

FY 2023

CONGRESSIONAL BUDGET JUSTIFICATION

OFFICE OF LABOR-MANAGEMENT STANDARDS

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OFFICE OF LABOR-MANAGEMENT STANDARDS

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OFFICE OF LABOR-MANAGEMENT STANDARDS

APPROPRIATION LANGUAGE

SALARIES AND EXPENSES

For necessary expenses for the Office of Labor-Management Standards, \$49,951,000.

Note.— A full-year 2022 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2022 (Division A of P.L.117-43, as amended). The amounts included for 2022 reflect the annualized level provided by the continuing resolution.

OFFICE OF LABOR-MANAGEMENT STANDARDS

AMOUNTS AVAILABLE FOR OBLIGATION						
(Dollars in Thousands)						
	FY 2021 Revised Enacted		FY 2022 Full Year C.R.		FY 2023 Request	
	FTE	Amount	FTE	Amount	FTE	Amount
A. Appropriation	190	\$44,437	228	\$51,544	204	\$49,951
<i>Subtotal Appropriation</i>	<i>190</i>	<i>\$44,437</i>	<i>187</i>	<i>\$51,544</i>	<i>204</i>	<i>\$49,951</i>
B. Gross Budget Authority	190	\$44,437	187	\$51,544	204	\$49,951
C. Budget Authority Before Committee	190	\$44,437	187	\$51,544	204	\$49,951
D. Total Budgetary Resources	190	\$44,437	187	\$51,544	204	\$49,951
Additional FTE and Unobligated Balance Expiring	0	\$0	0	\$0	0	\$0
E. Total, Estimated Obligations	190	\$44,437	187	\$51,544	204	\$49,951

OFFICE OF LABOR-MANAGEMENT STANDARDS

SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2022 Full Year C.R.	FY 2023 Request	Net Change
Budget Authority			
General Funds	\$44,437	\$49,951	+\$5,514
Total	\$44,437	\$49,951	+\$5,514
 Full Time Equivalents			
General Funds	187	204	17
Total	187	204	17

Explanation of Change	FY 2023 Change							
	FY 2022 Base		Trust Funds		General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Increases:								
A. Built-Ins:								
To Provide For:								
Costs of pay adjustments	187	\$22,230	0	\$0	0	\$1,768	0	\$1,768
Personnel benefits	0	\$8,921	0	\$0	0	\$569	0	\$569
Employee health benefits	0	\$0	0	\$0	0	\$0	0	\$0
Moving allowance	0	\$0	0	\$0	0	\$0	0	\$0
Federal Employees' Compensation Act (FECA)	0	\$69	0	\$0	0	\$4	0	\$4
Benefits for former personnel	0	\$0	0	\$0	0	\$0	0	\$0
Travel and transportation of persons	0	\$709	0	\$0	0	\$0	0	\$0
Transportation of things	0	\$0	0	\$0	0	\$0	0	\$0
Rental payments to GSA	0	\$2,834	0	\$0	0	\$0	0	\$0
Rental payments to others	0	\$32	0	\$0	0	\$0	0	\$0
Communications, utilities, and miscellaneous charges	0	\$130	0	\$0	0	\$0	0	\$0
Printing and reproduction	0	\$386	0	\$0	0	\$0	0	\$0
Advisory and assistance services	0	\$0	0	\$0	0	\$0	0	\$0
Other services from non-Federal sources	0	\$505	0	\$0	0	\$0	0	\$0
Working Capital Fund	0	\$7,825	0	\$0	0	\$0	0	\$0
Other Federal sources (Census Bureau)	0	\$0	0	\$0	0	\$0	0	\$0
Other Federal sources (DHS Charges)	0	\$255	0	\$0	0	\$0	0	\$0
Other goods and services from Federal sources	0	\$380	0	\$0	0	\$0	0	\$0
Research & Development Contracts	0	\$0	0	\$0	0	\$0	0	\$0
Operation and maintenance of facilities	0	\$0	0	\$0	0	\$0	0	\$0
Operation and maintenance of equipment	0	\$0	0	\$0	0	\$0	0	\$0

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FY 2023 Change

Explanation of Change	FY 2022 Base		Trust Funds		General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Supplies and materials	0	\$96	0	\$0	0	\$0	0	\$0
Equipment	0	\$65	0	\$0	0	\$0	0	\$0
Grants, subsidies, and contributions	0	\$0	0	\$0	0	\$0	0	\$0
Insurance claims and indemnities	0	\$0	0	\$0	0	\$0	0	\$0
Built-Ins Subtotal	187	+\$44,437	0	\$0	0	+\$2,341	0	+\$2,341
B. Programs:								
FTE Restoration	0	\$0	0	\$0	17	\$3,173	17	\$3,173
Programs Subtotal			0	\$0	17	+\$3,173	17	+\$3,173
Total Increase	187	+\$44,437	0	\$0	17	+\$5,514	17	+\$5,514
Decreases:								
A. Built-Ins:								
To Provide For:								
Built-Ins Subtotal	0	\$0	0	\$0	0	\$0	0	\$0
B. Programs:								
Total Decrease	0	\$0	0	\$0	0	\$0	0	\$0
Total Change	187	+\$44,437	0	\$0	17	+\$5,514	17	+\$5,514

OFFICE OF LABOR-MANAGEMENT STANDARDS

SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY (Dollars in Thousands)								
	FY 2021 Revised Enacted		FY 2022 Full Year C.R.		FY 2023 Request		Diff. FY23 Request / FY22 Full Year C.R.	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Office of Labor-Management Standards	189	44,437	187	44,437	204	49,951	17	5,514
General Funds	189	44,437	187	44,437	204	49,951	17	5,514
Total	189	44,437	187	44,437	204	49,951	17	5,514
General Funds	189	44,437	187	44,437	204	49,951	17	5,514

NOTE: FY 2021 reflects actual FTE. FY 2022 reflects estimated FTE usage at the annualized level of the CR.

OFFICE OF LABOR-MANAGEMENT STANDARDS

BUDGET AUTHORITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2021 Revised Enacted	FY 2022 Full Year C.R.	FY 2023 Request	Diff. FY23 Request / FY22 Full Year C.R.
	Full-Time Equivalent				
	Full-time Permanent	187	225	204	-21
	Other	3	3	3	0
	Total	190	228	207	-21
	Average ES Salary	\$193,705	\$187,998	\$193,638	\$5,640
	Average GM/GS Grade	12/8	12/8	12/8	0
	Average GM/GS Salary	\$90,477	\$106,857	\$106,151	-\$706
11.1	Full-time permanent	21,300	21,300	26,241	4,941
11.3	Other than full-time permanent	150	150	150	0
11.5	Other personnel compensation	780	780	780	0
11.9	Total personnel compensation	22,230	22,230	27,171	4,941
12.1	Civilian personnel benefits	8,990	8,990	9,563	573
13.0	Benefits for former personnel	0	0	0	0
21.0	Travel and transportation of persons	815	709	709	0
22.0	Transportation of things	0	0	0	0
23.0	Rent, Communications, and Utilities	0	0	0	0
23.1	Rental payments to GSA	2,725	2,834	2,834	0
23.2	Rental payments to others	35	32	32	0
23.3	Communications, utilities, and miscellaneous charges	130	130	130	0
24.0	Printing and reproduction	386	386	386	0
25.1	Advisory and assistance services	0	0	0	0
25.2	Other services from non-Federal sources	505	505	505	0
25.3	Other goods and services from Federal sources 1/	8,460	8,460	8,460	0
25.4	Operation and maintenance of facilities	0	0	0	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	0	0	0	0
26.0	Supplies and materials	96	96	96	0
31.0	Equipment	65	65	65	0
41.0	Grants, subsidies, and contributions	0	0	0	0
42.0	Insurance claims and indemnities	0	0	0	0
	Total	44,437	44,437	49,951	5,514
	1/Other goods and services from Federal sources				
	Working Capital Fund	7,825	7,825	7,825	0
	DHS Services	255	255	255	0
	GSA Services	295	295	295	0
	Services by Other Government Departments	20	20	20	0

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AUTHORIZING STATUTES

Public Law / Act	Legislation	Statute No. / US Code	Volume No.	Page No.	Expiration Date
PUB. L. 86-257	Labor-Management Reporting and Disclosure Act of 1959, as amended.	29 U.S.C. 401			N/A
PUB. L. 95-454	Civil Service Reform Act of 1978 Urban Mass	5 U.S.C. 7101			
PUB. L. 88-365 PUB. L. 102-240	Transportation Act of 1964, as amended. Rail Passenger Service Act of 1970 as amended.	49 U.S.C. 533 (b) 45 U.S.C. 501 et seq.			N/A
PUB. L. 91-518	Postal Reorganization Act of 1970.	39 U.S.C. 101			N/A
PUB. L. 91-375	Foreign Service Act of 1980.	22 U.S.C. 3901			N/A
PUB. L. 96-465	Congressional Accountability Act of 1995.	2 U.S.C. 1301			N/A

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APPROPRIATION HISTORY					
(Dollars in Thousands)					
	Budget Estimates to Congress	House Allowance	Senate Allowance	Appropriations	FTE
2013					
Base Appropriation...1/	\$41,771			\$39,129	228
2014					
Base Appropriation...2/	\$46,891			\$39,129	218
2015					
Base Appropriation	\$41,236			\$39,129	215
2016					
Base Appropriation	\$46,981	\$36,000	\$42,000	\$40,593	209
2017					
Base Appropriation	\$45,691			\$38,187	196
2018					
Base Appropriation	\$46,634	\$41,129		\$40,187	189
2019					
Base Appropriation...3/	\$46,634		\$40,187	\$41,187	186
2020					
Base Appropriation...4/ 5/	\$49,134	\$40,187		\$43,187	193
2021					
Base Appropriation...5/	\$50,410			\$44,437	190
2022					
Base Appropriation...6/ 7/	\$51,554	\$44,437			0
2023					
Base Appropriation	\$49,951			\$49,951	204

1/ FY 2013 reflect a 0.2% across the board rescission pursuant to P.L. 113-6 and the sequestration reduction pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985.

2/ FY 2014 reflect the Appropriations amount passed as part of P.L. 113-76, which did not include any rescissions.

3/ This bill was passed by the Senate. It was passed out of the House Subcommittee but was not reported out of the House Committee or by the full House.

4/ FY 2020 - This bill was passed by the House. It was not taken up by the Senate Appropriations Subcommittee or full Appropriations Committee.

5/ FY 2020 and FY 2021 – FTE for FY 2020 and FY 2021 reflect the Shared Services Realignment

6/ This bill was passed by the House. It was not taken up by the Senate Appropriations Subcommittee or the full Senate Appropriations Committee.

7/ The full-year FY 2022 appropriation was not enacted at the time the budget was prepared.

OFFICE OF LABOR-MANAGEMENT STANDARDS

OVERVIEW

The Office of Labor-Management Standards (OLMS) administers the Labor-Management Reporting and Disclosure Act (LMRDA) and related laws. The LMRDA was enacted to protect union members by ensuring that they have the transparency, democracy, and financial integrity they need to make informed decisions about their membership in a union as well as its operations. These laws were enacted to strengthen labor unions by protecting union members from individuals, organizations, and/or influences that do not function in their best interests and to ensure that members and employees who are engaged in organizing activities know the sources of their employers' messages urging them not to organize. While the vast majority of America's labor unions and their leaders operate for the benefit of the hard working people who comprise their membership, OLMS is tasked with protecting the union members by administering the LMRDA.

The LMRDA promotes financial integrity by imposing protections on labor union assets; provides transparency by requiring public disclosure reporting by unions, union officials, employers, labor relations consultants, and surety companies; and ensures democracy by establishing standards for conducting union officer elections. As an enforcement agency, OLMS supports DOL Strategic Goal 2 – *Ensure Safe Jobs, Essential Protection, and Fair Workplaces* under Strategic Objective 2.2 – *Protect Workers' Rights*.

OLMS also administers employee protections under various federally sponsored transportation programs that require protective arrangements for transit employees. When federal funds are used to acquire, improve, or operate a mass transit system (public transportation), federal law requires arrangements to protect the interests of mass transit employees under 49 U.S.C. § 5333(b) (formerly Section 13(c) of the Urban Mass Transportation Act). Section 5333(b) specifies that these protective arrangements must provide for the preservation of rights and benefits of employees under existing collective bargaining agreements, the continuation of collective bargaining rights, the protection of individual employees against a worsening of their positions in relation to their employment, assurances of employment to employees of acquired transit systems, priority of reemployment, and paid training or retraining programs.

The Department of Labor (DOL) must certify that protective arrangements are in place and meet the above requirements for all grants of assistance under Federal transit law before the Department of Transportation's Federal Transit Administration (FTA) can release funds. The FTA includes the terms and conditions of the certification and protective arrangements in its contract of assistance with the grant recipient.

OLMS focuses on improving program effectiveness and efficiency in support of the agency's three priority performance goals:

- 1) Increase the effectiveness of targeting compliance audits that lead to criminal investigations:

The OLMS Compliance Audit Program (CAP) is designed to detect embezzlements and other criminal and civil violations of the LMRDA in labor organizations, using specialized

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auditing, investigating, and report writing techniques. In FY 2009, OLMS established a goal to increase the rate at which audits of labor unions result in the opening of a criminal investigation (the “fallout” rate). This increase is accomplished by identifying and prioritizing audits of unions that have indications that fraud or embezzlement might have occurred. The program has two complementary goals: 1) protecting union members’ financial assets through uncovering fraud and embezzlement; and 2) educating union officials on LMRDA requirements and compliance regarding financial bookkeeping and reporting. By obtaining the resources requested, OLMS would have the ability to safeguard assets of union members through the CAP program while delivering valuable compliance assistance to union officials. Improved targeting of compliance audits prevents imposing burden on the majority of unions that are in compliance with the LMRDA while efficiently utilizing government resources. OLMS seeks to identify at-risk unions by making better use of information reported to OLMS on union financial reports, historical internal data, and intelligence from union members, other law enforcement agencies, and other entities. OLMS will continue to evaluate union financial reporting data and internal data to increase the fallout rate over time.

2) Increase the percentage of required reports filed electronically:

Unions must file initial (Form LM-1) and annual financial reports (Forms LM-2, LM-3, LM-4, or simplified filings) with OLMS. Unions must also file trusteeship reports (Forms LM-15, LM-15A, and LM-16) when supervision is established over a subordinate body. Other entities and persons – 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 specified circumstances.

Regulations require unions, employers and employer consultants to submit their annual financial reports electronically. The direct benefits of electronic filing include ease of filing, increased transparency, and cost savings both to filers and the government. Most of these reports are filed electronically through the OLMS electronic Labor Organization Reporting System (e.LORS). However, parent unions imposing trusteeships over subordinate bodies, surety companies, and some union officers and employees continue to file paper versions of their documents, and OLMS must ensure these too are available for disclosure.

Through mandatory filing requirements as well as outreach and other efforts, OLMS has increased the percentage of reports filed electronically. OLMS hosts a web-based electronic filing system (EFS) for filing Forms LM-1, LM-2, LM-3, LM-4, LM-10, LM-20, LM-21, LM-30, and simplified annual reports. EFS ensures that nearly all entities and individuals who must file may do so electronically. Electronic filing is currently mandatory only for LM-1, LM-2, LM-3, LM-4, LM-10, LM-20, and LM-21 filers. In FY 2021, OLMS added the LM-1, LM-10 and LM-20 to the forms available for electronic filing. OLMS seeks to make EFS available for the remaining forms (Forms LM-15, 15A, 16, and S-1) by FY 2023.

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3) Reduce the number of elapsed days for investigating union election complaints:

The LMRDA requires labor unions holding elections of their officers to use a secret ballot; provide their members a reasonable opportunity to nominate candidates and vote; mail notice of elections to members; and establish other safeguards to ensure a fair election. The LMRDA also gives union members who believe these election standards have been violated the right and a path to file a complaint with the Secretary of Labor. OLMS is responsible for investigating these complaints and, dependent upon the results of the investigation, taking appropriate steps to set aside the election in certain cases. As appropriate, OLMS may attempt to negotiate a voluntary compliance agreement or bring a lawsuit in U.S. District Court seeking a new election under OLMS supervision. By statute, election case lawsuits brought under the LMRDA must be filed within 60 days of receipt of a complaint, unless the labor union agrees to a waiver of the filing deadline. To meet this statutory deadline, OLMS continuously identifies improved efficiencies in the case processing system to better predict and reduce the incidence of waivers. For example, through improved communication and coordination between OLMS and the Office of the Solicitor, we are better poised to address and resolve challenging investigations, directly reducing the time needed to resolve these investigations.

Program Improvements

OLMS' FY 2023 request will continue its ability to pursue program improvements that deliver more effective and efficient protection of union financial assets as follows:

- Conduct 330 compliance audits of unions to uncover violations of the LMRDA and complete 284 criminal investigations annually. Leverage compliance assistance resources to achieve 8,000 participant compliance assistance hours. This would 1) ensure new participants to the e-filing system submit their forms in a correct and timely manner, 2) help unions with election procedures, and 3) provide assistance with bonding requirements.
- Increase the utility, and expand the scope, of the Voluntary Compliance Partnership (VCP) program, through which OLMS partners with a number of international and national unions to improve compliance with the LMRDA among their local affiliates. This voluntary program uses data to help the VCP partner organizations direct their compliance efforts to those subordinate unions that are most out of compliance with the LMRDA. By securing the voluntary assistance of union leadership, this program reduces the work demands on OLMS employees so that limited resources can be targeted to other priorities.
- Improve OLMS' ability to provide public disclosure of mandatory reporting data, and compliance assistance materials, by analyzing customer feedback of its website to identify ways in which the agency can improve services for stakeholders and the public.

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Information Technology Modernization and Cybersecurity

OLMS will develop a modern cloud-based replacement system that leverages the application hosting capabilities of the DOL enterprise platform. OLMS intends to reconstitute e.LORS in the new environment reusing existing Appian business functionality developed for DOL and expanding functionality in areas that are currently unavailable. The modern e.LORS could then leverage current and planned enhancements to the DOL IT infrastructure, implement cutting edge cybersecurity, and improve e.LORS system capabilities such as the introduction of modern data analytics. The projected system modernization will provide employees and the public with modern technologies and improve the internal and external IT customer experience.

Worker Empowerment

Organized labor has been in the forefront of promoting policies and legislation designed to improve the lives of American workers. Workers employed under union-negotiated collective bargaining agreements earn higher wages and receive more benefits than those who are not. Despite organized labor's critical role in improving the lives of working Americans, and the Department's role in that same objective, few of the Department's agencies have direct interaction with America's unions. OLMS has a long history of successfully fostering these relationships.

OLMS promotes labor-management transparency as well as labor union democracy and financial integrity through standards for union officer elections and union trusteeships and safeguards for union assets. The agency's enforcement activities are designed to give assurances to workers (and to the public more broadly) that the conduct of union officers and employees is regulated. While enforcement of the LMRDA serves to strengthen the labor movement it cannot overshadow the important service unions engage in to make our society work in the interest of working people. The vast majority of union officials and employees do their work diligently and without incident, but civil and criminal violations do sometimes occur and, when they do, the union is typically the victim. OLMS is committed to serving the workers whose interests we represent with this common understanding of the important role unions have played and continue to play in the American economy.

OLMS will promote union strength, transparency, integrity, and democracy through vigorous civil and criminal enforcement to ensure that unions remain strong and effective advocates for workers. True transparency also requires employer and consultants to report the efforts they make to persuade employees with regard to their rights to organize and collectively bargain. Workers and the public would benefit from knowing the effect of such employer "persuader" activity on union organizing and on the American worker. OLMS will build on studies of the effect of employer activity on union organizing to better understand and explain the importance of the employer and consultant reporting obligations in the LMRDA that OLMS enforces.

OLMS' efforts to empower workers and their unions require that OLMS operations and the data it collects be accurately maintained and presented in its full context. OLMS is committed to achieve this result by improving its web site, conducting outreach to stakeholders, engaging with the public, and coordinating with other federal agencies.

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OLMS recognizes the benefits to workers and employers from cooperative labor-management relationships achieved through collective bargaining, and will study, promote and advance these programs.

Equity in Budgeting

Labor organizations perform an essential function in the labor movement by providing a “voice” for workers in their workplace. They do this by negotiating and enforcing agreements with employers to promote employee safety, fair and equitable policies, and fair pay. OLMS protects labor organizations and their membership by promoting financial integrity through the compliance audit and criminal enforcement programs. Furthermore, OLMS promotes transparency by reviewing union, employer, and persuader reports for accuracy and making them available to the public. Finally, OLMS conducts investigations of complaints filed by members concerning regularly scheduled union officer elections to protect the democratic process in the election of labor movement leaders by their membership. OLMS is successful in its mission when strong, transparent unions have the full confidence of workers, employers, and policy makers.

OLMS’ mission supports strengthening unions. Unions address inequality and help advance the economic aspirations of diverse communities. In 2018, the Center for American Progress compared wealth of union-member and non-member households. In its findings concerning White workers, union families’ median household wealth was around 50% higher than non-union households. For Black and Hispanic workers, median union household wealth was roughly 10 times greater than for non-union households. The study can be found at: <https://cdn.americanprogress.org/content/uploads/2018/08/29074054/UnionMembershipNarrativeRacialGap-Brief1.pdf>

OLMS is furthering its support in advancing equity for all, including people of color and others who have been historically underserved and adversely affected by inequality by increasing compliance assistance, increasing outreach and education, and expanding hiring, professional development, and employee engagement.

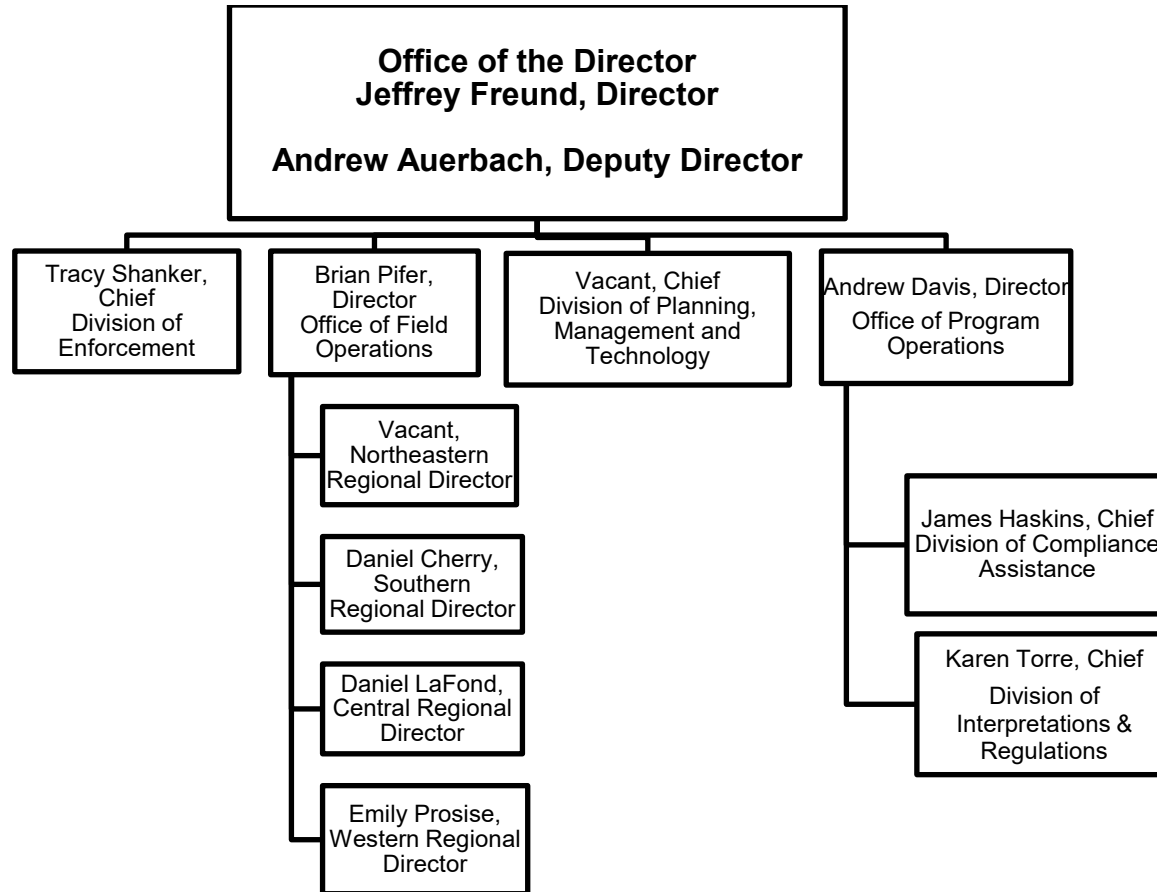
- **Increase Compliance Assistance:** OLMS will continue to improve and expand its compliance assistance materials. This will include updating any compliance assistance guidance and making the public website more user friendly. OLMS will continue to monitor contacts by non-English speaking workers and translate compliance assistance materials into Spanish and, depending on the need, other non-English languages. OLMS will update compliance assistance to include inclusive language to make all interested parties feel welcomed and heard.
- **Outreach and Engagement:** OLMS will continue to build and strengthen the VCP program by providing international and national union partners with new compliance assistance tools and information on a more consistent basis. Expanding international and national union outreach will assist local labor organizations with voluntary compliance. OLMS’ outreach strategy will also increase and establish meaningful relationship with

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labor organizations most at risk of experiencing civil and criminal violations. OLMS will use data and analytics to assess the program's effects and to drive further improvements.

- **Hiring Initiative:** OLMS will promote a more diverse, equitable, and inclusive workforce through hiring initiatives. OLMS will require managers to be educated and informed regarding hiring practices. OLMS will expand recruitment resources and outreach to foster an applicant pool that includes individuals from all perspectives and backgrounds. OLMS will support an interview process that minimizes the risk of unconscious bias and increases diversity in the workforce. In order to select the best candidate for the position, the recruitment process will be handled by a group of diverse decision-makers. OLMS will also promote a hiring and promotion process that is equitable and inclusive by updating position descriptions and job announcements to welcome the most diverse applicant pool.

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BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2021 Revised Enacted	FY 2022 Full Year C.R.	FY 2023 Request	Diff. FY23 Request / FY22 Full Year C.R.
Activity Appropriation	44,437	44,437	49,951	5,514
FTE	189	187	204	17

NOTE: FY 2021 reflects actual FTE. Authorized FTE for FY 2021 was 190. FY 2022 reflects estimated FTE usage at the annualized level of the CR.

Introduction

The Office of Labor-Management Standards is responsible for administering the Labor-Management Reporting and Disclosure Act (LMRDA). The investigation of embezzlement of labor union funds is a major OLMS enforcement activity. OLMS also conducts audits of unions under the Compliance Audit Program to determine overall compliance with the LMRDA, detect possible embezzlements, and provide compliance assistance to union officials. Embezzlement investigations are opened when OLMS obtains credible information, either through an audit or other information, indicating fraud or misappropriation of union funds.

OLMS provides workers with ready access to essential information about their labor union's financial conditions, operations, activities, and their officers and employees. Labor unions covered by the LMRDA and related laws must file annual financial reports with OLMS. Other reports must be filed by union officers, union employees, employers, labor relations consultants, and surety companies. OLMS operates an electronic filing system for LMRDA reports and an Internet-based public disclosure system that provides public access to information from filed reports. Timely and accurate reporting allows workers to monitor the financial operations of their union, supports democracy in union governance, and ensures that union assets are used solely for the benefit of the members and ensures that members and employees who are engaged in organizing activities know the sources of their employers' messages urging them not to organize.

As the LMRDA was enacted by Congress to ensure basic standards of democracy in labor unions, the investigation of labor union officer elections is another major OLMS enforcement activity. OLMS conducts investigations of regularly scheduled union officer elections upon receipt of a timely filed complaint from a union member protesting the election. If an investigation discloses violations of the LMRDA which may have affected the outcome of the election, OLMS gives the union an opportunity to correct the violations through voluntary compliance, usually by rerunning the challenged election under OLMS supervision. If warranted, OLMS may take legal action to set aside the challenged election and require a new election under OLMS supervision.

Additionally, OLMS has the responsibility under the Federal Transit Act to certify that labor protections are in place prior to the approval of Federal transit grants. A transit agency receiving

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Federal mass transit funds must protect all covered mass transit employees affected by the use of Federal money. The law specifies that “fair and equitable” arrangements must be in place that provide for the preservation of rights and benefits of employees under existing collective bargaining agreements, continuation of collective bargaining rights, protection of individual employees against a worsening of their positions in relation to their employment, assurances of employment to employees of acquired transit systems, priority of reemployment, and paid training or retraining programs.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2018	\$40,187	189
2019	\$41,187	186
2020	\$43,187	193
2021	\$44,437	190
2022	\$0	0

FY 2023

The FY 2023 funding level provides an additional \$2,173,000 to restore OLMS' staffing level to fulfil its mission. Additionally, the FY 2023 funding level provides \$1,000,000 to support review of additional Infrastructure Investment and Jobs Act-related Federal Transit Administration grant applications.

OLMS' ability to pursue program improvements that deliver more effective and efficient protection for union members will be greatly enhanced as follows:

- OLMS will strengthen the effectiveness and reach of our Compliance Assistance Program, while providing more robust support and training for our field investigators. The additional resources will enable us to: 1) restore and increase our participant contact hours and general assistance to International Unions (IUs) currently participating in the Voluntary Compliance Partnership (VCP) program; 2) conduct outreach to encourage IUs that are not partners yet to partner with us going forward; 3) improve data analysis services to all IUs to help locate their affiliates that are having compliance issues; 4) provide training and compliance assistance via video conferencing (such as Teams) when appropriate for the IUs and their affiliates nationally, on a regular, ongoing basis; 5) coordinate nationwide delivery of additional compliance assistance webinars to support union officials in the challenging task of conducting union officer elections; 6) develop new compliance assistance materials – in both English and Spanish – to help union officers and union members better understand their respective responsibilities and rights under the LMRDA; 7) provide these resources and support to the field to promote district and regional compliance assistance initiatives; and 8) create, update, and conduct investigator training to ensure OLMS is able to retain and recruit the highly skilled, professional workforce it needs to carry out its important mission.

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- Enhance the OLMS computer forensics program by increasing the number of full-time and/or part-time Computer Cadre members, investing in expanding their skills to keep pace with the changing and expanding technologies.
- Leverage compliance assistance resources to achieve 8,000 participant compliance assistance hours. This effort would 1) promote filers to submit their forms in a correct and timely manner, 2) help union officials learn how to conduct their officer elections in compliance with the LMRDA (and provide additional guidance and best practices on holding elections during the pandemic, as applicable), and 3) provide assistance with bonding and recordkeeping requirements.
- Conduct 330 compliance audits of unions to uncover violations of the LMRDA and complete 284 criminal investigations annually.

FY 2022

The most recent information indicates that there are over 20,000 labor organizations filing annual financial reports with OLMS. Over the last two decades the labor union community has increased the mergers of smaller labor organizations, thus creating larger and more complex unions. While the rank and file membership has marginally decreased, assets have significantly increased. In 2015, there were approximately 23,000 reporting labor organizations with a total union membership of 14,795,000 and assets of \$24 billion. In FY 2020, that number dropped to 21,000 filing labor organizations with a union membership of 14,700,000. However, total union assets have increased to \$27 billion. This concentration of assets results in more complex union financial records and consequently more complex audits. OLMS will continue its enforcement efforts, improve the protection of union assets, and provide needed compliance assistance support to the labor organizations throughout the country.

In FY 2020, OLMS conducted 245 compliance audits and 223 criminal investigations, and obtained 61 indictments and 69 convictions. In FY 2019, OLMS conducted 252 compliance audits and 241 criminal investigations, and obtained 84 indictments and 60 convictions. With the FY 2022 CR funding, OLMS expects to conduct approximately 317 compliance audits, 272 criminal investigations, and record approximately 100 indictments and 100 convictions.

FY 2021

The FY 2021 appropriation, \$44,437,000 provides \$1,250,000 above FY 2020. With nearly 40% of our investigative staff not having completed the required training, the continuation of the pandemic into FY 2021 has impacted our ability to provide the full spectrum of training needs to the staff. Certain courses were reformatted to allow for virtual instruction, which has been provided. Additionally, national compliance assistance activities were completed to provide labor organizations with guidance on holding officer elections during a pandemic. Compliance assistance documents were created to assist labor unions in maintaining records and conducting business virtually. OLMS has continued to meet our statutory obligations to investigate union

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democracy cases timely, processed one International Compliance Audit and has initiated two more. We have continued to make progress in all program activities during this fiscal year.

OLMS has received modest increases over the past four years which have helped to recover from an unexpected and drastic decrease in FY 2017. However, annual salary and employee benefit cost increases, rent increases, and other inflationary pressures continued to erode the affordable FTE level from 196 to 190, thus eroding OLMS' ability to protect unionized employees in accordance with its statutory mandate.

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WORKLOAD AND PERFORMANCE SUMMARY					
		FY 2021 Revised Enacted		FY 2022 Full Year C.R.	FY 2023 Request
		Target	Result	Target	Target
Office of Labor-Management Standards					
Strategic Goal 2 - Ensure Safe Jobs, Essential Protections, and Fair Workplaces					
Strategic Objective 2.2 - Protect workers' rights.					
OLMS-RPD-03	Number of LM-10 and LM-20 reports filed on employer-consultant persuader agreements	600[p]	480	800[p]	900[p]
OLMS-RPD-06	Number of chronically delinquent filers of labor organization financial reports	970	805	920	950
OLMS-RPD-Workload-01	Reports Processed	25,000	24,217	25,000	25,000
OLMS-FI-02	Compliance Audits	237	221	317	330
OLMS-FI-01	Criminal Investigations	202	202	272	284
OLMS-MISC-05-WL	Number of Voluntary Compliance Partnership Agreements in effect	43	45	46	50
OLMS-MISC-03	Participant Hours of Compliance Assistance provided	12,000.00	8,294.00	20,000.00	8,000.00
OLMS-MISC-09	Compliance Assistance Events	66	99	70	74
OLMS-DEM-02	Election Investigations	96[p]	78	106[p]	110[p]
OLMS-DEM-03	Supervised Elections	26.00[p]	27.00	22.00[p]	23.00[p]

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WORKLOAD AND PERFORMANCE SUMMARY					
		FY 2021 Revised Enacted		FY 2022 Full Year C.R.	FY 2023 Request
		Target	Result	Target	Target
OLMS-DEM-01	Average number of days to resolve union officer election complaints	67.0	66.9	66.0	65.5
OLMS-FI-03	Percent of targeted audits that result in a criminal case	16.75%	15.25%	17.00%	17.50%
OLMS-RPD-05	Percent of disclosure reports filed electronically	85.0%	97.4%	90.0%	91.0%

Legend: (r) Revised (e) Estimate (base) Baseline -- Not Applicable TBD - To Be Determined [p] - Projection

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Workload and Performance

OLMS' two major enforcement activities are the investigation of: 1) union officer elections and 2) embezzlement of union funds. Supporting these two enforcement activities are the reporting and public disclosure requirements of the LMRDA. To increase overall compliance with the LMRDA and other regulations, OLMS provides compliance assistance information both in-person and online. Through compliance assistance materials and seminars, workers are empowered through learning rights afforded to them under the LMRDA and making informed decisions within their labor organizations through transparent reporting by unions, officials, and employers.

As one of its priority programs, OLMS promotes union financial integrity by enforcing the LMRDA requirement that union assets are used for the sole benefit of members. OLMS protects these assets by conducting targeted union compliance audits at all levels of the labor union hierarchy. The results of these compliance audits are made publicly available to union members through the OLMS website, promoting transparency within the labor movement. OLMS uses data analytics to determine which unions are at higher risk for experiencing fraud or embezzlement based upon characteristics of the union gathered from both external and internal sources. The methodology allows OLMS to better direct resources such as investigator time to higher risk unions and reduces the time spent on audits that do not yield criminal cases. This also reduces the burden on unions who are in compliance by lessening the risk they will be subjected to audits, which use union time and resources. Concrete results from this effort have resulted in more effective compliance audits overall while uncovering and fulfilling specific compliance assistance needs within labor unions. These efforts also give assurances to workers that the conduct of union officers and employees is regulated, enabling better and more accurate information to reach workers about the benefits accruing to workers employed under union-negotiated collective bargaining agreements.

The FY 2023 budget maintains OLMS' ability to safeguard union members' rights under the LMRDA. The resources will allow OLMS to increase the number of compliance audits and number of criminal investigations that will be undertaken as compared to the FY 2021 targets. Fulfilling these goals promotes union strength, ensuring that unions remain strong and effective advocates for workers. In addition, the reach of the compliance assistance program will achieve 8,000 participant compliance assistance hours. As part of our improved compliance assistance initiative, OLMS intends to review and update existing publications to promote inclusivity. OLMS will leverage conference technologies to reach our stakeholders in even remote locations and meet its targets. This will enable OLMS to safeguard union assets more broadly and likely find more cases of fraud and embezzlement where they exist.

There are approximately 21,000 international/national, intermediate and local unions subject to the LMRDA. In FY 2023, the FTE will enable OLMS to continue to have an adequate physical presence in geographical areas that have been underserved, thus providing compliance assistance to those union members and officials while also creating a greater deterrent effect. For example, the New York office undertakes a substantial number of cases each year, many of them high profile. By adequately staffing offices such as New York, OLMS is able to use resources not only more effectively, but in a more high profile manner, which can act as a deterrent. The end

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result will be greater transparency through more accurate and timely reporting of union finances, an increase in the detection and deterrence of embezzlement, and an increase in union member and officers' understanding of the requirements of the LMRDA.

OLMS administers the LMRDA's union financial transparency requirements by receiving and then disclosing annual union financial reports. OLMS encourages electronic filing of required reports through regulatory changes, outreach, and compliance assistance. The electronic filing system checks reports for errors prior to submission, thus increasing the quality of the filing and reducing mailing costs. Electronic filing also allows union members and the public almost instant online access to electronically filed reports. Over time, OLMS can expect increased savings as electronically filed reports reduce storage and personnel costs associated with maintaining physical files. Savings will also result from reduced personnel costs involved in manual processing of paper reports. Additionally, through the use of electronic reports, transmittal times are eliminated, improving efficiency. While OLMS has mandated that many forms be filed electronically, we will continue to expand the number of reports compatible with this filing method. As such, OLMS expects to continue to see increased use of the current electronic filing system.

OLMS will promote free and fair democratic union elections. The agency will achieve reductions in the number of elapsed days required to resolve election case complaints by increasing the use of investigative teams. Finally, OLMS will coordinate with the Office of the Solicitor early in the life of election cases to help reduce the number of elapsed days.

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BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2021 Revised Enacted	FY 2022 Full Year C.R.	FY 2023 Request	Diff. FY23 Request / FY22 Full Year C.R.
11.1	Full-time permanent	21,300	21,300	26,241	4,941
11.3	Other than full-time permanent	150	150	150	0
11.5	Other personnel compensation	780	780	780	0
11.9	Total personnel compensation	22,230	22,230	27,171	4,941
12.1	Civilian personnel benefits	8,990	8,990	9,563	573
13.0	Benefits for former personnel	0	0	0	0
21.0	Travel and transportation of persons	815	709	709	0
22.0	Transportation of things	0	0	0	0
23.0	Rent, Communications, and Utilities	0	0	0	0
23.1	Rental payments to GSA	2,725	2,834	2,834	0
23.2	Rental payments to others	35	32	32	0
23.3	Communications, utilities, and miscellaneous charges	130	130	130	0
24.0	Printing and reproduction	386	386	386	0
25.1	Advisory and assistance services	0	0	0	0
25.2	Other services from non-Federal sources	505	505	505	0
25.3	Other goods and services from Federal sources 1/	8,460	8,460	8,460	0
25.4	Operation and maintenance of facilities	0	0	0	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	0	0	0	0
26.0	Supplies and materials	96	96	96	0
31.0	Equipment	65	65	65	0
41.0	Grants, subsidies, and contributions	0	0	0	0
42.0	Insurance claims and indemnities	0	0	0	0
	Total	44,437	44,437	49,951	5,514
	1/Other goods and services from Federal sources				
	Working Capital Fund	7,825	7,825	7,825	0
	DHS Services	255	255	255	0
	GSA Services	295	295	295	0
	Services by Other Government Departments	20	20	20	0

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CHANGES IN FY 2023

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$1,768
Personnel benefits	569
Employee health benefits	0
Moving allowance	0
Federal Employees' Compensation Act (FECA)	4
Benefits for former personnel	0
Travel and transportation of persons	0
Transportation of things	0
Rental payments to GSA	0
Rental payments to others	0
Communications, utilities, and miscellaneous charges	0
Printing and reproduction	0
Advisory and assistance services	0
Other services from non-Federal sources	0
Working Capital Fund	0
Other Federal sources (Census Bureau)	0
Other Federal sources (DHS Charges)	0
Other goods and services from Federal sources	0
Research & Development Contracts	0
Operation and maintenance of facilities	0
Operation and maintenance of equipment	0
Supplies and materials	0
Equipment	0
Grants, subsidies, and contributions	0
Insurance claims and indemnities	0

Built-Ins Subtotal **\$2,341**

Net Program **\$3,173**

Direct FTE **17**

	Estimate	FTE
Base	\$46,778	187
Program Increase	\$3,173	17
Program Decrease	\$0	0