

FY 2015

CONGRESSIONAL BUDGET JUSTIFICATION

OFFICE OF LABOR-MANAGEMENT STANDARDS

OFFICE OF LABOR-MANAGEMENT STANDARDS

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OFFICE OF LABOR-MANAGEMENT STANDARDS

OFFICE OF LABOR-MANAGEMENT STANDARDS

SALARIES AND EXPENSES

For necessary expenses for the Office of Labor-Management Standards,
[\$39,129,000] \$41,236,000. (*Department of Labor Appropriations Act, 2014.*)

OFFICE OF LABOR-MANAGEMENT STANDARDS

AMOUNTS AVAILABLE FOR OBLIGATION						
(Dollars in Thousands)						
	FY 2013 Enacted		FY 2014 Enacted		FY 2015 Request	
	FTE	Amount	FTE	Amount	FTE	Amount
A. Appropriation	228	\$41,289	218	\$39,129	218	\$41,236
Reduction Pursuant to P.L. 113-6 for FY 2013	0	-\$83	0	\$0	0	\$0
Reduction Pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985	0	-\$2,077	0	\$0	0	\$0
<i>Subtotal Appropriation</i>	<i>228</i>	<i>\$39,129</i>	<i>218</i>	<i>\$39,129</i>	<i>218</i>	<i>\$41,236</i>
B. Gross Budget Authority	228	\$39,129	218	\$39,129	218	\$41,236
C. Budget Authority Before Committee	228	\$39,129	218	\$39,129	218	\$41,236
D. Total Budgetary Resources	228	\$39,129	218	\$39,129	218	\$41,236
FTE Lapse and Unobligated Balance Expiring	-6	-\$150	0	\$0	0	\$0
E. Total, Estimated Obligations	222	\$38,979	218	\$39,129	218	\$41,236

OFFICE OF LABOR-MANAGEMENT STANDARDS

SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2014 Enacted	FY 2015 Request	Net Change
Budget Authority			
General Funds	\$39,129	\$41,236	+\$2,107
Total	\$39,129	\$41,236	+\$2,107
Full Time Equivalents			
General Funds	218	218	0
Total	218	218	0

Explanation of Change	FY 2014 Base		FY 2015 Change					
	FTE	Amount	Trust Funds		General Funds		Total	
			FTE	Amount	FTE	Amount	FTE	Amount
Increases:								
A. Built-Ins:								
To Provide For:								
Costs of pay adjustments	218	\$20,894	0	\$0	0	\$1,162	0	\$1,162
Personnel benefits	0	\$5,474	0	\$0	0	\$335	0	\$335
Employee health benefits	0	\$1,296	0	\$0	0	\$100	0	\$100
Moving allowance	0	\$0	0	\$0	0	\$0	0	\$0
Federal Employees' Compensation Act (FECA)	0	\$0	0	\$0	0	\$0	0	\$0
Benefits for former personnel	0	\$11	0	\$0	0	\$0	0	\$0
Travel and transportation of persons	0	\$622	0	\$0	0	\$22	0	\$22
Transportation of things	0	\$0	0	\$0	0	\$0	0	\$0
Rental payments to GSA	0	\$2,760	0	\$0	0	\$82	0	\$82
Rental payments to others	0	\$21	0	\$0	0	\$1	0	\$1
Communications, utilities, and miscellaneous charges	0	\$243	0	\$0	0	\$8	0	\$8
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 from non-Federal sources	0	\$561	0	\$0	0	\$119	0	\$119
Working Capital Fund	0	\$3,657	0	\$0	0	\$8	0	\$8
Other Federal sources (Census Bureau)	0	\$0	0	\$0	0	\$0	0	\$0
Other Federal sources (DHS Charges)	0	\$267	0	\$0	0	\$27	0	\$27
Other goods and services from Federal sources	0	\$208	0	\$0	0	\$155	0	\$155
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	\$2,956	0	\$0	0	\$89	0	\$89
Supplies and materials	0	\$48	0	\$0	0	\$1	0	\$1

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Explanation of Change	FY 2014 Base		FY 2015 Change					
	FTE	Amount	Trust Funds		General Funds		Total	
			FTE	Amount	FTE	Amount	FTE	Amount
Equipment	0	\$30	0	\$0	0	\$1	0	\$1
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	218	+\$39,050	0	\$0	0	+\$2,110	0	+\$2,110
B. Programs:								
Total Increase	218	+\$39,050	0	\$0	0	+\$2,110	0	+\$2,110
Decreases:								
A. Built-Ins:								
To Provide For:								
Federal Employees' Compensation Act (FECA)	0	\$79	0	\$0	0	-\$3	0	-\$3
Built-Ins Subtotal	0	+\$79	0	\$0	0	-\$3	0	-\$3
B. Programs:								
Total Decrease	0	+\$79	0	\$0	0	-\$3	0	-\$3
Total Change	218	+\$39,129	0	\$0	0	+\$2,107	0	+\$2,107

OFFICE OF LABOR-MANAGEMENT STANDARDS

SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY (Dollars in Thousands)								
	FY 2013 Enacted		FY 2014 Enacted		FY 2015 Request		Diff. FY15 Request / FY14 Enacted	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Office of Labor-Management Standards	222	39,129	218	39,129	218	41,236	0	2,107
General Funds	222	39,129	218	39,129	218	41,236	0	2,107
Total	222	39,129	218	39,129	218	41,236	0	2,107
General Funds	222	39,129	218	39,129	218	41,236	0	2,107

NOTE: FY 2013 reflects actual FTE.

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BUDGET AUTHORITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2013 Enacted	FY 2014 Enacted	FY 2015 Request	Diff. FY15 Request / FY14 Enacted
	Full-Time Equivalent				
	Full-time Permanent	226	216	216	0
	Other	2	2	2	0
	Total	228	218	218	0
	Average ES Salary	\$181,573	\$162,410	\$167,282	\$4,872
	Average GM/GS Grade	12/4	12/7	12/7	0
	Average GM/GS Salary	\$86,339	\$90,897	\$93,624	\$2,727
	Average Salary of Ungraded Positions	0	0	0	0
11.1	Full-time permanent	20,541	20,543	21,572	1,029
11.3	Other than full-time permanent	239	91	96	5
11.5	Other personnel compensation	40	260	388	128
11.9	Total personnel compensation	20,820	20,894	22,056	1,162
12.1	Civilian personnel benefits	6,989	6,849	7,281	432
13.0	Benefits for former personnel	11	11	11	0
21.0	Travel and transportation of persons	497	622	644	22
22.0	Transportation of things	0	0	0	0
23.1	Rental payments to GSA	2,801	2,760	2,842	82
23.2	Rental payments to others	15	21	22	1
23.3	Communications, utilities, and miscellaneous charges	234	243	251	8
24.0	Printing and reproduction	17	2	2	0
25.1	Advisory and assistance services	0	0	0	0
25.2	Other services from non-Federal sources	522	561	680	119
25.3	Other goods and services from Federal sources 1/	4,202	4,132	4,322	190
25.4	Operation and maintenance of facilities	1	0	0	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	2,899	2,956	3,045	89
26.0	Supplies and materials	58	48	49	1
31.0	Equipment	38	30	31	1
41.0	Grants, subsidies, and contributions	0	0	0	0
42.0	Insurance claims and indemnities	25	0	0	0
	Total	39,129	39,129	41,236	2,107
	1/Other goods and services from Federal sources				
	Working Capital Fund	3,869	3,657	3,665	8
	DHS Services	283	267	294	27
	Services by DOL Agencies	0	0	155	155
	Services by Other Government Departments	50	208	208	0

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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	5 U.S.C. 7101			N/A
PUB. L. 88-365	Urban Mass Transportation Act of 1964, as amended.	49 U.S.C. 533 (b)			N/A
PUB. L. 102-240	Rail Passenger Service Act of 1970 as amended.	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
2005					
Base Appropriation	\$43,545	\$0	\$0	\$41,681	336
2006					
Base Appropriation	\$48,799	\$0	\$0	\$45,737	384
2007					
Base Appropriation	\$52,406	\$0	\$0	\$47,753	313
2008					
Base Appropriation	\$56,888	\$0	\$0	\$44,938	317
2009					
Base Appropriation...1/	\$58,256	\$0	\$0	\$44,938	297
2010					
Base Appropriation...1/	\$40,557	\$40,557	\$40,557	\$41,367	269
2011					
Base Appropriation	\$45,181	\$0	\$41,367	\$41,367	249
2012					
Base Appropriation	\$41,367	\$0	\$0	\$41,289	230
2013					
Base Appropriation...2/	\$41,771	\$0	\$0	\$39,129	228
2014					
Base Appropriation...3/	\$46,891	\$0	\$0	\$39,129	218
2015					
Base Appropriation	\$41,236	\$0	\$0	\$0	218

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

2/ 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.

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

OFFICE OF LABOR-MANAGEMENT STANDARDS

OVERVIEW

Introduction

The Office of Labor-Management Standards (OLMS) administers the Labor-Management Reporting and Disclosure Act (LMRDA) and related laws. These laws primarily establish safeguards for labor 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 and 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' mission directly supports the Secretary's vision of *Promoting and Protecting Opportunity* and contributes to the strategic goal to *Promote Fair and High-quality Work Environments*.

OLMS continues to focus on improving program effectiveness and transforming into a 21st Century Workplace, in support of the agency's three priority performance goals:

1) Reducing the number of elapsed days for investigating union election complaints:

- Election case lawsuits brought under the LMRDA must be filed within 60 days of receipt of a complaint, unless a waiver is sought and granted. To meet this statutory goal, OLMS is analyzing internal data sources to better identify where the agency can attain efficiencies in the case processing system and better predict and reduce the incidence of waiver requests. OLMS believes that efficient use of data and a continuous cycle of evaluation enhance the integrity of the case processing system. These efforts serve to protect unions and their members from violations of the LMRDA, while strengthening union democracy.

2) Increasing the percentage of compliance audits that lead to criminal investigations:

- 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). The OLMS enforcement program has two complementary goals: 1) to protect union members' financial assets through criminal investigations for fraud and embezzlement; and 2) to improve compliance assistance services to unions. OLMS activities support both these goals through its Compliance Audit Program, which reviews union financial transactions to identify any cases of malfeasance. The program also educates union officials on LMRDA requirements regarding financial bookkeeping and reporting. Furthermore, OLMS seeks to more efficiently use its resources so that enforcement and audit activities are not an undue burden on unions that are in compliance with the LMRDA. This complements the strategic goal of increasing the effectiveness of audit targeting by

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prioritizing unions in which there are indications that fraud or embezzlement might have occurred. OLMS seeks to identify these at-risk unions by making better use of data reported to OLMS on union financial reports. OLMS intends to continue to evaluate data gathered through the financial reporting system as well as internally generated data and increase the fallout rate over time.

3) Increasing the percentage of required reports filed electronically:

- In addition to the direct benefits of electronic filing, which include ease of filing, increased transparency, and savings (resulting from lower scanning costs), OLMS believes that electronic filing will result in further program efficiencies. In FY 2011, OLMS implemented an electronic filing system (EFS) for Form LM-2, LM-3, and LM-4 filers. In January 2013, electronic filing capability was extended to Form LM-30 filers. OLMS will continue to promote the use of the electronic filing system through compliance assistance and other activities.

OLMS will continue its use of information technology to gather data for analysis capabilities, improve customer service, and enhance transparency. The agency also continues to evaluate its other programs; examples include performing an analysis of data on delinquent filers (in an effort to reduce the number of chronic delinquent filers [those filers consistently late with required LMRDA reports]), and use of the Internet to deliver user requested services such as compliance assistance. As OLMS continues to transform its programs, attention will be given to having its workforce continue to embrace innovations and that its work systems continue to evolve.

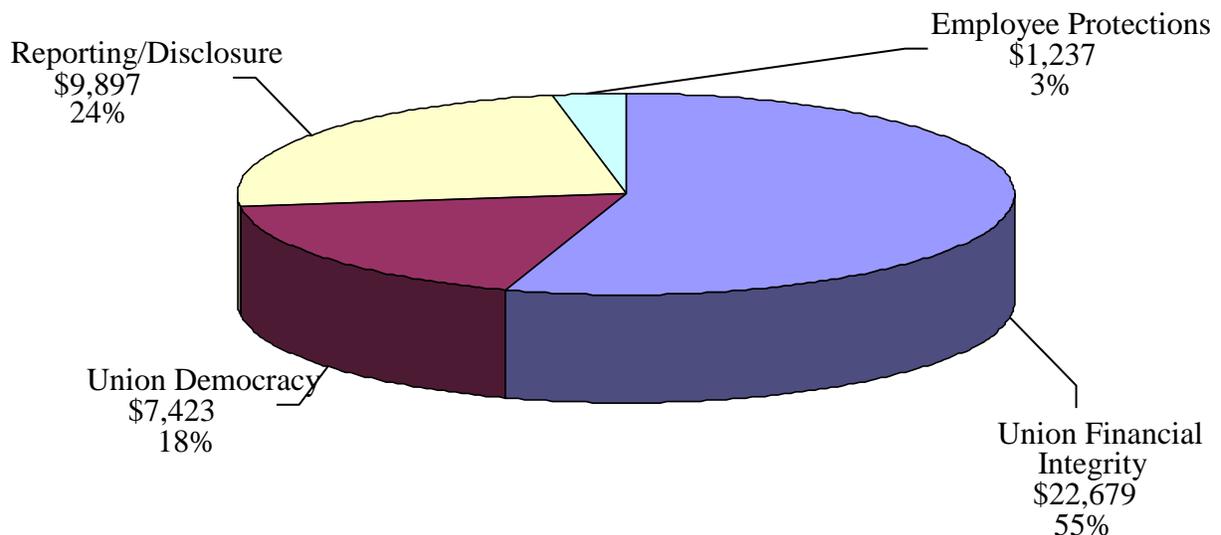
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Cost Model

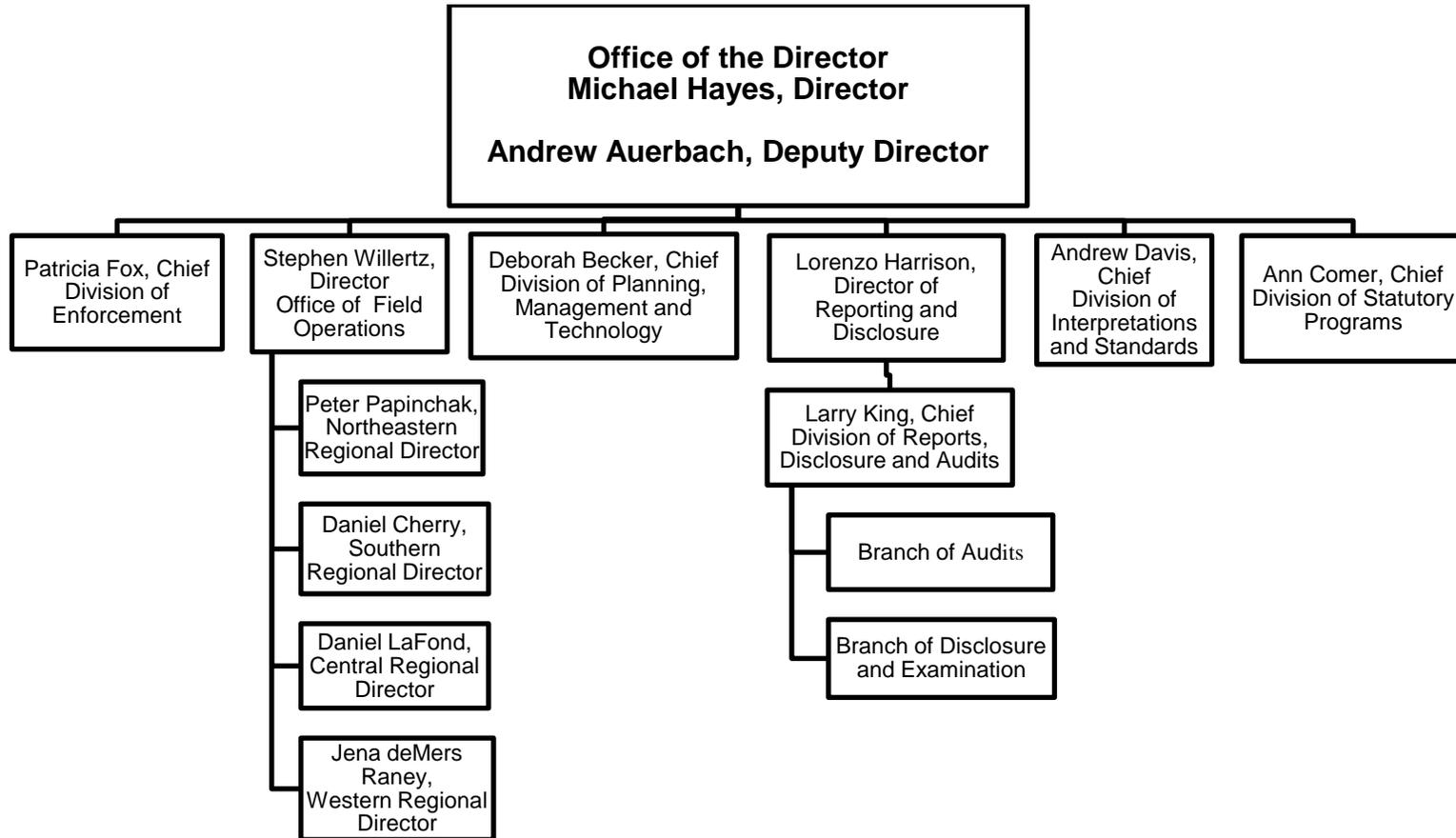
OLMS requests a total of \$41,236,000 for FY 2015, an increase of \$2,107,000 over the FY 2014 Enacted level. This funding request will enable OLMS to continue its core mission while maintaining the integrity of its ongoing enforcement activities.

In order to contribute to the President's Second-Term Management Agenda, OLMS will continue to pursue program improvements while delivering more effective and efficient customer service. OLMS, in conjunction with a contractor, analyzes customer feedback to identify ways in which we can improve its services to stakeholders and the public at large. OLMS also uses in-house data and technology to drive improvements within a number of its programs. Notably, a data- and risk-driven approach to identifying fraud and embezzlement has led to more effective use of compliance audits. OLMS' fallout rate has continuously increased since the implementation of this data-driven approach. Furthermore, OLMS conducted an analysis to improve detection of chronic delinquency among unions in their LMRDA filings, and used the results of this analysis to improve the rate of timely filings. These efforts have resulted in consistent reductions in the chronic delinquency rate for the three years that this measure has been tracked. Finally, upgrades to the OLMS electronic filing system have increased the percentage of filers who use e-filing, improving the transparency of union finances.

FY 2015 Budget Request by Budget Activity
Total OLMS Budget Request \$41,236
(Dollars in Thousands)



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BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2013 Enacted	FY 2014 Enacted	FY 2015 Request	Diff. FY15 Request / FY14 Enacted
Activity Appropriation	39,129	39,129	41,236	2,107
FTE	222	218	218	0

NOTE: FY 2013 reflects actual FTE. Authorized FTE for FY 2013 was 228.

Introduction

OLMS supports the Secretary’s Vision of *Promoting and Protecting Opportunity* through the strategic objective to *Promote Fair and High-quality Work Environments* and the goal of *Protecting Workers’ Rights*. Reporting and public disclosure are core requirements of the LMRDA. OLMS provides workers with 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 on receipt of a complaint from a member that an election was flawed or undemocratic. OLMS conducts union audits under the compliance audit program (CAP) to detect possible union fund embezzlements, determine overall compliance with the LMRDA, 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 to certify that labor protections are in place prior to the approval of Federal transit grants. An employer receiving Federal mass transit funds must protect all covered mass transit employees affected by the use of the 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. OLMS must approve the arrangements made to protect these employees.

Key program initiatives include:

- Increasing the percentage of disclosure reports filed electronically;

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- Increasing the effectiveness of audits (by focusing resources on labor unions most likely to have been subject to a violation of the law);
- Improving the timeliness in resolving complaints filed by labor union members that their union violated democratic standards for conducting union officer elections;
- Increasing 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;
- Reducing the number of chronically delinquent filers of Labor Organization Annual Financial Reports;
- Improving 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; and
- Improving and increasing the provision of LMRDA compliance assistance to national and international labor organizations by developing and implementing compliance agreements with concrete goals, baselines, and measures for improving recordkeeping, reporting, and internal controls.

As part of supporting these initiatives in continuing to improve on program performance and utility, OLMS has established a series of analysis methodologies. To assist in increasing the percentage of electronic reports, OLMS carefully monitors usage of the e-filing system and provides ongoing reports and updates to regional and district managers. These reports are used to reach out to unions who file manually, advising these union officers of the existence of the e-filing system and encouraging its adoption. Similarly, regional and district managers are provided quarterly and annual reports of unions who are deemed chronically delinquent or who may become chronically delinquent in the coming fiscal year. Using existing data has been instrumental in reducing the number of chronically delinquent filers, allowing OLMS to reach its performance objective and increasing union financial transparency.

OLMS has also undertaken a risk-based, data-driven initiative to better target unions for audits. Audits assist OLMS in uncovering fraud and embezzlement, thus protecting union member assets and increasing union financial integrity. Also, by more accurately targeting unions, OLMS investigators need to perform fewer audits to uncover the same number of violations. OLMS continues to expand its use of this risk- and data-driven approach. OLMS is also undertaking a similar risk-driven approach to reducing the number of waivers requested in election investigations. By identifying under what circumstances waivers tend to be requested, OLMS can seek to avoid waiver requests, thus decreasing the number of elapsed days per case.

Finally, OLMS is using customer feedback to analyze what portions of its website (a key component of financial transparency through the e-filing modules, compliance assistance and knowledge transfer) may be enhanced to increase customer satisfaction. By analyzing this data, OLMS is able to make necessary improvements that will enhance our customers' experience when visiting our web site.

Through these initiatives, OLMS strives to inform workers so that they can be better informed and more effective participants in the governance of their unions. These initiatives allow workers to make informed decisions about union representation and collective bargaining.

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Through more fiscally responsible and democratic unions, workers may have greater impact through collective bargaining and workplace representation to secure a real voice in their workplace. In the absence of labor union democracy, labor-management transparency, and labor union financial security, workers would be less able to have a meaningful say in their workplace. With these protections in place, labor unions will be stronger and better able to *Promote Fair and High-Quality Work Environments* and help achieve the Secretary's vision of *Promoting and Protecting Opportunity*.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2010	\$41,367	269
2011	\$41,367	249
2012	\$41,289	230
2013	\$39,129	228
2014	\$39,129	218

FY 2015

For FY 2015, OLMS is requesting \$41,236,000, an increase of \$2,107,000 over the FY 2014 enacted level. The increase will allow OLMS to maintain its core functions of administering the LMRDA and maintaining employee protections under the Federal Transit Act. OLMS will continue to focus on its three priority programs to promote union financial integrity, financial transparency, and democracy. In support of these programs, OLMS will seek to reduce the number of elapsed days for investigating union election complaints to 73 days; increase the percentage of compliance audits that lead to criminal investigations to 15 percent; and increase the percentage of required reports filed electronically to 42.5 percent. OLMS will also continue to conduct union audits under the compliance audit program (CAP) to determine overall compliance with the LMRDA.

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

FY 2014

At the enacted funding level of \$39,129,000, OLMS will continue to maintain its core functions of administering the LMRDA and ensuring employee protections under the Federal Transit Act. OLMS will continue to focus on its three priority programs to promote union financial integrity, financial transparency, and democracy. In support of these programs, OLMS will seek to reduce the number of elapsed days for investigating union election complaints to 74 days; increase the percentage of compliance audits that lead to criminal investigations to 14.75 percent; and increase the percentage of required reports filed electronically to 38.5 percent. OLMS will also continue to conduct union audits under the compliance audit program (CAP) to determine overall compliance with the LMRDA.

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

FY 2013

The sequestered funding level of \$39,129,000, allowed OLMS to continue its core functions of administering the LMRDA and ensuring employee protections under the Federal Transit Act. OLMS continued to focus on its three priority programs to promote union financial integrity, financial transparency, and democracy. In support of these programs, OLMS met its priority program targets to reduce the number of elapsed days for investigating union election complaints to 75 days; increase the percentage of compliance audits that lead to criminal investigations to 14.25 percent; and increase the percentage of required reports filed electronically to 34.5 percent. OLMS also conducted union audits under the compliance audit program (CAP) to determine overall compliance with the LMRDA, although the number of audits conducted by OLMS declined due to the reduced sequestered funding level. OLMS succeeded in meeting its priority goals, despite sequester, by de-emphasizing lower priority programs, including reducing the number of staff days devoted to field-level compliance assistance.

Additionally, OLMS continued to certify that labor protections were in place prior to approving Federal transit grants under the Federal Transit Act.

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DETAILED WORKLOAD AND PERFORMANCE					
		FY 2013 Enacted		FY 2014 Enacted	FY 2015 Request
		Target	Result	Target	Target
Office of Labor-Management Standards					
Strategic Goal 3 - Promote fair and high quality work-life environments					
Strategic Objective 3.2 - Protect workers' rights					
OLMS- RPD-05	Percent of disclosure reports filed electronically	34.5%	42.4%	38.5%	42.5%
OLMS- FI-03	Percent of targeted audits that result in a criminal case	14.25%	20.97%	14.75%	15.00%
OLMS- DEM-01	Average number of days to resolve union officer election complaints	75.0	71.0	74.0	73.0
OLMS- RPD-03	Number of LM-10 and LM-20 reports filed on employer-consultant persuader agreements	690.00[p]	880.00	765.00[p]	840.00[p]
OLMS- RPD-06	Number of chronically delinquent filers of labor organization financial reports	1,770[p]	1,226	1,670[p]	1,570
OLMS- RPD- Workload- 01	Reports Processed	31,000[p]	27,926	31,000[p]	29,000[p]
OLMS- RPD-02	Delinquent Report Investigations	2,181[p]	2,063	2,071[p]	1,800[p]
OLMS- RPD-01	Deficient Report Investigations	214[p]	311	211[p]	225[p]

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DETAILED WORKLOAD AND PERFORMANCE					
		FY 2013 Enacted		FY 2014 Enacted	FY 2015 Request
		Target	Result	Target	Target
OLMS- RPD-04	Union Officer-Employee/Employer/Consultant Report Investigations	79.00[p]	75.00	115.00[p]	115.00[p]
OLMS-FI- 02	Compliance Audits	321	329	312	311
OLMS-FI- 01	Criminal Investigations	296	319	262	300
OLMS-FI- 04-WL	Bonding Investigations	71[p]	95	71[p]	71[p]
OLMS- MISC-05- WL	Number of Voluntary Compliance Agreements in effect	40	40	40	40
OLMS- MISC-04	Customer satisfaction score for OLMS web site users	61[p]	62	62[p]	63[p]
OLMS- MISC-02	Basic Investigations	57.0[p]	50.0	57.0[p]	57.0[p]
OLMS- MISC-03	Participant Hours of Compliance Assistance provided	20,000	9,795	12,000	12,000
OLMS- MISC-07- WL	Employee Protections Certifications	2,400[p]	1,902	2,400[p]	2,100[p]

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DETAILED WORKLOAD AND PERFORMANCE					
		FY 2013 Enacted		FY 2014 Enacted	FY 2015 Request
		Target	Result	Target	Target
OLMS- MISC-08- WL	Claims Arbitrated	2[p]	0	2[p]	2[p]
OLMS- MISC-06- WL	Auxiliary Investigations	300[p]	263	300[p]	250[p]
OLMS- DEM-02	Election Investigations	123.00[p]	122.00	109.00[p]	123.00[p]
OLMS- DEM-03	Supervised Elections	29.00[p]	26.00	30.00[p]	29.00[p]
OLMS- DEM-04	Trusteeship Investigations	6.00[p]	15.00	6.00[p]	6.00[p]

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

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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. 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 a manual and electronic reporting system for LMRDA reports and an onsite public disclosure room as well as an Internet-based public disclosure system, both of which provide 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 has redirected resources to its highest priorities, providing the agency with the opportunity to transform business practices while strengthening union financial integrity, labor-management transparency, and union democracy.

As one of its priority programs to promote union financial integrity, OLMS identifies instances of embezzlement and fraud by conducting union compliance audits. Success in this program is measured through fallout rates – or the percent of audits that reveal evidence of fraud or embezzlement, resulting in the opening of a criminal investigation. These targeting efforts enhance OLMS' ability to more effectively and efficiently use technology resources to improve protection of union member assets. By better evaluating data to more precisely target audits, OLMS can use its resources more efficiently while concurrently increasing the percentage of audits that result in the opening of a criminal case. Improved targeting has allowed OLMS to redirect vital resources from audits to its election and criminal investigation programs while mitigating the effect of the reduction in the number of audits performed. This data analysis and evaluation effort has been enhanced by the establishment of a task force to increase targeting success. The task force has undertaken an evidence-based approach that carefully analyzes which union characteristics correlate with an increased likelihood of union fraud or embezzlement.

OLMS has begun to see concrete results from these targeting efforts and expects results to improve in FY 2014 and beyond. While OLMS cannot anticipate the number of criminal investigations that will arise from audits at the FY 2015 request level, the increased success of the targeting effort, coupled with leads from other sources, should create the opportunity for OLMS to open and conduct 300 criminal investigations in FY 2015 (an increase from a projected 262 criminal investigations in FY 2014). The re-allocation of resources from audits to criminal cases (OLMS anticipates reducing the number of audits to 311 in FY 2015) will enable OLMS to continue to conduct these investigations.

OLMS also supports promoting a fair and equitable workplace through 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 appear on the OLMS disclosure web site almost immediately;

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- 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.

Each of these results supports the President's Second-Term Management Agenda by using information technology to increase transparency of data and to reduce the costs of doing business with the government. Filing on line takes less time, reduces re-work by error checking filings prior to submission (and thus increasing the quality of the submissions), and reduces mailing costs for filers. E-filing also enhances customer service by delivering requested services (i.e., copies of filed reports) in a more timely and efficient manner. Over time, OLMS can expect increased savings as electronically filed reports will no longer take up physical space (reducing storage and personnel costs associated with maintaining physical files) and speeding up retrieval of records (reducing personnel costs involved in manual retrieval).

In FY 2011, OLMS rolled out the second phase of its Electronic Filing System (EFS), allowing smaller unions (those filing Form LM-3 and LM-4 reports) to use the web-based system. In January 2013, OLMS made the EFS available to filers of the LM-30. Due to the ease of registration and filing on the new system, OLMS expected a significant increase in small-union electronic filings, and believed that completion of the e-filing system would result in substantial usage among the remaining filers. However, because of budgetary limitations, OLMS postponed complete EFS rollout, meaning that some parties – those other than smaller unions, but still required to file – had to continue manual filing (approximately 20 percent of the filing universe). As a result, beginning in FY 2013, OLMS scaled back its targets for this measure, and now projects reaching a 46 percent electronic filing rate by FY 2016 – a four percentage point decrease from the original 50 percent target established in 2010. For FY 2015, OLMS anticipates a 42.5 percent electronic filing rate.

Due to the greater than anticipated utilization of EFS among filers, electronic filing has exceeded the OLMS year-to-date targets. For FY 2012, OLMS had established a target of 30.5 percent of all reports filed being submitted electronically – by the end of the fiscal year, 38 percent of all reports were filed electronically and almost 45 percent of filers with access to electronic filing had taken advantage of that capability. In FY 2013, 48 percent of filers with access to electronic filing had taken advantage of e-filing (accounting for 42 percent of all filers).

OLMS will continue to promote free and fair democratic union elections. The agency expects to sustain reductions in the number of elapsed days required to resolve election case complaints by increasing the use of investigative teams. OLMS has experimented with the use of two member investigative teams, finding that on average, these teams reduced the number of elapsed days per election case. In addition, OLMS has continued and enhanced a process calling for earlier coordination with the Department's Office of the Solicitor on election cases. Congress intended that election complaints be addressed in a timely and efficacious manner, furthering union democracy. By carefully coordinating investigations internally and externally, OLMS has been able to reduce its elapsed time substantially. Because of this success, OLMS reduced its original FY 2012 target from 78 elapsed days to 76 elapsed days and will aim for further reductions in FY 2015 to 73 elapsed days.

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In addition to ongoing use of these strategies, OLMS will also address the use of waivers during an election investigation. Although waivers may be appropriate due to the complexity of a case or for other reasons outside OLMS' control, automatic requests for a 30-day waiver may have the detrimental effect of extending investigative time. For that reason, OLMS has undertaken a strategy to first ascertain the actual amount of extended time an investigation may require and then to limit its waiver request to this time frame. To bolster this effort to limit extensions, OLMS is also now tracking when waivers are requested in an effort to create a dataset in which the information collected can be linked to case events to determine when and if it is likely a waiver will be needed. The goal of this evaluation is to identify these events early in the investigation and address them before a waiver is necessary, thus shortening processing time.

In order to invest in its three priority objectives, OLMS has deemphasized compliance audits, bonding investigations, and deficiency investigations. In the compliance assistance arena, OLMS will continue to balance shifting resources by using remaining resources to target larger audiences, allowing OLMS to provide significant compliance assistance while using significantly fewer resources. Better compliance audit targeting will continue to reduce the need for audits, allowing resources normally employed in these audits to be redirected primarily to criminal and election investigations.

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 labor 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 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. The customer satisfaction survey also allows OLMS to evaluate its progress in enhancing its website's usefulness to the public. OLMS works with a contractor to identify trends in satisfaction and examine possible changes to the web site that will enhance customer interactions with OLMS.

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 tardiness in filings. OLMS expects to use outreach (including 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 establish targets that 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

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expects to develop new and appropriate measures that will continue to reflect program effectiveness.

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BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2013 Enacted	FY 2014 Enacted	FY 2015 Request	Diff. FY15 Request / FY14 Enacted
11.1	Full-time permanent	20,541	20,543	21,572	1,029
11.3	Other than full-time permanent	239	91	96	5
11.5	Other personnel compensation	40	260	388	128
11.9	Total personnel compensation	20,820	20,894	22,056	1,162
12.1	Civilian personnel benefits	6,989	6,849	7,281	432
13.0	Benefits for former personnel	11	11	11	0
21.0	Travel and transportation of persons	497	622	644	22
22.0	Transportation of things	0	0	0	0
23.1	Rental payments to GSA	2,801	2,760	2,842	82
23.2	Rental payments to others	15	21	22	1
23.3	Communications, utilities, and miscellaneous charges	234	243	251	8
24.0	Printing and reproduction	17	2	2	0
25.1	Advisory and assistance services	0	0	0	0
25.2	Other services from non-Federal sources	522	561	680	119
25.3	Other goods and services from Federal sources 1/	4,202	4,132	4,322	190
25.4	Operation and maintenance of facilities	1	0	0	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	2,899	2,956	3,045	89
26.0	Supplies and materials	58	48	49	1
31.0	Equipment	38	30	31	1
41.0	Grants, subsidies, and contributions	0	0	0	0
42.0	Insurance claims and indemnities	25	0	0	0
	Total	39,129	39,129	41,236	2,107
	1/Other goods and services from Federal sources				
	Working Capital Fund	3,869	3,657	3,665	8
	DHS Services	283	267	294	27
	Services by DOL Agencies	0	0	155	155
	Services by Other Government Departments	50	208	208	0

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CHANGES IN FY 2015

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$1,162
Personnel benefits	335
Employee health benefits	100
Moving allowance	0
Federal Employees' Compensation Act (FECA)	-3
Benefits for former personnel	0
Travel and transportation of persons	22
Transportation of things	0
Rental payments to GSA	82
Rental payments to others	1
Communications, utilities, and miscellaneous charges	8
Printing and reproduction	0
Advisory and assistance services	0
Other services from non-Federal sources	119
Working Capital Fund	8
Other Federal sources (Census Bureau)	0
Other Federal sources (DHS Charges)	27
Other goods and services from Federal sources	155
Research & Development Contracts	0
Operation and maintenance of facilities	0
Operation and maintenance of equipment	89
Supplies and materials	1
Equipment	1
Grants, subsidies, and contributions	0
Insurance claims and indemnities	0

Built-Ins Subtotal **\$2,107**

Net Program **\$0**

Direct FTE **0**

	Estimate	FTE
Base	\$41,236	218
Program Increase	\$0	0
Program Decrease	\$0	0