takes legal action seeking to void the challenged election and conduct a new election supervised by OLMS. Under Title III of the LMRDA, 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.

OLMS seeks to improve the timely resolution of union officer election complaints, which is measured by the average number of elapsed days between the receipt of the complaint and its resolution. As seen from the chart below, in 2020, OLMS exceeded its elapsed time performance goal of 68 days by reducing the average number of elapsed days to resolve union officer election complaints to 64.9 days. OLMS tracks the number of election investigations and supervised elections, which is dependent upon the number of election complaints received by OLMS. The 2020 planning projections in those categories are based on historical averages. OLMS does not project or estimate the number of lawsuits filed or voluntary compliance agreements obtained in a year, given that these actions are dependent upon the facts of each case.

<b>OLMS Performance Goal – Union Democracy</b>	<b>FY 2020 Target</b>	<b>FY 2020 Results</b>
Number of Days to Resolve Election Complaints	68	64.9

<b>OLMS Enforcement Statistics – Union Democracy</b>	<b>FY 2020 Plan</b>	<b>FY 2020 Results</b>
Election Investigations Conducted	101	100
Lawsuits Filed	NA	3
Voluntary Compliance Agreements Obtained	NA	17
Supervised Elections Completed	29	17
Trusteeship Investigations	9	10

The following highlights some of the most significant OLMS election cases during FY 2020.



### **Government Security Officers Local 309 Agrees to Hold Rerun Election Under OLMS Supervision**

In October 2019, OLMS entered into a voluntary compliance agreement with United Government Security Officers of America Local 309 in Denver, Colorado, concerning its June 2019 election of officers. The union agreed to conduct new nominations, a new election, and installation for the office of president under OLMS supervision. The investigation established that Local 309 failed to ensure voter secrecy by requiring voters to include a unique alphanumeric code in the same envelope as their ballots which could be used by the election committee to determine their vote; failed to provide members with adequate notice when it informed members of a change in the available methods of voting nine days before the election; and failed to maintain required records such as mail ballot packages that were returned undeliverable. The union also failed to provide adequate safeguards when they failed to provide clear instructions on how to vote the ballot and where or when to return voted ballots. Finally, one officer/candidate removed voted ballots from the union's mailbox, some voted ballots were hand-delivered to the election committee, and ballots were unable to be reconciled. The supervised election was held in January 2020 by mail ballot.

### **Government Employees Local 518 Agrees to Hold Rerun Election Under OLMS Supervision**

In November 2019, OLMS entered into a voluntary compliance agreement with American Federation of Government Employees Local 518 in Atlanta, Georgia, concerning its June 2019 election of officers. The union agreed to conduct new nominations, if necessary, and a new election for the office of president under OLMS supervision. The investigation disclosed that ineligible members were permitted to vote when 16 absentee ballots were included in the final election tally, even though there was no information on the return envelope to identify the voter and confirm eligibility. As one candidate withdrew their nomination in a two person race, new nominations were deemed necessary. The nomination meeting was held in February 2020 and resulted in one nominee for the office of president who was elected to the position by acclamation.

### **Government Employees Local 31 Agrees to Hold Rerun Election Under OLMS Supervision**

In November 2019, OLMS entered into a voluntary compliance agreement with American Federation of Government Employees Local 31 in Cleveland, Ohio, concerning its June 2019 election of union officers. The union agreed to conduct a new election of its officers under OLMS supervision. The investigation concluded that the union failed to provide proper notice of election, denied members the right to vote, and failed to provide adequate safeguards when it did not properly inform members of a new ballot and balloting period and did not take the reasonable step of forwarding undeliverable ballot packages to members whose ballots were returned to the union with expired forwarding addresses. The investigation also found that employer funds were used for campaign purposes when a former officer sent an email containing campaign material to members via a government email system. Additionally, the investigation revealed that the union failed to provide adequate safeguards for the ballots and denied candidates the right to have observers present when an election committee member periodically opened the union's post office box for voted ballots during the balloting period without notifying the candidates and their observers. The supervised election was held in February 2020 by mail ballot.

### **Department Files Lawsuit Against International Longshoremen’s Association Local 1694**

In December 2019, the Department filed suit against International Longshoremen’s Association Local 1694 in Wilmington, Delaware. The lawsuit seeks to nullify the local’s May 2019 election of officers. The complaint alleges that the local failed to provide advanced notice of the application of a candidate qualification requiring that candidates refrain from serving as superintendent, foreman, or assistant foreman for the 24 months leading up to the election. The qualification had not been applied in any of the three elections since its adoption. In addition, at the same time Local 1694 disqualified four nominees under the rule, Local 1694 qualified three nominees as candidates who had worked as foremen during the preceding two years. Finally, Local 1694 improperly disqualified a nominee pursuant to Section 504 of the LMRDA. In August 2020, a federal judge in the United States District Court for the District of Delaware denied the union’s motion to dismiss the lawsuit in its entirety.

### **Steelworkers Local 565 Agrees to Hold Rerun Election Under OLMS Supervision**

In December 2019, OLMS entered into a voluntary compliance agreement with United Steelworkers Local 565 in Sacramento, California, concerning the local’s June 2019 election of officers. Local 565 agreed to hold new nominations and election for the offices of president, vice-president, treasurer, financial secretary, and recording secretary under OLMS supervision. The investigation concluded that the local did not provide its members an adequate opportunity to nominate candidates for officer by failing to properly notify the membership of the nominations meeting, as well as alternative methods for submitting nominations. The nominations meeting was held when more than one quarter of the local’s members were working. In addition, Local 565 allowed several non-members to vote. The polling site rerun election was completed in March 2020.

### **Auto Workers Local 551 Agrees to Hold Rerun Election Under OLMS Supervision**

In December 2019, OLMS entered into a voluntary compliance agreement with United Auto Workers Local 551 in Chicago, Illinois, concerning its June 2019 election of officers. The union agreed to conduct new nominations, if necessary, and a new election, for the offices of president, financial secretary/treasurer, bargaining chair, and three bargaining committee members under OLMS supervision. The OLMS investigation disclosed that union and employer funds were used to promote the candidacy of certain individuals when the “UAW Local 551 Bargaining Team” app was used to send campaign material to members and when campaign material was sent to members via a targeted text message.

### **UNITE HERE Local 5 Agrees to Hold Rerun Election Under OLMS Supervision**

In March 2020, OLMS entered into a voluntary compliance agreement with Union of Needletrades, Industrial, and Textile Employees–Hotel Employees and Restaurant Employees Union (UNITE HERE) Local 5 in Honolulu, Hawaii, concerning a union officer election conducted in May 2019. The union agreed to conduct new nominations, a new election, and installation for the offices of financial secretary-treasurer, president, senior vice president, three trustees, and nine executive board members (one each from the Hospital Division, the Hotel Division, the Food and Beverage Division, the County of Hawaii, the County of Kauai, and the County of Maui, and three members-at-large) under OLMS supervision. The investigation concluded that the union failed to adhere to the ballot secrecy requirements in that the “sequence” number printed on many ballots matched the “sequence” number

printed on return envelopes containing members' names. The investigation further found that union and employer funds were used when union staff and members campaigned on employer property during work hours. Finally, the investigation found that the union failed to preserve for one year certain ballots and other records pertaining to the election.

### **Department Files Lawsuit Against New Haven Federation of Teachers Local 933**

In April 2020, in the United States District Court for the District of Connecticut, the Department filed suit against New Haven Federation of Teachers Local 933 in New Haven, Connecticut, concerning its February 2020 rerun election for the office of president. The OLMS investigation determined that Local 933 improperly denied a member in good standing the opportunity to run for president when the union disciplined and barred the member from holding office without serving the member with written specific charges and without providing a full and fair hearing.

### **Settlement Agreement Ends Litigation Involving Communications Workers Local 1400 Election**

In May 2020, Communications Workers of America Local 1400 in Portsmouth, New Hampshire, and the Department entered into a settlement agreement to end the litigation surrounding the union's election of officers that concluded in October 2017. In that settlement, Local 1400 agreed that OLMS would supervise its next regular election of officers, including nominations. Local 1400 also agreed to seek a change to its bylaws that allows a member to obtain a petition to nominate another member. After being notified of the settlement agreement, the United States Court of Appeals for the First Circuit entered a judgment ordering the voluntary dismissal of the Department's appeal of an adverse ruling in September 2019, in the United States District Court for New Hampshire. The union membership approved the bylaws change, and OLMS concluded its supervised election in September 2020.

### **OLMS Files Complaint with Administrative Law Judge Against Government Employees Local 2145**

In May 2020, OLMS filed a complaint with the Department of Labor's Office of Administrative Law Judges seeking an order to overturn the April 2019 election of officers that was conducted by American Federation of Government Employees Local 2145 in Richmond, Virginia. The OLMS investigation found that the union denied eligible members the right to vote when it did not provide sufficient information to members to request absentee ballots, and the election committee chairman was not available to process the requests that were received. Additionally, the union failed to comply with reasonable requests by candidates to distribute campaign literature at their expense when they did not make campaign literature mailing labels available to some of the candidates who had requested them until three days before the election. The complaint also seeks an order directing the union to conduct a new election for the positions of president, executive vice president, and trustee chairman under OLMS supervision.

### **Government Employees Local 2052 Agrees to Hold Rerun Election Under OLMS Supervision**

In August 2020, OLMS entered into a voluntary compliance agreement with American Federation of Government Employees Local 2052 in Hopewell, Virginia, concerning its election of officers that concluded in January 2020. The OLMS investigation determined that the union failed to provide its members a reasonable opportunity to nominate candidates for two member-at-large officer positions.

The investigation further determined that the union failed to provide adequate safeguards to ensure a fair election when the election committee counted one ballot that had been hand-delivered to the tally, even though the ballot instructions mandated that members return their ballots through the postal system. The union agreed to conduct a new election for executive vice president and two member-at-large positions under OLMS supervision before February 21, 2021.

#### 4. 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.

Title II of the LMRDA requires that unions file annual financial reports, known as Labor-Management (LM) Reports (Forms LM-2, LM-3, LM-4, or simplified filings), with OLMS. Unions must also file trusteeship reports (Forms LM-15, LM-16) when supervision or control is established over a subordinate body. Other entities, such as employers (Form LM-10), labor relations consultants (Forms LM-20, LM-21), union officers and employees (Form LM-30), and surety companies (Form S-1), are also required to file reports under certain circumstances. Reports are available for public disclosure on the OLMS Online Public Disclosure Room website, [www.unionreports.gov](http://www.unionreports.gov). OLMS also collects and maintains collective bargaining agreements (CBAs) filed by CBA signatories on a voluntary basis. These CBAs also are located on the OLMS website.

OLMS received and processed the following public disclosure reports in FY 2020.

<b>OLMS LMRDA Reports Administration</b>	<b>FY 2020</b>
Form LM-1 Labor Organization Information Reports	131
Form LM-2 Labor Organization Annual Reports	4,936
Form LM-3 Labor Organization Annual Reports	9,953
Form LM-4 Labor Organization Annual Reports	6,429
Simplified Labor Organization Annual Reports	1,145
Form LM-10 Employer Reports	533
Form LM-15 Trusteeship Reports (initial, semiannual, and 15A)	328
Form LM-16 Terminal Trusteeship Reports	47
Form LM-20 Labor Relations Consultant Agreement and Activities Reports	310
Form LM-21 Labor Relations Consultant Receipts and Disbursements Reports	34

Form LM-30 Labor Organization Officer and Employee Reports	448
Form S-1 Surety Company Annual Reports	77
<b>Total Reports</b>	<b>24,371</b>

OLMS utilizes a web-based Electronic Forms System (EFS) for completing and submitting LM reports. Implementation of EFS is being conducted in phases. Currently, Form LM-1, LM-2, LM-3, and LM-4 Labor Organization reports, Form LM-10 Employer Report, Form LM-20 and LM-21 labor relations consultant reports, and Form LM-30 Labor Organization Officer and Employee reports can be filed via EFS. EFS allows any of these filers with a web-enabled computer to complete and electronically submit an LM report without any special software or a digital signature. EFS performs 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 filed in a timely manner 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, known as “Special Reports” cases.

During FY 2020, 100 percent of LM-2, LM-3, and LM-4 filers submitted their annual reports via EFS, which has increased timely and accurate filing. Additionally, over 31 percent of LM-30 reports were filed electronically while 47 percent of LM-10 reports were filed using EFS. In 2020, OLMS exceeded its performance goal by increasing the percent of all LM reports filed electronically to 89.6 percent. OLMS tracks the numbers of delinquent and deficient reports and special reports cases completed. The 2020 planning projections in those categories are largely based on historical averages.

<b>OLMS Performance Goal – Reporting and Disclosure</b>	<b>FY 2020 Target</b>	<b>FY 2020 Results</b>
Percent of Reports Filed Electronically	80%	89.6%

<b>OLMS Enforcement Statistics – Reporting and Disclosure</b>	<b>FY 2020 Plan</b>	<b>FY 2020 Results</b>
LM-2/3/4 Delinquent Reports Cases Completed	1,441	1,586
LM-2/3/4 Deficient Reports Cases Completed	144	167
Special Reports Cases Completed	68	67

## 5. Employee Protections

OLMS also 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 can release funds to mass transit employers.

In 2020, OLMS certified employee protections for 2,165 federal transit grants, with 100 percent of grants certified within a 45-day timeframe, well under the 60 days permitted by guidelines. OLMS also notified unions and the public of an additional 319 grants, which did not require certification. More information about employee protections under federal transit law can be found on the [OLMS website](#).

## **6. Compliance Assistance**

In 2020, OLMS undertook the following initiatives as part of a comprehensive compliance assistance program to educate unions, union officials, employers and consultants about the LMRDA:

- OLMS continued its program of structured, nationwide compliance assistance seminars, but sought to reduce the number of sessions while increasing attendance through enhanced recruitment. 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 benefits from the same material. In 2020, OLMS conducted fewer compliance assistance seminars than normal due to COVID-19. In total, OLMS provided formal compliance assistance seminars to 1,209 participants and recorded 4,333 contact hours (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. OLMS also received and responded to hundreds of requests for information and interpretations.
- OLMS continued to work with 43 of the nation's most prominent international and national unions in the Voluntary Compliance Partnership (VCP) initiative, leveraging their resources to improve the compliance performance of over 16,000 affiliates in 2020. VCP was instrumental in implementing the filing requirement mandating that all Form LM-3 and LM-4 financial reports be filed electronically via the OLMS EFS. VCP continued to solidify its platform as a national compliance assistance effort focused on improving timely reporting, utilization of EFS, bonding coverage, quality reporting and other items examined in OLMS audits. VCP is a strategic leadership effort that requires executive level involvement from OLMS and officer level involvement from the union, which helps to drive compliance through the labor-management community by providing tools, information and assistance. The overall late-filing rate for unions under the VCP initiative has decreased the last three years in a row. VCP continues to assist labor organizations with OLMS procedures regarding mergers and terminations, regional and national training conferences, and other organizational development activities. OLMS leadership met directly with the presidents and secretary-treasurers of 27 VCP member unions in 2020. The initiative generated 906 compliance assistance contact hours and distributed comprehensive annual VCP informational reports, specifically tailored for each of 35 different VCP international and national unions.
- Following a historical review of financial investigations, OLMS issued letters to two national labor organizations whose affiliates were most likely to be subject to corruption, offering compliance

assistance surrounding methods of improving financial safeguards.

- OLMS managed a public email address, enabling it to respond to nearly 3,500 inquiries and requests in the year.
- OLMS continued its Labor Organization Orientation Program, which distributed information letters to newly registered labor organizations.