

FY 2018

CONGRESSIONAL BUDGET JUSTIFICATION

OFFICE OF LABOR-MANAGEMENT STANDARDS

This page is intentionally left blank.

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
Authorizing Statutes.....	7
Appropriation History	8
Overview	9
Organization Chart.....	13
Budget Activities	15
Office of Labor-Management Standards	15

This page is intentionally left blank.

OFFICE OF LABOR-MANAGEMENT STANDARDS

OFFICE OF LABOR-MANAGEMENT STANDARDS

SALARIES AND EXPENSES

*For necessary expenses for the Office of Labor-Management Standards,
\$46,634,000.*

Note: A full-year 2017 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Further Continuing Appropriations Act, 2017 (P.L. 114-254). The amounts included for 2017 reflect the annualized level provided by the continuing resolution.

OFFICE OF LABOR-MANAGEMENT STANDARDS

AMOUNTS AVAILABLE FOR OBLIGATION						
(Dollars in Thousands)						
	FY 2016 Enacted		FY 2017 Full Year C.R.		FY 2018 Request	
	FTE	Amount	FTE	Amount	FTE	Amount
A. Appropriation	209	\$40,593	190	\$40,516	198	\$46,634
<i>Subtotal Appropriation</i>	<i>209</i>	<i>\$40,593</i>	<i>190</i>	<i>\$40,516</i>	<i>198</i>	<i>\$46,634</i>
B. Gross Budget Authority	209	\$40,593	190	\$40,516	198	\$46,634
C. Budget Authority Before Committee	209	\$40,593	190	\$40,516	198	\$46,634
D. Total Budgetary Resources	209	\$40,593	190	\$40,516	198	\$46,634
FTE Lapse and Unobligated Balance Expiring	-10	-\$131	0	\$0	0	\$0
E. Total, Estimated Obligations	199	\$40,462	190	\$40,516	198	\$46,634

OFFICE OF LABOR-MANAGEMENT STANDARDS

SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2017 Full Year C.R.	FY 2018 Request	Net Change
Budget Authority			
General Funds	\$40,516	\$46,634	+\$6,118
Total	\$40,516	\$46,634	+\$6,118
Full Time Equivalents			
General Funds	190	198	8
Total	190	198	8

Explanation of Change	FY 2018 Change							
	FY 2017 Base		Trust Funds		General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Increases:								
A. Built-Ins:								
To Provide For:								
Costs of pay adjustments	190	\$19,980	0	\$0	0	\$374	0	\$374
Personnel benefits	0	\$7,099	0	\$0	0	\$142	0	\$142
Employee health benefits	0	\$381	0	\$0	0	\$0	0	\$0
Moving allowance	0	\$0	0	\$0	0	\$0	0	\$0
Two days less of Pay	0	\$0	0	\$0	0	\$0	0	\$0
Federal Employees' Compensation Act (FECA)	0	\$77	0	\$0	0	\$1	0	\$1
Benefits for former personnel	0	\$0	0	\$0	0	\$0	0	\$0
Travel and transportation of persons	0	\$768	0	\$0	0	\$0	0	\$0
Transportation of things	0	\$0	0	\$0	0	\$0	0	\$0
Rental payments to GSA	0	\$2,670	0	\$0	0	\$0	0	\$0
Rental payments to others	0	\$30	0	\$0	0	\$0	0	\$0
Communications, utilities, and miscellaneous charges	0	\$207	0	\$0	0	\$0	0	\$0
Printing and reproduction	0	\$12	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	\$653	0	\$0	0	\$0	0	\$0
Working Capital Fund	0	\$6,063	0	\$0	0	\$0	0	\$0
Other Federal sources (Census Bureau)	0	\$0	0	\$0	0	\$0	0	\$0
Other Federal sources (DHS Charges)	0	\$263	0	\$0	0	\$0	0	\$0
Other goods and services from Federal sources	0	\$82	0	\$0	0	\$0	0	\$0
Research & Development Contracts	0	\$0	0	\$0	0	\$0	0	\$0
Operation and maintenance of facilities	0	\$0	0	\$0	0	\$0	0	\$0

OFFICE OF LABOR-MANAGEMENT STANDARDS

FY 2018 Change

Explanation of Change	FY 2017 Base		Trust Funds		General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Operation and maintenance of equipment	0	\$1,981	0	\$0	0	\$0	0	\$0
Supplies and materials	0	\$73	0	\$0	0	\$0	0	\$0
Equipment	0	\$177	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	190	+\$40,516	0	\$0	0	+\$517	0	+\$517
B. Programs:								
eLORS Modernization	0	\$0	0	\$0	0	\$4,388	0	\$4,388
International Compliance Audit Program (ICAP) Restoration	0	\$0	0	\$0	12	\$1,730	12	\$1,730
Programs Subtotal			0	\$0	12	+\$6,118	12	+\$6,118
Total Increase	190	+\$40,516	0	\$0	12	+\$6,635	12	+\$6,635
Decreases:								
A. Built-Ins:								
To Provide For:								
Built-Ins Subtotal	0	\$0	0	\$0	0	\$0	0	\$0
B. Programs:								
FTE Reduction to Absorb Inflationary Costs	0	\$0	0	\$0	-4	-\$517	-4	-\$517
Programs Subtotal			0	\$0	-4	-\$517	-4	-\$517
Total Decrease	0	\$0	0	\$0	-4	-\$517	-4	-\$517
Total Change	190	+\$40,516	0	\$0	8	+\$6,118	8	+\$6,118

OFFICE OF LABOR-MANAGEMENT STANDARDS

SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY (Dollars in Thousands)								
	FY 2016 Enacted		FY 2017 Full Year C.R.		FY 2018 Request		Diff. FY18 Request / FY17 Full Year C.R.	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Office of Labor-Management Standards	199	40,593	190	40,516	198	46,634	8	6,118
General Funds	199	40,593	190	40,516	198	46,634	8	6,118
Total	199	40,593	190	40,516	198	46,634	8	6,118
General Funds	199	40,593	190	40,516	198	46,634	8	6,118

NOTE: 2016 reflects actual FTE.

OFFICE OF LABOR-MANAGEMENT STANDARDS

BUDGET AUTHORITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2016 Enacted	FY 2017 Full Year C.R.	FY 2018 Request	Diff. FY18 Request / FY17 Full Year C.R.
	Full-Time Equivalent				
	Full-time Permanent	198	189	197	8
	Other	1	1	1	0
	Total	199	190	198	8
	Average ES Salary	\$171,414	\$172,914	\$187,000	\$14,086
	Average GM/GS Grade	12/7	12/7	12/9	0
	Average GM/GS Salary	\$94,301	\$97,130	\$101,272	\$4,142
11.1	Full-time permanent	20,034	19,581	20,644	1,063
11.3	Other than full-time permanent	125	53	54	1
11.5	Other personnel compensation	288	346	346	0
11.9	Total personnel compensation	20,447	19,980	21,044	1,064
12.1	Civilian personnel benefits	7,342	7,557	8,223	666
13.0	Benefits for former personnel	0	0	0	0
21.0	Travel and transportation of persons	833	768	768	0
22.0	Transportation of things	0	0	0	0
23.1	Rental payments to GSA	2,686	2,670	2,670	0
23.2	Rental payments to others	29	30	30	0
23.3	Communications, utilities, and miscellaneous charges	223	207	207	0
24.0	Printing and reproduction	11	12	12	0
25.1	Advisory and assistance services	0	0	0	0
25.2	Other services from non-Federal sources	644	653	653	0
25.3	Other goods and services from Federal sources 1/	6,231	6,408	6,408	0
25.4	Operation and maintenance of facilities	63	0	0	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	1,935	1,981	6,369	4,388
26.0	Supplies and materials	75	73	73	0
31.0	Equipment	74	177	177	0
41.0	Grants, subsidies, and contributions	0	0	0	0
42.0	Insurance claims and indemnities	0	0	0	0
	Total	40,593	40,516	46,634	6,118
	1/Other goods and services from Federal sources				
	Working Capital Fund	4,182	6,063	6,063	0
	DHS Services	251	263	263	0
	Services by DOL Agencies	314	0	0	0
	GSA Services	0	24	24	0
	Services by Other Government Departments	55	50	50	0

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	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

OFFICE OF LABOR-MANAGEMENT STANDARDS

APPROPRIATION HISTORY					
(Dollars in Thousands)					
	Budget Estimates to Congress	House Allowance	Senate Allowance	Appropriations	FTE
2008					
Base Appropriation	\$56,888			\$44,938	317
2009					
Base Appropriation...1/	\$58,256			\$44,938	297
2010					
Base Appropriation...1/	\$40,557	\$40,557	\$40,557	\$41,319	269
2011					
Base Appropriation	\$45,181		\$41,367	\$40,476	247
2012					
Base Appropriation	\$41,367			\$41,289	230
2013					
Base Appropriation...2/	\$41,771			\$39,129	228
2014					
Base Appropriation...3/	\$46,891			\$39,129	218
2015					
Base Appropriation	\$41,236			\$39,129	215
2016					
Base Appropriation	\$46,981	\$36,000	\$42,000	\$40,593	209
2017					
Base Appropriation...4/	\$45,691				0
2018					
Base Appropriation	\$46,634				198

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.

4/ A full-year 2017 appropriation for this account was not enacted at the time the budget was prepared.

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

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

The LMRDA requires that labor unions holding elections of their officers: use a secret ballot, provide their members a reasonable opportunity to nominate candidates and vote, mail notice of elections to members, and establish other safeguards to ensure a fair election. The LMRDA also gives union members who believe these election standards have been violated the right to file a complaint with the Secretary of Labor. OLMS is responsible for investigating these complaints and taking appropriate enforcement action, including bringing a lawsuit in U.S. district court, if warranted. Election case lawsuits brought under the LMRDA must be filed within 60 days of receipt of a complaint, unless the labor union agrees to a waiver of the filing deadline. To meet this statutory goal, OLMS analyzes internal data sources to better identify efficiencies in the case processing system and better predict and reduce the incidence of waivers. OLMS believes that efficient use of data and a continuous cycle of evaluation enhance the integrity of the case processing system.

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

The OLMS Compliance Audit Program (CAP) is designed to detect embezzlements and other criminal and civil violations of the LMRDA in labor organizations, using specialized auditing, investigating, and report writing techniques. In FY 2009, OLMS established a goal to increase the rate at which audits of labor unions result in the opening of a criminal investigation (the "fallout" rate). This increase is accomplished by identifying and prioritizing audits of unions which have indications that fraud or embezzlement might have occurred. The OLMS enforcement program has two complementary goals: 1) protect union members' financial assets through criminal investigations for fraud and embezzlement; and 2) improve compliance assistance services to unions. OLMS activities support both of these goals through CAP. The program also educates union officials on LMRDA requirements regarding financial bookkeeping and reporting. Furthermore, it helps prevent enforcement

OFFICE OF LABOR-MANAGEMENT STANDARDS

and audit activities from imposing undue burden on unions that are in compliance with the LMRDA. OLMS seeks to identify at-risk unions by making better use of information reported to OLMS on union financial reports and of other historical data. OLMS intends to continue evaluating 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:

Unions must file annual financial reports (Forms LM-2, LM-3, LM-4, or simplified filings) with OLMS. Unions must also file trusteeship reports (Forms LM-15, LM-16) when supervision 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. In many cases, regulations allow filers to submit the reports electronically or on paper, as they choose. The direct benefits of electronic filing include ease of filing, increased transparency, and cost savings both to filers and the government. 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. The result is that the majority of filers now have access to electronic filing. OLMS will continue promoting the use of the electronic filing system through compliance assistance and other activities.

OLMS is requesting \$4,388,000 in funding to modernize its mission critical reporting, disclosure, and enforcement case management database system: the Electronic Labor Organizations Reporting System (e.LORS). The e.LORS system supports OLMS's ability to accept and disclose all labor union and other filings required by the LMRDA, and supports registration and tracking of paper reports, output of publically accessible reporting data, and the execution of internal business activities to analyze reporting data and manage enforcement efforts. The system is critical and central to all OLMS operations.

Since e.LORS was implemented over 16 years ago, there have been numerous technological advances in the field of electronic data transmission and digital authentication, and increased dangers within the modern threat space. The current e.LORS system has an inflexible application architecture, constrained complex workflow processes, and the use of legacy software and database design. Failure to modernize the present system leaves OLMS and its data vulnerable on many counts: the ability to fully leverage the available data is hampered by the absence of an automated data analytics capability; the use of a client server architecture limits the ability to leverage cloud and mobile computing; the risk to system security increases as the legacy application remains constant and does not modernize as the threat space changes. Other organizational improvements under a modernized e.LORS system would accomplish the following:

- Support electronic submission of all 12 OLMS reporting forms using current technology. By expanding electronic filing capabilities to those currently unable to file electronically, the modernized system would also reduce the paperwork burden and administrative costs for these reporting entities.

OFFICE OF LABOR-MANAGEMENT STANDARDS

- Improve transparency of regulated entities. All reports would be made promptly available for search and disclosure on the OLMS website.
- Enable OLMS clients and customers, through upgraded website technology, to quickly and easily locate agency information and compliance assistance resources thus improving service delivery. This includes reconstructing the website using a more intuitive layout and implementing advanced menu systems and finding aids. Changes will be based on customer feedback from the on-going American Customer Satisfaction Index study and website usability testing results, which we expect will drive improvement in website customer satisfaction rating
- Expand the case management system to increase the efficiency of OLMS investigators, better track cases, and increase the potential for case data sharing with other DOL investigative agencies. The case management system will allow OLMS to better direct resources to areas of need, and better monitor case progress. This will facilitate the goal of more quickly resolving election cases. The case management system will also improve OLMS's ability to select for audit those labor unions most likely to have been the victim of embezzlement allowing the collection, maintenance and querying of greater amounts of labor union and case data. It will, more generally, provide greater efficiencies in handling all investigative case types. An earlier cost-benefit analysis indicated that a new case management system would reduce the average number of staff days used to process investigations in all case types.

These benefits contribute not only to transparency among labor unions, labor union officers and employees, and others, but also to union democracy and union financial integrity. The effective use of this technology also contributes to a more effective and efficient government.

The proposed modernization supports DOL's Digital Government Integrated Platform (DGIP), designed to modernize legacy systems within DOL and support enterprise data analytics, mobile data applications, and enhance staff productivity and efficiency – further supporting the three priority goals. As with much of DOL, most OLMS staff are employed in the field. By upgrading the underlying IT system within OLMS in conjunction with the implementation of the DOL DGIP, OLMS expects to achieve greater effectiveness and efficiency.

OLMS will continue to pursue program improvements while delivering more effective and efficient customer service as follows:

- Analyze customer feedback of its website to identify ways in which the agency can improve services for stakeholders and the public. OLMS has also begun to make use of information technology to deliver on-line compliance assistance seminars enabling OLMS to deliver compliance assistance regardless of location, to reduce costs, and to increase productivity.
- Apply in-house data and technology to drive improvements within a number of OLMS programs. Notably, a data- and risk-driven approach to identifying fraud and embezzlement has led to more effective use of compliance audits. The fallout rate has increased since the implementation of this data-driven approach.
- Reach out to unions that file manually, advising the union officers of the existence of the e-filing system and encouraging its adoption.

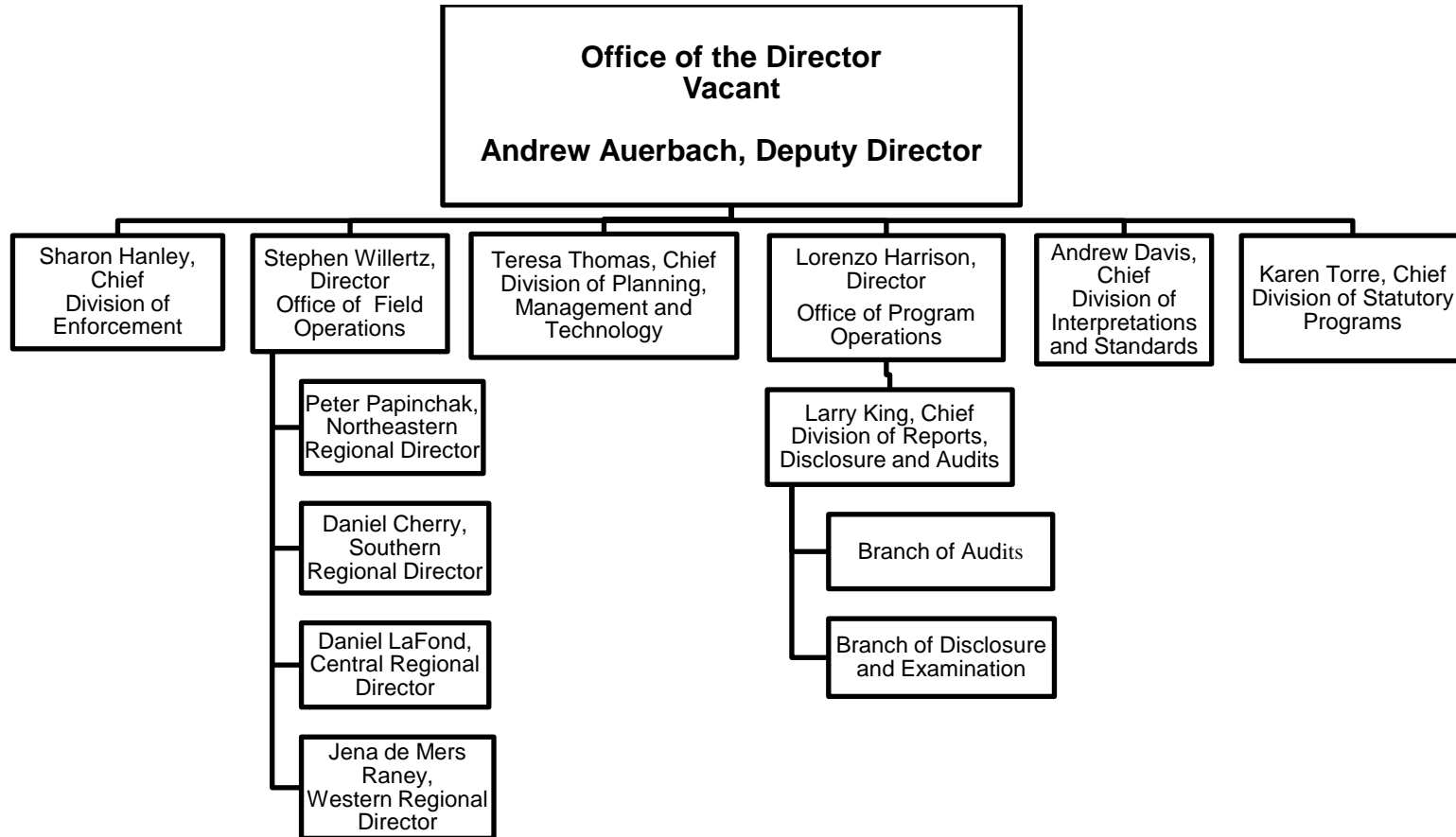
OFFICE OF LABOR-MANAGEMENT STANDARDS

- Continue the Voluntary Compliance Partnership (VCP) program, through which OLMS partners with a number of International/National unions to improve compliance with the LMRDA among their local affiliates. This voluntary program uses data analytics to measure ongoing success of the program and helps the VCP partner organizations direct their compliance efforts to those subordinate unions that are more likely out of compliance with the LMRDA, thus saving time and resources by more accurately directing these resources to areas where they are more needed. This program also has the corollary effect of increasing federal worker productivity as OLMS representatives can more efficiently use their time and resources to increase compliance. These compliance efforts also have the additional effect in that they may increase the percentage of unions electronically filing reports and reduce the amount of time OLMS staff spend attempting to procure delinquent reports or processing paper reports (all of which support the OLMS goal of increasing transparency).

OLMS is also requesting \$1,730,000 to re-establish the International Compliance Audit Program (I-CAP). The funding would be used to hire up to 12 new staff responsible for performing audits of international/national labor unions. Labor unions are generally organized in three tiers, consisting of parent and subordinate bodies. International unions reside at the top of the hierarchy. Below the international union are intermediate bodies. Local unions are at the bottom, subordinate to both the international and intermediate bodies. Subordinate bodies submit per capita taxes to, and must adhere to the constitution and bylaws of, their parent organizations. International unions are influential players in the U.S. economy. There are approximately 150 international unions currently headquartered in the U.S. Their average total assets are \$67,000,000, with average annual receipts of \$54,000,000. On average, they annually disburse \$56,000,000.

Due to budget constraints, OLMS has not performed an audit of an international union since 2010, even though they are also subject to the provisions of the LMRDA and all unions are required to be democratic, financially transparent, and free of fraud and embezzlement. OLMS first began conducting audits of international unions in 1982. I-CAP audits are conducted for the same reasons OLMS audits intermediate and local unions: detect embezzlements and other criminal and civil violations using specialized auditing, investigating, and report writing techniques. They also created a visible enforcement presence in the labor community, which deters wrongdoing. Finally, I-CAP enables onsite investigators to provide desk-side compliance assistance to union officials. These important and complex audits are resource intensive and cannot be accomplished within existing resources. In FY 2004 through FY 2010, OLMS completed 35 complex I-CAP audits. These audits revealed recordkeeping and reporting violations, and each unresolved violation was reported to the union and made publicly available to union members and others on the DOL website. The audits led to criminal indictments and convictions, and resulted in union officers being barred from the labor movement. Should I-CAP be restored, OLMS will develop performance measures to ensure that the program remains effective and will review whether its successful methods of identifying at-risk local unions for audit can be applied in the international union environment.

OFFICE OF LABOR-MANAGEMENT STANDARDS



OFFICE OF LABOR-MANAGEMENT STANDARDS

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2016 Enacted	FY 2017 Full Year C.R.	FY 2018 Request	Diff. FY18 Request / FY17 Full Year C.R.
Activity Appropriation	40,593	40,516	46,634	6,118
FTE	199	190	198	8

NOTE: FY 2016 reflects actual FTE. Authorized FTE for 2016 was 209.

Introduction

The Office of Labor-Management Standards is tasked with upholding the Labor-Management Reporting and Disclosure Act (LMRDA). OLMS provides workers with ready access to essential 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 must 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 filing system for LMRDA reports and an Internet-based public disclosure system that provides public access to information from filed reports. Timely and accurate reporting are paramount in ensuring that union members have a voice in their union’s affairs and allows workers to monitor the financial operations of their union. This ensures that a union’s governance is democratic and that union assets are used solely for the benefit of the members. Failure to operate democratically and with financial integrity can lead to flawed officer elections and fraud or embezzlement.

Investigation of labor union officer elections and embezzlement of union funds are major OLMS enforcement activities. OLMS opens an investigation of union officer elections on receipt of a complaint from a member alleging that an election was flawed or undemocratic. At the conclusion of the investigation, OLMS may need to supervise a rerun of the subject election. OLMS also 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 obtains credible information indicating fraud or misappropriation of union funds either through an audit or other information.

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

OFFICE OF LABOR-MANAGEMENT STANDARDS

training or retraining programs. OLMS must approve the arrangements made to protect these employees.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2013	\$39,129	228
2014	\$39,129	218
2015	\$39,129	215
2016	\$40,593	209
2017	\$0	0

NOTE: A full-year 2017 appropriation for this account was not enacted at the time the budget was prepared.

FY 2018

This request includes a program increase of \$4,388,000 for the modernization of the OLMS e.LORS system. This modernization will migrate all remaining paper reporting forms (eight out of the 12 mandatory reporting forms are still paper-based) to a web-based format, and establish a cloud-based case management system in-line with DOL's enterprise architecture. OLMS also plans to make needed improvements to the Online Public Disclosure Room (OPDR) by improving search capabilities and increasing ease of navigation. Public disclosure is a key OLMS function, as it is required by statute and is essential to the OLMS overarching goal of increased transparency of labor and management finances and activities.

Modernizing the OLMS e.LORS system will produce measurable improvement to citizen services, increase transparency, and create administrative efficiencies that result in cost savings. Maintenance costs continue to increase each year as OLMS works to repair and patch the existing legacy system. Modernization of e.LORS is estimated to be completed in two years and would begin to provide a return on investment in year three. It is estimated to reduce costs by approximately \$3,000,000 over a five year period beginning in FY 2020. The recommended solution employs a cloud-based solution for part of the investment modernization, supporting the "cloud first" policy as iterated in OMB's policy paper, 25 Point Implementation Plan to Reform Federal IT Management.

The FY 2018 budget also includes a request for \$1,730,000 to re-establish the International Compliance Audit Program (I-CAP). I-CAP audits, which OLMS has not had the resources to conduct since FY 2010, detect embezzlements and other criminal and civil violations within the more complex financial environment of international and national unions. Through the I-CAP program, OLMS can enhance its mission under the LMRDA to protect members' assets at all levels of labor union organizations.

In addition to the e.LORS modernization effort and the I-CAP, OLMS will continue its important core program work in support of the LMRDA and employee protection programs. It will focus on its three priority programs to promote union financial integrity, financial transparency, and democracy.

OFFICE OF LABOR-MANAGEMENT STANDARDS

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

FY 2017

Figures shown for FY 2017 reflect the annualized Continuing Resolution level, as a full-year appropriation had not been enacted at the time the budget was produced. The Department will provide an Operating Plan after a full-year appropriation bill is enacted.

OFFICE OF LABOR-MANAGEMENT STANDARDS

DETAILED WORKLOAD AND PERFORMANCE						
	FY 2016 Enacted		FY 2017 Full Year C.R.	FY 2018 Request		
	Target	Result	Target	Target		
Office of Labor-Management Standards						
OLMS-RPD-05	Percent of disclosure reports filed electronically		46.0%	50.1%	48.0%	50.0%
OLMS-FI-03	Percent of targeted audits that result in a criminal case		15.25%	17.14%	15.50%	15.75%
OLMS-DEM-01	Average number of days to resolve union officer election complaints		72.0	67.4	71.0	70.0
OLMS-RPD-03	Number of LM-10 and LM-20 reports filed on employer-consultant persuader agreements		915[p]	1,044	990[p]	1,065[p]
OLMS-RPD-06	Number of chronically delinquent filers of labor organization financial reports		1,470	927	1,370	1,270
OLMS-RPD-Workload-01	Reports Processed		28,000[p]	26,955	28,000[p]	28,000[p]
OLMS-RPD-02	Delinquent Report Investigations		1,732[p]	2,057	1,702[p]	1,702[p]
OLMS-RPD-01	Deficient Report Investigations		153[p]	229	151[p]	151[p]
OLMS-RPD-04	Union Officer-Employee/Employer/Consultant Report Investigations		77.00[p]	72.00	67.00[p]	67.00[p]
OLMS-FI-02	Compliance Audits		260	245	204	204
OLMS-FI-01	Criminal Investigations		228	236	221	221
OLMS-FI-04-WL	Bonding Investigations		60[p]	76	59[p]	59[p]
OLMS-MISC-05-WL	Number of Voluntary Compliance Partnership Agreements in effect		40	43	40	40

OFFICE OF LABOR-MANAGEMENT STANDARDS

DETAILED WORKLOAD AND PERFORMANCE					
		FY 2016 Enacted		FY 2017 Full Year C.R.	FY 2018 Request
		Target	Result	Target	Target
OLMS-MISC-04	Customer satisfaction score for OLMS web site users	64[p]	58	65[p]	65[p]
OLMS-MISC-02	Basic Investigations	52.0[p]	40.0	45.0[p]	45.0[p]
OLMS-MISC-03	Participant Hours of Compliance Assistance provided	12,000.00	14,739.00	12,000.00	12,000.00
OLMS-MISC-07-WL	Employee Protections Certifications	2,100[p]	1,493	2,100[p]	2,100[p]
OLMS-MISC-08-WL	Claims Arbitrated	2[p]	3	2[p]	2[p]
OLMS-MISC-06-WL	Auxiliary Investigations	236[p]	214	217[p]	217[p]
OLMS-DEM-02	Election Investigations	117.00[p]	105.00	107.00[p]	107.00[p]
OLMS-DEM-03	Supervised Elections	29.00[p]	27.00	27.00[p]	27.00[p]
OLMS-DEM-04	Trusteeship Investigations	9.00[p]	29.00	14.00[p]	14.00[p]

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

OFFICE OF LABOR-MANAGEMENT STANDARDS

Workload and Performance Summary

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 paper and electronic reporting system for LMRDA reports and an onsite public disclosure room as well as an Internet-based online public disclosure room, all of which provide public access to information from reports. To increase overall compliance with the LMRDA and other regulations, OLMS provides compliance assistance information both in-person and online. 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.

As one of its priority programs, OLMS promotes union financial integrity by enforcing the LMRDA requirement that union assets are used for the sole benefit of members. OLMS protects these assets by conducting targeted union compliance audits. Success in this program is measured by what is known as the "fallout rate" of its audits – the percent of audits that reveal evidence of fraud or embezzlement, resulting in the opening of a criminal investigation. By better evaluating information through the use of data analytics to more precisely target audits, OLMS can use its resources more efficiently, increasing the percentage of audits that result in the opening of a criminal case and allowing OLMS to redirect vital resources from audits to its election and criminal investigation programs. 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 analyzes which union characteristics correlate with an increased likelihood of fraud or embezzlement. OLMS has achieved concrete results from these targeting efforts as this data- and risk-driven approach to identifying fraud and embezzlement has led to more effective compliance audits.

OLMS administers LMRDA's union financial transparency requirements by receiving and then disclosing union financial reports. OLMS encourages electronic filing of required reports through regulatory changes, outreach and compliance assistance in order to increase accuracy and ease of filing; decrease costs both to filers and the government and speed disclosure of information to the public. Our proposed Programmatic Change - modernization of e.LORS - is expected to further encourage electronic filing, which will:

- allow the public almost instantaneous access to filed reports because electronic reports do not need to be scanned and uploaded, like paper reports;
- increase the accuracy of reports because the electronic filing system has built-in validity checks; and
- ease the filing requirements on filers by incorporating updated technologies and functionality into the current web-based system.

Electronic filing takes less time, reduces re-work as it checks reports for errors prior to submission (increasing the quality of the submissions), and reduces mailing costs for filers. Electronic filing also enhances customer service by delivering requested services (i.e., copies of

OFFICE OF LABOR-MANAGEMENT STANDARDS

filed reports) in a more timely and efficient manner. Over time, OLMS can expect increased savings as electronically filed reports will not take up physical space (reducing storage and personnel costs associated with maintaining physical files) and will speed up retrieval of records (reducing personnel costs involved in manual processing and retrieval). OLMS expects to continue to see increased use of the current electronic filing system and has a goal of receiving 48 percent of filings electronically in 2017 and 50 percent in 2018.

OLMS will promote free and fair democratic union elections. The agency will secure reductions in the number of elapsed days required to resolve election case complaints by increasing the use of investigative teams. In addition, OLMS will coordinate with the Office of the Solicitor early in the life of election cases to further reduce the number of elapsed days and work toward Congress' intention that election complaints be addressed in a timely and efficacious manner, furthering union democracy. By carefully coordinating investigations internally and externally, OLMS will reduce its elapsed time substantially with a target of 70 elapsed days in FY 2018.

OFFICE OF LABOR-MANAGEMENT STANDARDS

BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2016 Enacted	FY 2017 Full Year C.R.	FY 2018 Request	Diff. FY18 Request / FY17 Full Year C.R.
11.1	Full-time permanent	20,034	19,581	20,644	1,063
11.3	Other than full-time permanent	125	53	54	1
11.5	Other personnel compensation	288	346	346	0
11.9	Total personnel compensation	20,447	19,980	21,044	1,064
12.1	Civilian personnel benefits	7,342	7,557	8,223	666
13.0	Benefits for former personnel	0	0	0	0
21.0	Travel and transportation of persons	833	768	768	0
22.0	Transportation of things	0	0	0	0
23.1	Rental payments to GSA	2,686	2,670	2,670	0
23.2	Rental payments to others	29	30	30	0
23.3	Communications, utilities, and miscellaneous charges	223	207	207	0
24.0	Printing and reproduction	11	12	12	0
25.1	Advisory and assistance services	0	0	0	0
25.2	Other services from non-Federal sources	644	653	653	0
25.3	Other goods and services from Federal sources 1/	6,231	6,408	6,408	0
25.4	Operation and maintenance of facilities	63	0	0	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	1,935	1,981	6,369	4,388
26.0	Supplies and materials	75	73	73	0
31.0	Equipment	74	177	177	0
41.0	Grants, subsidies, and contributions	0	0	0	0
42.0	Insurance claims and indemnities	0	0	0	0
	Total	40,593	40,516	46,634	6,118
	1/Other goods and services from Federal sources				
	Working Capital Fund	4,182	6,063	6,063	0
	DHS Services	251	263	263	0
	Services by DOL Agencies	314	0	0	0
	GSA Services	0	24	24	0
	Services by Other Government Departments	55	50	50	0

OFFICE OF LABOR-MANAGEMENT STANDARDS

CHANGES IN FY 2018

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$374
Personnel benefits	142
Employee health benefits	0
Moving allowance	0
Two days less of Pay	0
Federal Employees' Compensation Act (FECA)	1
Benefits for former personnel	0
Travel and transportation of persons	0
Transportation of things	0
Rental payments to GSA	0
Rental payments to others	0
Communications, utilities, and miscellaneous charges	0
Printing and reproduction	0
Advisory and assistance services	0
Other services from non-Federal sources	0
Working Capital Fund	0
Other Federal sources (Census Bureau)	0
Other Federal sources (DHS Charges)	0
Other goods and services from Federal sources	0
Research & Development Contracts	0
Operation and maintenance of facilities	0
Operation and maintenance of equipment	0
Supplies and materials	0
Equipment	0
Grants, subsidies, and contributions	0
Insurance claims and indemnities	0

Built-Ins Subtotal **\$517**

Net Program **\$5,601**

Direct FTE **8**

	Estimate	FTE
Base	\$41,033	190
Program Increase	\$6,118	12
Program Decrease	-\$517	-4