

2016 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, by title, are:

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

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

OLMS is the front line agency responsible for enforcing the LMRDA through its criminal and civil investigations. Criminal investigations include embezzlement, deprivation of rights by violence, extortionate picketing, willful failure to file reports, filing false reports, prohibited union office holding or employment of convicted persons, and fraud related to union elections. Civil investigations include, but are not limited to, 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 central role in the OLMS enforcement strategy. OLMS has an active compliance assistance program to promote voluntary compliance with the LMRDA by

informing union officers and employees of their responsibilities and informing members of their legal rights.

Summary

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

- Section 1 presents key FY 2016 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 FY 2016 criminal actions is located on the OLMS website for calendar years [2015](#) and [2016](#).
- Section 2 presents key FY 2016 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 FY 2016. A listing of all FY 2016 voluntary agreements for OLMS-supervised union officer elections is located on the OLMS website for calendar years [2015](#) and [2016](#). FY 2016 court actions for election investigations are located on the OLMS website for calendar years [2015](#) and [2016](#). Final decision letters in election and trusteeship cases are located on the OLMS website in the [FOIA reading room](#).
- Section 3 presents reporting and disclosure data and related program activity pursuant to LMRDA Title II (reporting requirements). Section 3 also presents key FY 2016 reporting enforcement and performance results. Reports are available for public disclosure on the OLMS Online Public Disclosure Room website, www.unionreports.gov.
- Section 4 summarizes grant certification activity pursuant to the 13(c) program, which ensures fair and equitable arrangements protecting mass transit employees, as required by the Federal Transit Act.
- Section 5 briefly describes compliance assistance activities conducted in FY 2016.

OLMS [Annual Reports for 2004 - 2015](#) are located on the OLMS website.

Program Activities

1. Safeguarding Union Assets

As part of the effort to protect and safeguard union funds and assets, OLMS investigates possible embezzlement from unions and other violations of criminal laws. OLMS also conducts audits of labor unions to detect embezzlements and ensure and promote compliance with the LMRDA. 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 FY 2016, OLMS exceeded its performance goal by achieving a fallout rate of 17.14 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.

OLMS Performance Goal – Financial Integrity	FY 2016 Target	FY 2016 Results
Percent of Audits Resulting in a Criminal Case	15.25%	17.14%

OLMS Enforcement Statistics – Financial Integrity	FY 2016 Plan	FY 2016 Results
Criminal Investigations Completed	219	234
Indictments	80	93
Convictions	80	87
Compliance Audits Conducted	236	245

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. The following are some of the most significant criminal enforcement actions from FY 2016.

Former Union Employee Sentenced to Home Incarceration for Embezzlement

In October 2015, Julie Skaggs, former office manager of International Association of Bridge, Structural, Ornamental and Reinforcing Iron Workers (IW) Local 372 in Cincinnati, Ohio, was sentenced to six months of home incarceration, five years of probation, and was ordered to pay restitution totaling \$67,874 and a \$100 special assessment. Part of the restitution ordered, \$17,470, was reimbursement for a union audit and labor costs incurred as a result of the embezzlement. In July 2015, Skaggs pled guilty to one count of embezzlement of union funds in the amount of \$51,491. The OLMS investigation found that from January 2010 until June 2011, Skaggs embezzled from the union by writing herself 148 unauthorized checks as salary for her office manager position and office cleaning position and by paying herself two unauthorized cash payments. Skaggs tried to hide her embezzlement by forging another union official’s signature on checks and by deleting, altering, or entering false information in the union’s QuickBooks ledger. She also provided false information for the filing of the union’s 2010 Labor Organization Annual Report Form LM-2.

Former Union Officer Sentenced to Prison for Embezzling Union Funds

In November 2015, Helen Herold-Roden, former Secretary-Treasurer of Communications Workers of America (CWA) Local 7603 in Meridian, Idaho, was sentenced to eight weekends in federal prison, six months of home confinement, 100 hours of community service, 60 months of supervised release, and was ordered to pay restitution in the amount of \$138,658 and a \$100 special assessment. In June 2015, Herold-Roden pled guilty to one count of embezzling union funds. The OLMS investigation found that Herold-Roden wrote 28 unauthorized duplicate checks to herself totaling \$8,759, withdrew \$59,559 on 125 occasions using the ATM/debit card and in-person bank withdrawals, and on 615 other occasions used the debit card and made wire transfers to pay personal debts totaling \$70,339 for insurance, utility bills, gasoline, groceries, restaurant bills, and online shopping.

Former Union Officer Sentenced to Prison for Embezzlement

In November 2015, Eric Givens, former Secretary-Treasurer of Fraternal Order of Police (FOP) Lodge

189 Amtrak Police Labor Committee and FOP Lodge 189 in New York, New York, was sentenced to 16 months in prison and three years of supervised release. He was also ordered to pay \$127,004 in restitution and to forfeit \$12,000. In June 2015, Givens pled guilty to embezzling at least \$100,000 in total from the labor committee and lodge by fraudulently charging personal expenses and by withdrawing cash for personal use. The investigation found that Givens stole from several labor committee and lodge accounts, including funds for helping members in need and the lodge's police surgeon plan. The investigation was conducted jointly with the Department of Labor's Office of Inspector General.

Former Union Officer Sentenced to Home Confinement for Embezzling Union Funds with over 1,000 Personal Charges

In November 2015, Pamela Nessen, former President of American Postal Workers Union (APWU) Local 286 in Fort Wayne, Indiana, was sentenced to six months of home confinement and one year of probation. She was also ordered to pay \$58,087 in restitution and a \$100 special assessment. In June 2015, Nessen pled guilty to one count of embezzlement of union funds. The OLMS investigation established that from June 2009 through November 2013, Nessen embezzled funds by making 1,093 personal charges on the union's credit card and incurring 103 related finance charges and service fees. Nessen's unauthorized and personal expenses included airfare for family members, Facebook and other gaming charges, cash advances, car payments and registrations, utilities, groceries, clothing, salon visits, and other personal items.

Former Union Officer Sentenced to Prison for Bank Fraud and Passing a Forged Security

In November 2015, Stephanie Hicks, former President of American Federation of Government Employees (AFGE) Local 2207 in Birmingham, Alabama, pled guilty to eight counts of bank fraud and eight counts of passing a forged security for a loss of \$91,927. On the same day, she was then sentenced to six months in federal prison, six months of home confinement, and five years of supervised probation. Hicks was also ordered to pay \$83,927 in restitution and a \$1,600 fine. Hicks previously paid restitution in the amount of \$8,000. The criminal activity was uncovered during a compliance audit. The fallout investigation disclosed that Hicks completely depleted the union's bank accounts. Hicks used the union money on a variety of personal expenses, including purchases at beauty supply stores, hotels, big box retailers, and restaurants. Hicks made 170 ATM cash withdrawals, including numerous withdrawals on the same day at different ATM branches. Additionally, Hicks forged a large number of union checks in excess of \$10,000 for her personal benefit by writing these checks to cash and forging a former union member's signature. The investigation was conducted jointly with the Department of Labor's Office of Inspector General and the Department of Veterans Affairs' Office of Inspector General.

Former Union Officer Sentenced to House Arrest for Wire Fraud

In December 2015, Howard Royal, former President of United Government Security Officers of America (UGSOA) Local 304 in Harrisburg, Pennsylvania, was sentenced to six months of house arrest followed by six months of supervised probation. He was also ordered to pay \$66,989 in restitution. Following his sentencing, the court discovered that Royal misled the sentencing judge into thinking he had \$50,000 in savings that could be frozen and used to reimburse the union. Consequently, the judge modified the restitution order to require Royal to pay \$500 a month from his state pension. In July 2015, Royal pled guilty to wire fraud. The OLMS investigation revealed that Royal electronically transferred union funds from a money market account into the union's checking account and made numerous unauthorized cash withdrawals.

Former Union Officer Sentenced to Prison for Bank Fraud

In May 2016, Shelly Sutton, former Treasurer of American Federation of Government Employees (AFGE) Local 477 in Wichita, Kansas, was sentenced to three months in prison, three years of supervised release, and was ordered to pay restitution of \$78,778. In February 2016, Sutton pled guilty to one count of bank fraud. The OLMS investigation found that Sutton wrote union checks and used the local's debit card to pay for her and her ex-husband's personal expenses, such as rent payments, cable payments, and cell phone payments. Sutton forged officers' names on the checks to conceal her fraudulent activity.

Former Union Officer Sentenced to Prison for Embezzling over \$153,000 in Union Funds

In June 2016, Terry Aters, former Treasurer of United Steelworkers (USW) Local 7689 in Marston, Missouri, was sentenced to three consecutive weekends in the custody of the Bureau of Prisons, six months in the location monitoring program, five years of probation, and ordered to pay restitution in the amount of \$153,434 and a \$100 special assessment. In March 2016, Aters pled guilty to one count of embezzling union funds. The OLMS investigation found that Aters wrote over 75 checks to himself in a 20-month period. He forged the signature of the president on most of the checks. In an effort to hide the embezzlement, he created fake bank statements that he included with the union records. He also entered false information into the union's financial software to conceal the theft.

Former Union Officer Sentenced to Home Confinement for Embezzlement of Union Funds

In July 2016, Oscar Luevano, former Financial Secretary Treasurer of Transportation Communications Union/International Association of Machinists (TCU/IAM) Lodge 5050 in Covina, California, was sentenced to eight months of home confinement, five years of probation, and was ordered to pay \$104,410 in restitution and a \$100 special assessment. In March 2016, Luevano pled guilty to one count of embezzling union funds in the amount of \$132,939. The OLMS investigation found that Luevano's embezzlement schemes included improper use of the union credit card for personal gain, checks to himself for duplicate claims, checks to pay personal credit card and insurance bills, and checks to himself for inflated lost time claims. He concealed his actions by using a signature stamp for the president on union checks, falsifying check purposes, reporting fictitious payees and/or explanations on corresponding check stubs, and by falsifying the entries in the union ledger. Luevano used his union-issued credit card to purchase concert tickets, art gallery admissions, a gym membership, personal travel for his wife to go to Mexico on more than one occasion, as well as personal items at several retailers.

Former Union Officer Sentenced to Prison for Embezzling \$150,000 in Union Funds

In July 2016, William Davis, former President of American Federation of Government Employees (AFGE) Local 1119 in Montrose, New York, was sentenced to 15 months in federal prison and two years of supervised release. Davis was further ordered to pay restitution in the amount of \$150,000 and a \$100 special assessment. In April 2016, Davis pled guilty to one count of wire fraud. The embezzlement was discovered during a compliance audit. The fallout investigation revealed that Davis used a union debit card, which was actually assigned to a deceased former union officer, to withdraw cash and make purchases at several retailers. During the course of four years, Davis purchased electronics, music downloads, video games, cellphones, clothing, gasoline, and cigarettes. The investigation was conducted jointly with the Department of Veterans Affairs' Office of Inspector General.

Former Union Officer Sentenced to Prison for Embezzling Union Funds and Government Property

In July 2016, Raul Mascote, former International Association of Machinists (IAM) Local 2458 Secretary-Treasurer in Lemont, Illinois, was sentenced to 30 months of incarceration, two years of supervised release, and he was also ordered to pay \$510,973 in restitution and a \$100 special assessment. In April 2016, Mascote pled guilty to embezzling \$64,263 in union funds. In the plea agreement, for the purposes of computing his sentence under Guideline 1B1.2, Mascote stipulated to having stolen, and knowingly converted to his own, property of the United States (namely machine components, Tungsten steel and copper) valued at \$510,973. Mascote had previously paid restitution of \$64,263 to the union. The investigation was conducted jointly with the Department of Energy's Office of Inspector General.

Former Union Officer Sentenced to Prison for Embezzlement

In August 2016, Johnny Wilson, former Financial Secretary-Treasurer of Amalgamated Transit Union (ATU) Local 1338 in Dallas, Texas, was sentenced to 18 months of confinement, two years of supervised release, and was ordered to pay \$120,352 in restitution and a \$100 special assessment. In March 2016, Wilson pled guilty to one count of embezzling union funds in the amount of \$120,352. The OLMS investigation found that Wilson opened a Chase charge account in his and the union president's name without the president's knowledge. Wilson wrote checks to Chase, forged the president's name on checks, and presented checks for travel expenses when used instead for personal expenses. Wilson also used the Chase charge account to operate his printing business and pay for numerous personal trips.

Former Union Employee Sentenced to Prison for Larceny of over \$154,000 in Union Funds

In September 2016, Marie Esther LaFontant, former bookkeeper for United Association of Plumbers (UA) Local 12 in Boston, Massachusetts, pled guilty to three counts of Larceny Over \$250 and one count of Falsifying Corporate Books. She was sentenced to serve one year in the house of corrections followed by 10 years of probation. She was also ordered to pay restitution totaling \$154,857. The investigation found that LaFontant printed unauthorized checks from Local 12's accounts and disguised her conduct by altering QuickBooks records. She also intercepted and deposited for personal use Local 12 checks made payable to outside merchants and made unauthorized purchases using a union credit card. The investigation was conducted jointly with the Massachusetts State Police and the Suffolk County District Attorney's Office.

Former Union Official Found Guilty and Sentenced for Embezzling over \$350,000 and Mail Fraud

In November 2016, Assane Faye, National President/Executive Director for the United Security and Police Officers of America (USPOA) in Toms River, New Jersey, was sentenced to three years of incarceration, three years of supervised release, and was ordered to pay \$350,000 in restitution. In May 2016, Faye was found guilty by a jury for charges relating to two counts of embezzling union funds over \$350,000 and seven counts of mail fraud over \$7,000 arising from unemployment insurance fraud. For over three years, Faye maintained his former girlfriend on the union payroll although she never performed any union work. Faye gained access to her bank accounts to withdraw at least \$180,000 of her union salary and expense payments. Faye also submitted inflated and false travel vouchers, including false vouchers related to travel to China, Dubai, Milan and Paris. Faye also fraudulently collected \$7,000 in New Jersey Unemployment Insurance although he performed work for the union and collected funds for his actions from the union's payroll. The investigation was conducted jointly with the Department of Labor's Office of Inspector General.

2. Protecting Union Democracy

The LMRDA establishes democratic standards for conducting union officer elections, such as the frequency and method of election, the right of members in good standing to be candidates, rights of candidates, and voting rights of members. When a union member files a timely complaint protesting a regularly scheduled election of union officers following a timely and proper internal protest, OLMS conducts an investigation. If the investigation reveals a violation of the union democracy provisions of the LMRDA that may have affected the outcome of the election, OLMS 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 a new election supervised by OLMS. The agency also conducts investigations to determine the validity of the imposition or continuation of trusteeships imposed by national unions on subordinate bodies. Trusteeship investigations are conducted upon receipt of a complaint from a member or subordinate body.

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 FY 2016, OLMS exceeded its elapsed time performance goal of 72 days, by reducing the average number of elapsed days to resolve union officer election complaints to 67.4 days. OLMS tracks the number of election investigations and supervised elections, which is dependent upon the number of election complaints received by OLMS. The FY 2016 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 such actions are dependent upon the facts of each case.

OLMS Performance Goal – Union Democracy	FY 2016 Target	FY 2016 Results
Number of Days to Resolve Election Complaints	72	67.4

OLMS Enforcement Statistics – Union Democracy	FY 2016 Plan	FY 2016 Results
Election Investigations Conducted	117	105
Lawsuits Filed	NA	3
Voluntary Compliance Agreements Obtained	NA	17
Supervised Elections Completed	28	27
Trusteeship Investigations	9	29

The following highlights some of the most significant OLMS election cases during FY 2016.

OLMS Supervises Nationwide Machinists District Lodge 142 Rerun

In May 2015, OLMS entered into a voluntary compliance agreement with International Association of Machinists (IAM) District Lodge 142 in Kansas City, Missouri, concerning its June 2014 election of officers. The OLMS investigation found that District Lodge 142 failed to provide members proper notice of election when it mailed the election notice in the union newsletter more than six months prior to the June 2014 balloting. OLMS supervised nominations in February 2016 and, on a single day in June 2016, OLMS supervised election polling sites throughout the United States at the 48 local

lodges affiliated with Machinists District Lodge 142. The final tally of over 18,000 ballots was completed in June 2016.

Department Files Lawsuit against LIUNA Local 872

In October 2015, in the United States District Court for the District of Nevada, the Department filed suit against Laborers' International Union of North America (LIUNA) Local 872 in Las Vegas, Nevada. The lawsuit seeks to nullify the local's April 2015 election for the office of vice president. The complaint alleges the local improperly disqualified a nominee for not presenting proof of legal residency although the nominee had served as a shop steward and worked steadily for the same employer for a number of years. The local also improperly disqualified the same nominee for failing to pass a literacy test which was not given to any other candidate. In addition, the test lacked standardized, objective criteria for assessing literacy. The lawsuit is pending final resolution.

Steelworkers Local 9-507 Enters into Voluntary Compliance Agreement with OLMS

In October 2015, OLMS entered into a voluntary compliance agreement with United Steelworkers (USW) Local 9-507 in Canton, North Carolina, concerning an election of union officers conducted in April 2015. Local 9-507 agreed to conduct new nominations and a new election for the offices of president, executive vice president, treasurer, financial-secretary, recording secretary, ten vice presidents, and three trustees, under the supervision of OLMS. The investigation concluded that the local applied an unreasonable candidate qualification when it retroactively imposed a meeting attendance requirement to candidates, denying otherwise eligible candidates from running for office. The supervised polling site election was completed in March 2016.

ATU Local Division 757 Agrees to Hold New Election

In February 2016, OLMS entered into a voluntary compliance agreement with Amalgamated Transit Union (ATU) Local Division 757 in Portland, Oregon, concerning an election of union officers conducted in June 2015. Division 757 agreed to hold a new election for the offices of president/business representative and vice president/assistant business representative under OLMS supervision. The investigation concluded that the union allowed ineligible candidates to run for office and allowed only certain candidates to use a union-created email list. The supervised mail ballot election was completed in April 2016.

Court Orders NALC Branch 504 Rerun under OLMS Supervision

In March 2016, the United States District Court for the District of New Mexico granted the Secretary's motion for partial summary judgment against Branch 504 of the National Association of Letter Carriers (NALC) in Albuquerque, New Mexico, under Title IV of the LMRDA. The opinion and order granted summary judgment to the Secretary on the following issues: (1) Branch 504 violated the LMRDA by failing to provide notice of the election, and that violation may have affected the outcomes of the races for vice president, recording secretary, treasurer, sergeant at arms, and trustee (five positions); and (2) Branch 504 violated the LMRDA by ruling an eligible candidate ineligible to run for office, and that violation may have affected the outcome of the race for president. The court voided the election for those races and ordered that the election be rerun under the supervision of OLMS. Members were able to vote at the polling site or by absentee ballot. The election and tally were held in November 2016.

OLMS Supervises Two New IATSE Local 800 Officer Elections in One Year

In March 2016, OLMS entered into a voluntary compliance agreement with Art Directors Guild, International Alliance of Theater and Stage Employees (IATSE) Local 800 in Studio City, California,

concerning its failure to include certain positions in its December 2015 election of officers. The investigation concluded that the union failed to conduct an election for 14 officer positions within the past three years as required by the LMRDA. Pursuant to this agreement, OLMS supervised a mail ballot election for executive director, associate executive director, and 12 members of the Board of Directors in June 2016. Then, in September 2016, OLMS entered into a second voluntary compliance agreement with Local 800 concerning the conduct of its December 2015 election of officers. The investigation concluded that the union's use of an electronic voting system may have violated the requirement for "secret ballot" election as defined by the LMRDA. Pursuant to this second agreement, OLMS supervised a mail ballot election for president, vice president, treasurer, and secretary in December 2016.

Court Orders ATU Local 1700 Rerun under OLMS Supervision

In March 2016, the United States District Court for the District of Columbia granted the Department's motion for summary judgment in a lawsuit against Local 1700 of the Amalgamated Transit Union (ATU) in Washington, D.C. The lawsuit, which sought to void the union's January 2014 mail ballot election for president and alternate delegates, was filed after an OLMS investigation determined that the union denied members in good standing their right to vote when it failed to re-mail ballot packages that had been returned as undeliverable even though corrected forwarding addresses for the members were available. Pursuant to the Court approved stipulation and settlement order, OLMS supervised the Local 1700 officer election via mail ballot in December 2016.

NALC Branch 496 Holds Rerun Election under OLMS Supervision

In May 2016, OLMS entered into a voluntary compliance agreement with the National Association of Letter Carriers (NALC) Branch 496 in Richmond, Virginia, concerning an election of union officers conducted in December 2015. Branch 496 agreed to conduct a new election for the offices of president and vice president, under OLMS supervision. The investigation concluded that the branch denied members the right to vote in that duplicate ballot requests were not honored. The investigation also found that the branch failed to maintain adequate safeguards to ensure a fair election in that voted ballots were picked up at the post office on multiple occasions and maintained at a private residence. Additionally, the branch denied a candidate the right to have an observer at the mailing of the ballots and during multiple visits to the post office to pick up returned ballots. Further, the branch failed to properly count the votes cast by members in that not all valid voted ballots were counted in the tally and ballots from eligible members were voided. The supervised mail ballot election was completed in August 2016.

Department Files Suit against ATU Local 689

In June 2016, in the United States District Court for the District of Maryland, Prince George's County, the Department filed suit against Amalgamated Transit Union (ATU) Local 689 in Forestville, Maryland. The lawsuit seeks to nullify the local's December 2015 election for the offices of president, first vice president, second vice president, financial secretary-treasurer, recording secretary, and 17 other members of the Executive Board. The lawsuit asks the court to order a new election under the Department's supervision. The complaint alleges that Local 689 violated the LMRDA by failing to: 1) mail an election notice to each member's last known home address at least 15 days before the election; 2) uniformly apply candidate qualifications when it allowed some, but not all, candidates to run for office despite being delinquent in dues; and 3) conduct its election in accordance with its constitution and bylaws. The lawsuit is pending final resolution.

UIET Agrees to Hold New Election under the Supervision of OLMS

In June 2016, OLMS entered into a voluntary compliance agreement with the Union Independiente Empleados Telefonicos (UIET), located in Rio Piedras, Puerto Rico, concerning an election of union officers conducted in April 2016. The UIET agreed to conduct a new election for the office of Metro Area Representative, under OLMS supervision. The investigation found that the union failed to provide proper notice of election. OLMS helped the union obtain updated addresses, which the union lacked completely since it had never mailed out a notice. Member participation increased as a result of OLMS' assistance. The supervised polling site election was completed in October 2016.

OLMS Supervises New Election in ATU Local 1001

In August 2016, the Department entered into a Memorandum of Understanding with Amalgamated Transit Union (ATU) Local 1001 in Westminster, Colorado, concerning its December 2013 election of officers. The Department previously filed suit against Local 1001 in the United States District Court for the District of Colorado in August 2014, after OLMS determined that the union failed to conduct its election by secret ballot among the members in good standing. The District Court issued a Decision and Order in July 2016 ratifying the parties' agreement that an appropriate remedy for the violation was that a new election be conducted for the offices of vice president, recording secretary/correspondent, financial secretary-treasurer/assistant business agent and 2nd convention delegate, chief steward - Platte Transportation Division, chief steward - Platte Maintenance Division, chief steward - Light Rail Transportation Division, and chief steward - First Transit Denver. The supervised election, coinciding with the union's next regularly scheduled election for all officer positions, was completed in December 2016.

APWU Local 83 Enters into a Voluntary Compliance Agreement with OLMS

In August 2016, the Department entered into a voluntary compliance agreement with American Postal Workers Union (APWU) Local 83 in New Orleans, Louisiana, concerning an election of union officers conducted in April 2016. Local 83 agreed to hold a new election for the office of clerk craft delegate under OLMS supervision. The investigation concluded that the union failed to send ballots to 77 members at least 15 days prior to the date when they needed to be mailed back in order to be counted. The supervised mail ballot election was completed in December 2016.

Department Files Suit against NPMHU Local 307

In September 2016, in the United States District Court for the Eastern District of Michigan, the Department filed suit against the National Postal Mail Handlers Union (NPMHU) Local 307 in Detroit, Michigan. The lawsuit seeks to nullify a mail ballot election of Local 307 officers that was completed in February 2016, and to hold a new election for the contested positions under the supervision of the Secretary of Labor. The complaint alleges the union failed to provide adequate safeguards to ensure a fair election and denied members in good standing their right to vote when envelopes containing members' voted ballots were diverted from the regular mail processing stream and not included in the tally of ballots. The lawsuit is pending final resolution.

3. Labor Union and Labor-Management Transparency

The LMRDA is predicated on the principle that union members, officers, and the general public benefit by having access to information about labor unions, their officers and employees, employers, labor relations consultants, and surety companies. To this end, OLMS administers a comprehensive reporting and disclosure program. OLMS also offers compliance assistance sessions for union

members and officials on the financial reporting obligations under the LMRDA.

Unions must file annual financial reports, 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 – 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. OLMS also collects and maintains collective bargaining agreements (CBAs) filed by CBA signatories on a voluntary basis. The CBAs are located on the [OLMS website](#).

OLMS received and processed the following public disclosure reports in FY 2016.

OLMS LMRDA Reports Administration	FY 2016
Form LM-1 Labor Organization Information Reports	203
Form LM-2 Labor Organization Annual Reports	4,810
Form LM-3 Labor Organization Annual Reports	10,952
Form LM-4 Labor Organization Annual Reports	6,970
Simplified Labor Organization Annual Reports	1,236
Form LM-10 Employer Reports	873
Form LM-15 Trusteeship Reports (initial, semiannual, and 15A)	303
Form LM-16 Terminal Trusteeship Reports	52
Form LM-20 Labor Relations Consultant Agreement and Activities Reports	746
Form LM-21 Labor Relations Consultant Receipts and Disbursements Reports	101
Form LM-30 Labor Organization Officer and Employee Reports	629
Form S-1 Surety Company Annual Reports	80
Total Reports	26,955

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-2, LM-3, and LM-4 Labor Organization reports and Form LM-30 Labor Organization Officer and Employee reports can be filed via EFS. EFS allows any filer 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.

In FY 2016, 100 percent of LM-2 filers, over 48 percent of LM-3 filers, over 45 percent of LM-4 filers, and over 23 percent of LM-30 filers submitted their annual reports via EFS, which has increased timely and accurate filing. In FY 2016, OLMS exceeded its performance goal by increasing the percent of all LM reports filed electronically to 50.1 percent. Based upon a rulemaking initiative completed during FY 2016, OLMS revised the Form LM-3 and Form LM-4 instructions to require filers of those

reports to submit their reports electronically for fiscal years beginning on or after January 1, 2017. Form LM-2 filers already must complete their reports electronically. More information on mandatory Form LM-3 and LM-4 electronic filing is available on the OLMS website. OLMS also tracks the numbers of delinquent and deficient reports and special reports cases completed. The FY 2016 planning projections in those categories are largely based on historical averages.

OLMS Performance Goal – Reporting and Disclosure	FY 2016 Target	FY 2016 Results
Percent of Reports Filed Electronically	46%	50.1%

OLMS Enforcement Statistics – Reporting and Disclosure	FY 2016 Plan	FY 2016 Results
LM-2/3/4 Delinquent Reports Cases Completed	1,665	2,068
LM-2/3/4 Deficient Reports Cases Completed	152	229
Special Reports Cases Completed	64	72

4. Employee Protections

OLMS’ Division of Statutory Programs (DSP) administers responsibilities under federal transit law by ensuring that fair and equitable arrangements protecting mass transit employees are in place before the release of federal transit assistance. When federal funds are used to acquire, improve, or operate a transit system, federal law requires that arrangements must be made to protect the rights of affected mass transit employees. These arrangements must be approved by OLMS before the U.S. Department of Transportation’s Federal Transit Administration (FTA) can release funds to mass transit employers.

In FY 2016, DSP certified employee protections for 1,493 federal transit grants, with 99% percent of grants (1,489 of 1,493) certified within a 45-day timeframe, well under the 60 days permitted by guidelines. More information about employee protections under federal transit law can be found on the [OLMS website](#).

5. Compliance Assistance

In FY 2016, 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 FY 2016, OLMS conducted compliance assistance seminars for 4,127 attendees. In total, OLMS recorded 14,766 contact hours of compliance assistance (i.e., the number of participants multiplied by the number of hours of instruction).
- OLMS continued to be responsive to all specific requests for compliance assistance

seminars. OLMS also received and responded to hundreds of requests for information and interpretations.

- OLMS continued to strengthen and reinvigorate the Voluntary Compliance Partnership (VCP) program, which was reinstated in FY 2014 as a key tool for promoting compliance. VCP is a strategic effort that leverages leadership at 43 international and national unions to improve the compliance of over 16,000 affiliates. Ultimately, VCP aims to provide compliance assistance to national and international unions that, in turn, use such information to attain important compliance objectives vis-à-vis their affiliates, e.g., timely reporting, utilization of EFS, bonding coverage and other items examined in OLMS audits. FY 2016 saw the program become considerably more data driven, focusing on fiscal year end dates and filing rates to delivering services to unions who most needed them. OLMS leadership met with the chief financial officers and staff of 33 of the participating internationals, emphasizing the importance of compliance. These efforts generated a total of 3,079 compliance assistance hours, 20% of the agency-wide total of 14,766 compliance assistance contact hours OLMS achieved in FY 2016.
- OLMS managed a public email address, enabling it to respond to over 2,200 inquiries and requests in the year.
- OLMS continued its Labor Organization Orientation Program (LOOP), which distributed information letters to newly registered labor organizations.