

FY 2013

CONGRESSIONAL BUDGET JUSTIFICATION

OFFICE OF LABOR-MANAGEMENT STANDARDS

OFFICE OF LABOR-MANAGEMENT STANDARDS

TABLE OF CONTENTS

Appropriation Language	1
Amounts Available for Obligation.....	2
Summary of Changes.....	3
Summary of Budget Authority and FTE by Activity.....	5
Budget Authority by Object Class	6
Agency Outcome Goals Supporting "Good Jobs for Everyone".....	7
Performance Structure	8
Significant Items in Appropriation Committees' Reports	9
Authorizing Statutes.....	10
Appropriation History	11
Overview	12
Organization Chart.....	14
Budget Activities	15
Office of Labor-Management Standards	15

OFFICE OF LABOR-MANAGEMENT STANDARDS

OFFICE OF LABOR-MANAGEMENT STANDARDS

SALARIES AND EXPENSES

For necessary expenses for the Office of Labor-Management Standards, [\$41,367,000]
\$41,771,000. (*Department of Labor Appropriations Act 2012*)

OFFICE OF LABOR-MANAGEMENT STANDARDS

AMOUNTS AVAILABLE FOR OBLIGATION						
(Dollars in Thousands)						
	FY 2011 Enacted		FY 2012 Enacted		FY 2013 Request	
	FTE	Amount	FTE	Amount	FTE	Amount
A. Appropriation	247	\$40,557	230	\$41,367	230	\$41,771
Reduction pursuant to P.L. 112-10 for FY 2011	0	-\$81	0	\$0	0	\$0
Reduction pursuant to P.L. 112-74 for FY 2012	0	\$0	0	-\$78	0	\$0
<i>Subtotal Appropriation</i>	<i>247</i>	<i>\$40,476</i>	<i>230</i>	<i>\$41,289</i>	<i>230</i>	<i>\$41,771</i>
Non-Expenditure Transfer from DM to Restore the FY 2011 Rescission amount	0	\$81	0	\$0	0	\$0
Non-Expenditure Transfer from DM to Restore FY 2011 to FY 2010 Enacted Level	0	\$810	0	\$0	0	\$0
<i>Subtotal</i>	<i>247</i>	<i>\$41,367</i>	<i>230</i>	<i>\$41,289</i>	<i>230</i>	<i>\$41,771</i>
B. Gross Budget Authority	247	\$41,367	230	\$41,289	230	\$41,771
Non-Expenditure Transfer from DM to Restore the FY 2011 Rescission amount	0	-\$81	0	\$0	0	\$0
Non-Expenditure Transfer from DM to Restore FY 2011 to FY 2010 Enacted Level	0	-\$810	0	\$0	0	\$0
C. Budget Authority Before Committee	247	\$40,476	230	\$41,289	230	\$41,771
Non-Expenditure Transfer from DM to Restore the FY 2011 Rescission amount	0	\$81	0	\$0	0	\$0
Non-Expenditure Transfer from DM to Restore FY 2011 to FY 2010 Enacted Level	0	\$810	0	\$0	0	\$0
<i>Subtotal</i>	<i>247</i>	<i>\$41,367</i>	<i>230</i>	<i>\$41,289</i>	<i>230</i>	<i>\$41,771</i>
D. Total Budgetary Resources	247	\$41,367	230	\$41,289	230	\$41,771
FTE Lapse and Unobligated Balance Expiring	-4	\$0	0	\$0	0	\$0
E. Total, Estimated Obligations	243	\$41,367	230	\$41,289	230	\$41,771

OFFICE OF LABOR-MANAGEMENT STANDARDS

SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2012 Enacted	FY 2013 Request	Net Change
Budget Authority			
General Funds	\$41,289	\$41,771	+\$482
Total	\$41,289	\$41,771	+\$482
Full Time Equivalents			
General Funds	230	230	0
Total	230	230	0

Explanation of Change	FY 2012 Base		Trust Funds		FY 2013 Change General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Increases:								
A. Built-Ins:								
To Provide For:								
Costs of pay adjustments	230	\$22,427	0	\$0	0	\$84	0	\$84
Personnel benefits	0	\$5,413	0	\$0	0	\$20	0	\$20
Employee health benefits	0	\$1,348	0	\$0	0	\$5	0	\$5
Moving allowance	0	\$0	0	\$0	0	\$0	0	\$0
One day more of pay	0	\$0	0	\$0	0	\$114	0	\$114
Federal Employees Compensation Act (FECA)	0	\$69	0	\$0	0	\$5	0	\$5
Benefits for former personnel	0	\$11	0	\$0	0	\$0	0	\$0
Travel and transportation of persons	0	\$920	0	\$0	0	\$0	0	\$0
Transportation of things	0	\$0	0	\$0	0	\$0	0	\$0
Rental payments to GSA	0	\$2,892	0	\$0	0	\$213	0	\$213
All Other Rental	0	\$15	0	\$0	0	\$0	0	\$0
Communications, utilities, and miscellaneous charges	0	\$204	0	\$0	0	\$0	0	\$0
Printing and reproduction	0	\$2	0	\$0	0	\$0	0	\$0
Advisory and assistance services	0	\$0	0	\$0	0	\$0	0	\$0
Other services	0	\$487	0	\$0	0	\$0	0	\$0
Working Capital Fund	0	\$3,625	0	\$0	0	\$0	0	\$0
Other government accounts (Census Bureau)	0	\$0	0	\$0	0	\$0	0	\$0
Other government accounts (DHS Charges)	0	\$183	0	\$0	0	\$0	0	\$0
Other purchases of goods and services from Government accounts	0	\$253	0	\$0	0	\$0	0	\$0
Research & Development Contracts	0	\$0	0	\$0	0	\$0	0	\$0
Operation and maintenance of facilities	0	\$1	0	\$0	0	\$0	0	\$0
Operation and maintenance of equipment	0	\$3,211	0	\$0	0	\$41	0	\$41
Supplies and materials	0	\$104	0	\$0	0	\$0	0	\$0

OFFICE OF LABOR-MANAGEMENT STANDARDS

Explanation of Change	FY 2012 Base		Trust Funds		FY 2013 Change General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Equipment	0	\$124	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	230	+\$41,289	0	\$0	0	+\$482	0	+\$482
B. Programs:								
Total Increase	230	+\$41,289	0	\$0	0	+\$482	0	+\$482
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	230	+\$41,289	0	\$0	0	+\$482	0	+\$482

OFFICE OF LABOR-MANAGEMENT STANDARDS

SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY (Dollars in Thousands)								
	FY 2011 Enacted		FY 2012 Enacted		FY 2013 Request		Diff. FY13 Req. / FY12 Enacted	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Office of Labor- Management Standards	243	41,367	230	41,289	230	41,771	0	482
General Funds	243	41,367	230	41,289	230	41,771	0	482
Total	243	41,367	230	41,289	230	41,771	0	482
General Funds	243	41,367	230	41,289	230	41,771	0	482

NOTE: FY 2011 reflects actual FTE.

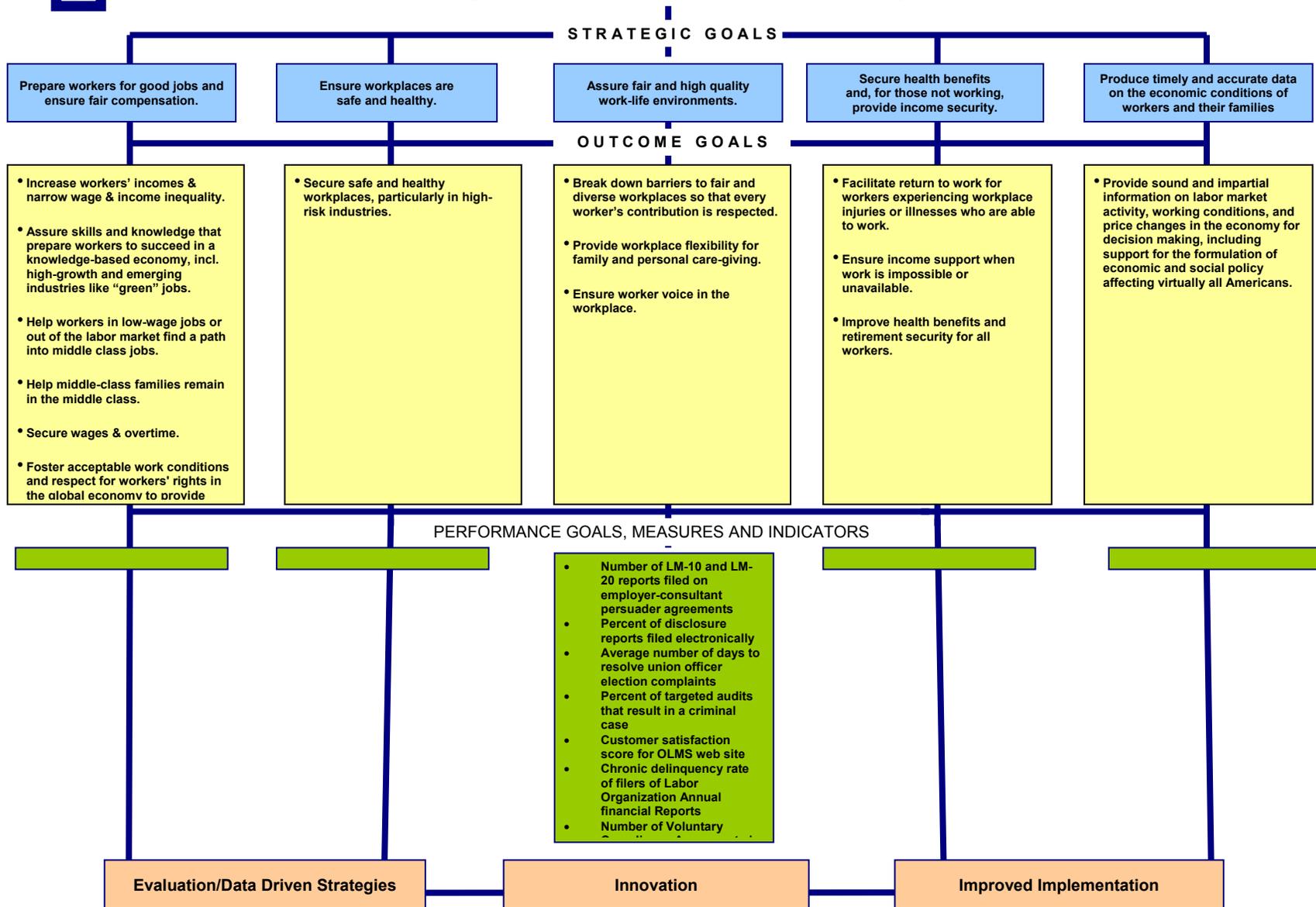
OFFICE OF LABOR-MANAGEMENT STANDARDS

BUDGET AUTHORITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2011 Enacted	FY 2012 Enacted	FY 2013 Request	Diff. FY13 Req./ FY12 Enacted
	Full-Time Equivalent				
	Full-time Permanent	238	225	225	0
	Other	5	5	5	0
	Total	243	230	230	0
	Average ES Salary	\$181,573	\$181,573	\$181,573	\$0
	Average GM/GS Grade	12/4	12/4	12/4	0
	Average GM/GS Salary	\$86,339	\$86,339	\$86,339	\$0
	Average Salary of Ungraded Positions	0	0	0	0
11.1	Full-time permanent	21,220	21,704	21,868	164
11.3	Other than full-time permanent	862	330	334	4
11.5	Other personnel compensation	728	393	395	2
11.9	Total personnel compensation	22,810	22,427	22,597	170
12.1	Civilian personnel benefits	6,439	6,830	6,888	58
13.0	Benefits for former personnel	0	11	11	0
21.0	Travel and transportation of persons	1,031	920	920	0
22.0	Transportation of things	0	0	0	0
23.1	Rental payments to GSA	3,039	2,892	3,105	213
23.2	Rental payments to others	59	15	15	0
23.3	Communications, utilities, and miscellaneous charges	307	204	204	0
24.0	Printing and reproduction	61	2	2	0
25.1	Advisory and assistance services	0	0	0	0
25.2	Other services from non-Federal sources	435	487	487	0
25.3	Other goods and services from Federal sources 1/	3,739	4,061	4,061	0
25.4	Operation and maintenance of facilities	1	1	1	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	3,266	3,211	3,252	41
26.0	Supplies and materials	90	104	104	0
31.0	Equipment	90	124	124	0
41.0	Grants, subsidies, and contributions	0	0	0	0
42.0	Insurance claims and indemnities	0	0	0	0
	Total	41,367	41,289	41,771	482
	1/Other goods and services from Federal sources				
	Working Capital Fund	3,303	3,625	3,625	0
	DHS Services	183	183	183	0
	Services by DOL Agencies	63	63	63	0
	Services by Other Government Departments	190	190	190	0

OFFICE OF LABOR-MANAGEMENT STANDARDS



Secretary's Vision: "Good Jobs for Everyone"



OFFICE OF LABOR-MANAGEMENT STANDARDS

PERFORMANCE STRUCTURE

Strategic and Outcome Goals Supporting Secretary Solis' Vision of <i>Good Jobs for Everyone</i>	Supporting Budget Activities
Strategic Goal 1 – Prepare Workers for Good Jobs and Ensure Fair Compensation	
1.1 Increase workers' incomes and narrowing wage and income inequality.	
1.2 Assure skills and knowledge that prepare workers to succeed in a knowledge-based economy, including in high-growth and emerging industry sectors like “green” jobs.	
1.3 Help workers who are in low-wage jobs or out of the labor market find a path into middle class jobs.	
1.4 Help middle-class families remain in the middle class.	
1.5 Secure wages and overtime.	
1.6 Foster fair working conditions in the global economy that protect vulnerable people and provide workers with a fair share of productivity and voice in their work lives.	
Strategic Goal 2 – Ensure Workplaces Are Safe and Healthy	
2.1 Secure safe and healthy workplaces, particularly in high-risk industries.	
Strategic Goal 3 – Assure Fair and High Quality Work-Life Environments	
3.1 Break down barriers to fair and diverse work places so that every worker's contribution is respected.	
3.2 Providing flexibility for family and personal care-giving.	
3.3 Ensure worker voice in the workplace.	Office of Labor-Management Standards
Strategic Goal 4 – Secure Health Benefits and, for Those Not Working, Provide Income Security	
4.1 Facilitate return to work for workers experiencing workplace injuries or illnesses who are able to work and sufficient income and medical care for those who are unable to work.	
4.2 Ensure income support when work is impossible or unavailable.	
4.3 Improve health benefits and retirement security for all workers.	
Strategic Goal 5 – Assure the Production of Timely and Accurate Data on Social and Economic Conditions of Workers and their Families	
5.1 Provide sound and impartial information on labor market activity, working conditions, and price changes in the economy for decision making, including support for the formulation of economic and social policy affecting virtually all Americans.	

OFFICE OF LABOR-MANAGEMENT STANDARDS

SIGNIFICANT ITEMS IN APPROPRIATION COMMITTEES' REPORTS

S. Report 11-84 Page 25: The Committee notes that OLMS is taking steps to reduce costs and focus activities on its core mission. The Committee requests that OLMS include in its fiscal year 2013 congressional budget justification information on additional steps it will take to carry out its responsibilities more cost effectively.

Response: In accordance with Executive Order 13576, "The Campaign to Cut Waste", the Office of Labor-Management Standards (OLMS) will analyze the number of cars leased through the General Services Administration (GSA) to determine the minimum number of vehicles needed by regional staff to conduct investigative field work. OLMS seeks to reduce the number of vehicles currently being funded while maintaining employee productivity. Additionally, OLMS anticipates a modest rent savings if parking spaces are no longer needed.

OFFICE OF LABOR-MANAGEMENT STANDARDS

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			N/A
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

OFFICE OF LABOR-MANAGEMENT STANDARDS

APPROPRIATION HISTORY					
(Dollars in Thousands)					
	Budget Estimates to Congress	House Allowance	Senate Allowance	Appropriations	FTE
2003	\$0	\$0	\$0	\$34,279	297
2004	0	0	0	38,580	347
2005	0	0	0	41,681	336
2006	0	0	0	45,737	384
2007	0	0	0	47,753	313
2008	0	0	0	44,938	317
2009	0	0	0	45,726	298
2010	40,557	40,557	40,557	41,367	269
2011	45,181	0	41,367	41,367	243
2012	41,367	0	0	41,289	230
2013	0	0	0	0	0

NOTE: FY 2009 and FY 2010 reflect amounts reallocated from the dissolution of ESA's Program Direction Support.

OFFICE OF LABOR-MANAGEMENT STANDARDS

OVERVIEW FY 2013

Introduction

The Office of Labor-Management Standards (OLMS) administers the Labor-Management Reporting and Disclosure Act (LMRDA) of 1959, as amended, and related laws. These laws primarily establish safeguards for union democracy and union financial integrity and require public disclosure reporting by unions, union officers, union employees, employers, labor consultants, and surety companies.

OLMS also administers employee protections under various Federally-sponsored transportation programs that require fair, equitable protective arrangements for transit employees when Federal funds are used to acquire, improve, or operate a transit system. These arrangements must be approved by OLMS before Federal funds may be released to grantees.

OLMS comprises a nationwide staff of investigators, analysts, accountants, and administrative employees who share responsibilities for enforcing the laws OLMS administers. OLMS' enforcement responsibilities protect labor unions and workers. The agency thereby directly supports the Secretary's vision of "*good jobs for everyone*" and contributes to the Departmental outcome of assuring workers "*a voice in the workplace*".

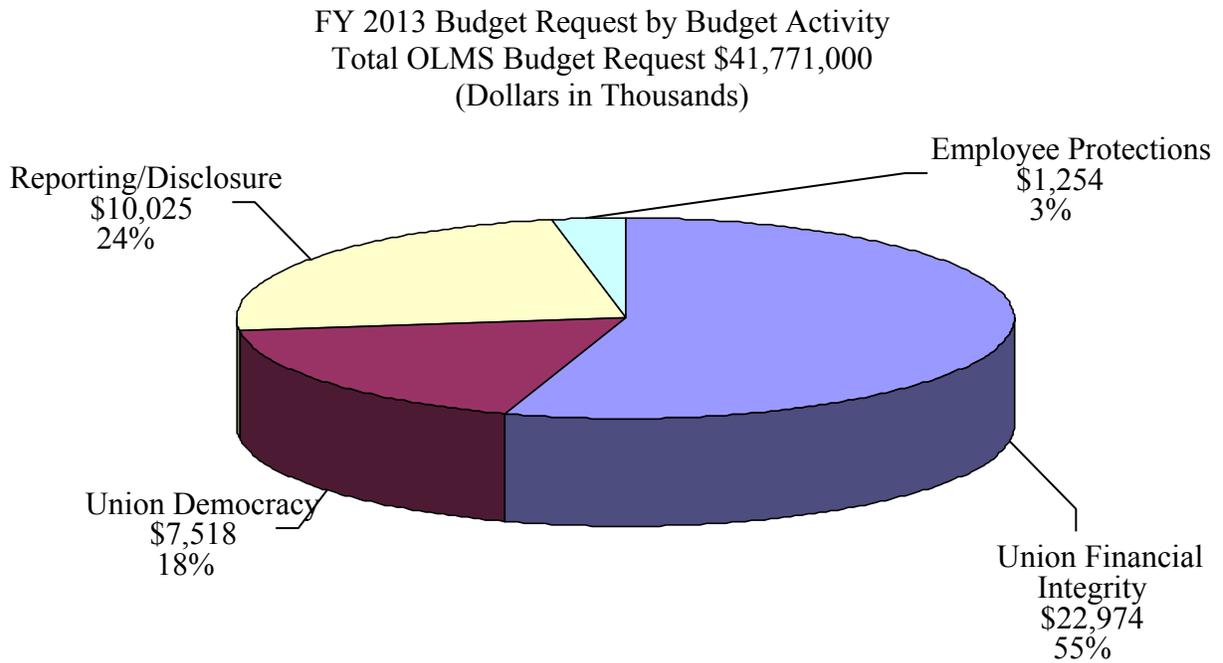
OLMS remains committed to addressing societal problems in alignment with its mission. In passing the LMRDA, Congress identified three societal problems that the Act was designed to remedy – members' rights to a democratically run union, financial integrity (in which union assets are used solely for union members' benefit), and transparency of union finances and labor-management activities. To ensure that these societal problems are addressed, OLMS will continue to seek and implement business process improvements

In accordance with Executive Order 13576, "The Campaign to Cut Waste", the Office of Labor-Management Standards (OLMS) will analyze the number of cars leased through GSA to determine the minimum number of vehicles needed by regional staff to conduct investigative field work. OLMS believes there may be an opportunity to reduce the number of vehicles currently being funded by the agency while maintaining employee productivity. Additionally, OLMS anticipates a modest rent savings if parking spaces are no longer needed for those cars that are returned to GSA. Cost savings may be realized as early as FY 2012 as cars and parking spaces are relinquished to GSA over the course of the fiscal year. A full fiscal year of cost savings, however, would not be realized until FY 2013. OLMS does not have projected savings estimates at this time.

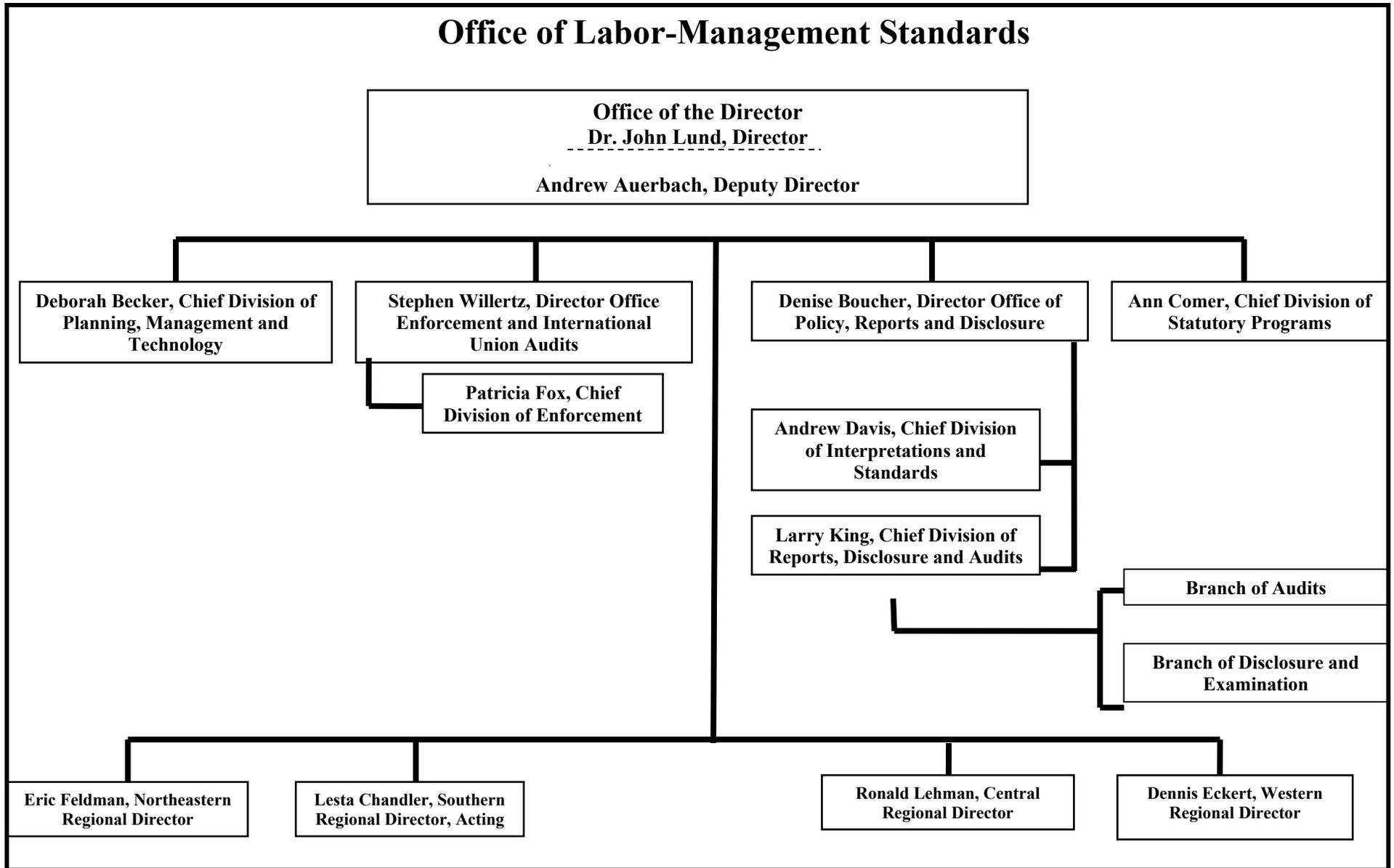
OFFICE OF LABOR-MANAGEMENT STANDARDS

Cost Model

OLMS requests a total of \$41,771,000, an increase of \$482,000 over the FY 2012 Enacted level. The funding request will enable OLMS to continue its core mission while maintaining a core enforcement level.



OFFICE OF LABOR-MANAGEMENT STANDARDS



OFFICE OF LABOR-MANAGEMENT STANDARDS

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2011 Enacted	FY 2012 Enacted	FY 2013 Request	Diff. FY 13 Req. / FY 12 Enacted
Budget Authority	41,367	41,289	41,771	482
FTE	243	230	230	0

NOTE: FY 2011 reflects actual FTE. Authorized FTE for FY 2011 was 247.

Introduction

OLMS supports the Department's FY 2013 budget themes of fostering compliance through worker education and worker voice by strengthening its regulatory programs and improving transparency and public disclosure. Reporting and public disclosure are core requirements of the LMRDA. OLMS ensures that workers have ready access to critical information about their labor union, their employers, their collective bargaining agreements, and efforts to influence their decisions on whether to organize and bargain collectively. Labor unions covered by the LMRDA, and related laws, are required to file annual financial reports with OLMS. Other reports must be filed by union officers, union employees, employers, labor consultants, and surety companies. OLMS operates an electronic reporting system for LMRDA reports and an Internet-based public disclosure system that provides public access to information from filed reports.

Investigation of labor union officer elections and embezzlement of union funds are OLMS' major enforcement activities. OLMS opens an investigation of union officer elections upon the receipt of a complaint from a member that the election was flawed or undemocratic. OLMS conducts union audits under the compliance audit program (CAP) to determine overall compliance with the LMRDA, detect possible union fund embezzlements, and provide compliance assistance to union officials. Embezzlement investigations are opened when OLMS receives credible information indicating fraud or misappropriation of union funds.

Additionally, OLMS has the responsibility under the Federal Transit Act (FTA) to certify that labor protections are in place prior to the approval of Federal transit grants. An employer who receives Federal mass transit funds must protect all covered mass transit employees affected by the use of the Federal money. The law specifies that 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. OLMS must approve the arrangements made to protect these employees.

OLMS has begun implementing the following initiatives:

- Increase the number of reports filed by employers and consultants who make agreements to persuade employees with regard to their rights to organize and bargain collectively.
- Increase the percent of disclosure reports filed electronically.

OFFICE OF LABOR-MANAGEMENT STANDARDS

- Improve timeliness in resolving complaints filed by labor union members that their union violated democratic standards for conducting union officer elections.
- Increase effectiveness of audits by focusing resources on labor unions most likely to be in violation of the law.
- Improve the Internet public disclosure service and public access to information reported by unions, union officers, union employees, employers, labor consultants, and surety companies under the Act.
- Reduce the number of chronically delinquent filers of Labor Organization Annual Financial Reports.
- Increase provision of compliance assistance to national and international labor organizations to increase their affiliates' LMRDA compliance by developing and implementing new voluntary compliance agreements to establish goals, baselines, and measures for improving recordkeeping, reporting, and internal controls.

Through these initiatives, OLMS strives to ensure that workers can be better informed and more effective participants in the governance of their unions. Further, these initiatives will allow workers to make informed decisions about union representation, and, through more fiscally responsible and democratic unions, have greater impact through collective bargaining and workplace representation to secure a real voice in their workplace and to build better lives for themselves and their families. In the absence of labor union democracy, labor-management transparency, and labor union financial security, workers would be poorly positioned to have a meaningful say in their workplace. Hence, with these protections in place, labor unions will be stronger and better able to provide workers with “*a voice in the workplace*” and help achieve the Secretary’s vision of “*good jobs for everyone*”.

OFFICE OF LABOR-MANAGEMENT STANDARDS

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2008	\$44,938	317
2009	\$45,726	298
2010	\$41,367	269
2011	\$41,367	243
2012	\$41,289	230

FY 2013

For FY 2013, OLMS is requesting \$41,771,000, which is an increase of \$482,000 over the FY 2012 enacted level. At this level, OLMS will maintain its core functions: administering the LMRDA and employee protection under the Federal Transit Act.

OLMS will continue to conduct union audits under the compliance audit program (CAP) to determine the overall compliance with the LMRDA, detect possible union fund embezzlements, and provide compliance assistance to union officials. OLMS will also continue to improve its audit targeting methods to more effectively identify fraud and embezzlement, investigate union officer election complaints in fewer days, and increase financial transparency by reducing chronic delinquency in the filing of disclosure forms.

Additionally, under the Federal Transit Act, OLMS will continue to certify that labor protections are in place prior to the approval of Federal transit grants.

FY 2012

At the enacted funding level of \$41,289,000, OLMS will maintain its core function: administering the LMRDA and employee protection under the Federal Transit Act. OLMS will continue to conduct union audits under the compliance audit program (CAP) to determine the overall compliance with the LMRDA, detect possible union fund embezzlements, and provide compliance assistance to union officials. OLMS will also continue to improve its audit targeting methods to more effectively identify fraud and embezzlement, investigate union officer election complaints in fewer days, and increase financial transparency by reducing chronic delinquency in the filing of disclosure forms.

Additionally, under the Federal Transit Act, OLMS will continue to certify that labor protections are in place prior to the approval of Federal transit grants. As noted below in FY 2011, OLMS eliminated from its organizational structure and operating plan a unit dedicated to audits of international unions. OLMS has determined that these expenses, which resulted in seven or eight audits on average per year, will be better used in core mission work. Overhead, including office rental expenses, associated with this function had already been eliminated in FY 2009. The

OFFICE OF LABOR-MANAGEMENT STANDARDS

reduction in FTE reflects the impact of this and other changes that were required as a result of operating under the Continuing Resolution level.

FY 2011

The OLMS funding level was \$41,367,000 for FY 2011. This amount included an adjustment of \$891,000 from flexible worker protection funding made available to the Secretary, which was critical to restore funding to support the core mission of the agency in light of cuts from a reduction in the Employment Standards Administration account (which continued under the full year CR) and an across the board rescission.

While OLMS reduced its compliance audit program in FY 2011, improved targeting has maintained results. OLMS set a ten-year record for the percentage of union financial audits leading to criminal investigations. The agency conducted 321 criminal investigations and secured 260 indictments and convictions, more than the yearly average for the prior four-year period. OLMS completed 174 investigations of union officer elections, the most in more than a decade.

In FY 2011, OLMS eliminated from its organizational structure and operating plan a unit dedicated to audits of international unions. OLMS has determined that these expenses, which resulted in seven or eight audits on average per year, will be better used in core mission work. Overhead, including office rental expenses, associated with this function had already been eliminated in FY 2009.

OFFICE OF LABOR-MANAGEMENT STANDARDS

DETAILED WORKLOAD AND PERFORMANCE				
	FY 2011 Enacted		FY 2012 Enacted	FY 2013 Request
	Target	Result	Target	Target
Office of Labor-Management Standards				
Strategic Goal 3 - Assure fair and high quality work-life environments	--		--	--
Outcome Goal 3.3 - Ensure worker voice in the workplace	--		--	--
Number of LM-10 and LM-20 reports filed on employer-consultant persuader agreements	545	692	615	615
Percent of disclosure reports filed electronically	24.50%	21.40%	30.50%	34.50%
Average number of days to resolve union officer election complaints	80	79	78	76
Election Investigations	130	174	130	130
Supervised Elections	35	26	32	32
Number of chronically delinquent filers of labor organization financial reports	1,970	1,835	1,870	1,770
Reports Processed	31,000	30,162	31,000	31,000
Delinquent Report Investigations	2,000	2,755	2,000	1,800
Deficient Report Investigations	450	570	450	225
Percent of targeted audits that result in a criminal case	13.00%	14.90%	13.75%	14.25%
Compliance Audits	300	461	440	340
Number of Voluntary Compliance Agreements in effect	10	12	20	20
Customer satisfaction score for OLMS web site users	59	61	60	61
Criminal Investigations	300	321	300	300
Union Officer-Employee/Employer/Consultant Report Investigations	100	129	130	130
Trusteeship Investigations	12	8	10	10
Basic Investigations	70	67	70	70
Participant Hours of Compliance Assistance provided	25,000	25,390	25,000	25,000
Bonding Investigations	150	132	150	75
Employee Protections Certifications	2,400	2,205	2,400	2,400
Claims Arbitrated	2	0	2	2

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

OFFICE OF LABOR-MANAGEMENT STANDARDS

Investigation of union officer elections and embezzlement of union funds are the program's two major enforcement activities. Reporting and public disclosure are core requirements of the LMRDA. Labor unions covered by the LMRDA and related laws are required to file annual financial reports with OLMS. Other reports, however, must be filed by union officers, union employees, employers, labor consultants, and surety companies. OLMS operates an electronic reporting system for LMRDA reports and an internet-based public disclosure system that provides public access to information from filed reports. 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.

OLMS expects to re-direct resources from lower priority programs to priority programs designed to support the Secretary's strategic goal of "*ensuring worker voice in the workplace*". Re-directing resources from lower priority activities will allow OLMS to transform business practices to promote worker voice through three priority performance activities: 1) union financial integrity, 2) union financial transparency, and 3) democratic unions.

Through its first priority activity, OLMS will identify instances of embezzlement and fraud by conducting union compliance audits. Success in this program is measured through "fallout" rates – or the percentage of audits that identify evidence of fraud or embezzlement resulting in the opening of a criminal investigation. OLMS can more effectively and efficiently use resources to improve protection of union member assets by improving targeting measures that identify instances where embezzlement is more likely to have occurred. By better targeting audits to instances where fraud is more likely, OLMS can reduce the assets directed to audits, while maintaining the number of criminal cases opened (and also increasing the percentage of audits that result in the opening of a criminal case). This will allow OLMS to re-direct resources from audits to programs that carefully analyze financial and other data in an effort to continually increase targeting success. However, OLMS expects that the initial analysis will require some length of time to provide results. As such, OLMS expects that, initially, the number of criminal cases found and opened will decline until improved targeting measures are developed.

OLMS's second priority activity will involve promoting worker voice through union financial transparency. OLMS will continue to encourage electronic filing of required reports. Electronic filing generates results that:

- allow for almost instantaneous access to the filed reports by the public because those filed electronically are placed on the OLMS disclosure web site almost immediately
- increase the accuracy of the reports because the electronic filing system has built-in accuracy checks, and
- ease the filing requirements on union officials since the system is web-based and employs a fill-in form that works with all major browsers.

As the third priority program, OLMS will promote worker voice through free and fair democratic union elections. The agency will re-direct resources from lower priority programs to this program. OLMS expects to continue to decrease the number of days required to resolve election case complaints by increasing the use of investigative teams. OLMS has experimented with the use of investigative teams for the past two years, finding that not only do teams reduce the

OFFICE OF LABOR-MANAGEMENT STANDARDS

number of elapsed days per election case, but also uses no additional total staff time per election case. By carefully coordinating aspects of the investigation, two member teams can more efficiently use their time. Congress intended that election complaints be addressed in a timely and efficacious manner, furthering union democracy and protecting members' voice in their union, and their workplace.

Each of these three priority activities will increase union financial transparency, which will further protect union member assets and allows members to have an informed voice in union affairs.

OLMS has identified three program areas that will be directly impacted by the re-direction of resources and one program that will be impacted as a result of more efficient use of resources. The three areas that are directly impacted by reductions are: bonding investigations, deficiency investigations, and compliance assistance seminars. OLMS expects that some resources currently employed in these areas will be shifted to priority programs during FY 2013. In the compliance assistance arena, OLMS expects to balance the shifting of resources by using remaining resources to target larger audiences, allowing OLMS to provide the same number of participant hours of assistance while using significantly fewer resources. Additionally, better targeting will reduce the need for audits, allowing resources normally employed in these audits to be re-directed to high priority program areas. Resources will also be shifted to outreach efforts encouraging union officials to electronically file annual reports and to support the use of investigative teams for election cases.

OLMS will maintain its efforts to strengthen its reporting program, with outcomes measured by: 1) customer satisfaction score for OLMS website users, 2) number of "persuader" reports filed by employers and consultants, and 3) number of chronically delinquent union filers.

OLMS has endeavored to effectively use the internet and other advances in information technology. By updating its underlying technology base and implementing improvements to the agency's online presence, OLMS has made it easier for unions to file reports, for the public to access these reports, and for OLMS to cost-effectively deliver compliance assistance materials. Results of these efforts are measured by the customer satisfaction score for users of our website.

OLMS' review of delinquent (untimely) filings by unions indicates that there are two groups of late filers. Unions are either occasionally late in filing their annual reports or they have a consistent pattern of filing late. OLMS expects to use outreach (including Voluntary Compliance Agreements) and liaison efforts to reduce chronic delinquency.

All of OLMS' program efforts and associated strategies are geared toward ensuring that OLMS continues to operate in an efficient and effective manner. OLMS will continue to assess the rigor and utility of its performance measures, share best practices among the field staff, analyze underlying data to ensure that targets are realistic, and evaluate programs and procedures to determine if changes in operating guidelines or staffing are necessary. Where current performance measures are no longer adequate or conducive to support program priorities, OLMS expects to develop new and appropriate measures that will continue to reflect program effectiveness.

OFFICE OF LABOR-MANAGEMENT STANDARDS

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2011 Enacted	FY 2012 Enacted	FY 2013 Request	Diff. FY13 Req./ FY12 Enacted
11.1	Full-time permanent	21,220	21,704	21,868	164
11.3	Other than full-time permanent	862	330	334	4
11.5	Other personnel compensation	728	393	395	2
11.9	Total personnel compensation	22,810	22,427	22,597	170
12.1	Civilian personnel benefits	6,439	6,830	6,888	58
13.0	Benefits for former personnel	0	11	11	0
21.0	Travel and transportation of persons	1,031	920	920	0
22.0	Transportation of things	0	0	0	0
23.1	Rental payments to GSA	3,039	2,892	3,105	213
23.2	Rental payments to others	59	15	15	0
23.3	Communications, utilities, and miscellaneous charges	307	204	204	0
24.0	Printing and reproduction	61	2	2	0
25.1	Advisory and assistance services	0	0	0	0
25.2	Other services from non-Federal sources	435	487	487	0
25.3	Other goods and services from Federal sources 1/	3,739	4,061	4,061	0
25.4	Operation and maintenance of facilities	1	1	1	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	3,266	3,211	3,252	41
26.0	Supplies and materials	90	104	104	0
31.0	Equipment	90	124	124	0
41.0	Grants, subsidies, and contributions	0	0	0	0
42.0	Insurance claims and indemnities	0	0	0	0
	Total	41,367	41,289	41,771	482
1/Other goods and services from Federal sources					
	Working Capital Fund	3,303	3,625	3,625	0
	DHS Services	183	183	183	0
	Services by DOL Agencies	63	63	63	0
	Services by Other Government Departments	190	190	190	0

OFFICE OF LABOR-MANAGEMENT STANDARDS

CHANGES IN FY 2013

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$84
Personnel benefits	20
Employee health benefits	5
Moving allowance	0
One day more of pay	114
Federal Employees Compensation Act (FECA)	5
Benefits for former personnel	0
Travel and transportation of persons	0
Transportation of things	0
Rental payments to GSA	213
All Other Rental	0
Communications, utilities, and miscellaneous charges	0
Printing and reproduction	0
Advisory and assistance services	0
Other services	0
Working Capital Fund	0
Other government accounts (Census Bureau)	0
Other government accounts (DHS Charges)	0
Other purchases of goods and services from Government accounts	0
Research & Development Contracts	0
Operation and maintenance of facilities	0
Operation and maintenance of equipment	41
Supplies and materials	0
Equipment	0
Grants, subsidies, and contributions	0
Insurance claims and indemnities	0

Built-Ins Subtotal **\$482**

Net Program **\$0**

Direct FTE **0**

Estimate **FTE**

Base **\$41,771** **230**