

# **U.S. Department of Labor Office of Labor-Management Standards**



**November 2016**

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## TAB 1: AGENCY ORGANIZATIONAL OVERVIEW

### Mission

The Office of Labor-Management Standards (OLMS) is responsible for administering and enforcing most provisions of the Labor-Management Reporting and Disclosure Act of 1959 (LMRDA), as amended. The LMRDA directly affects millions of people throughout the United States. The law was enacted by Congress primarily to ensure basic standards of union democracy, financial transparency and fiscal responsibility in labor organizations representing employees in private industry.

The major provisions of the LMRDA are

- a *Bill of Rights* for union members
- requirements for reporting and disclosure of financial information and administrative practices by labor unions
- requirements for reporting and disclosure by employers, labor relations consultants, union officers and employees, and surety companies, when they engage in certain activities
- rules for establishing and maintaining trusteeships
- standards for conducting fair elections of union officers, and
- safeguards for protecting union funds and assets

OLMS also administers provisions of the Civil Service Reform Act of 1978 and the Foreign Service Act of 1980, which extend comparable protections to Federal labor unions. OLMS does not have jurisdiction over unions representing solely state, county, or municipal employees.

In addition, OLMS' Division of Statutory Programs (DSP) administers DOL responsibilities under the Federal transit law by ensuring that fair and equitable arrangements protecting mass transit employees are in place before the release of Federal transit grant funds. 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.

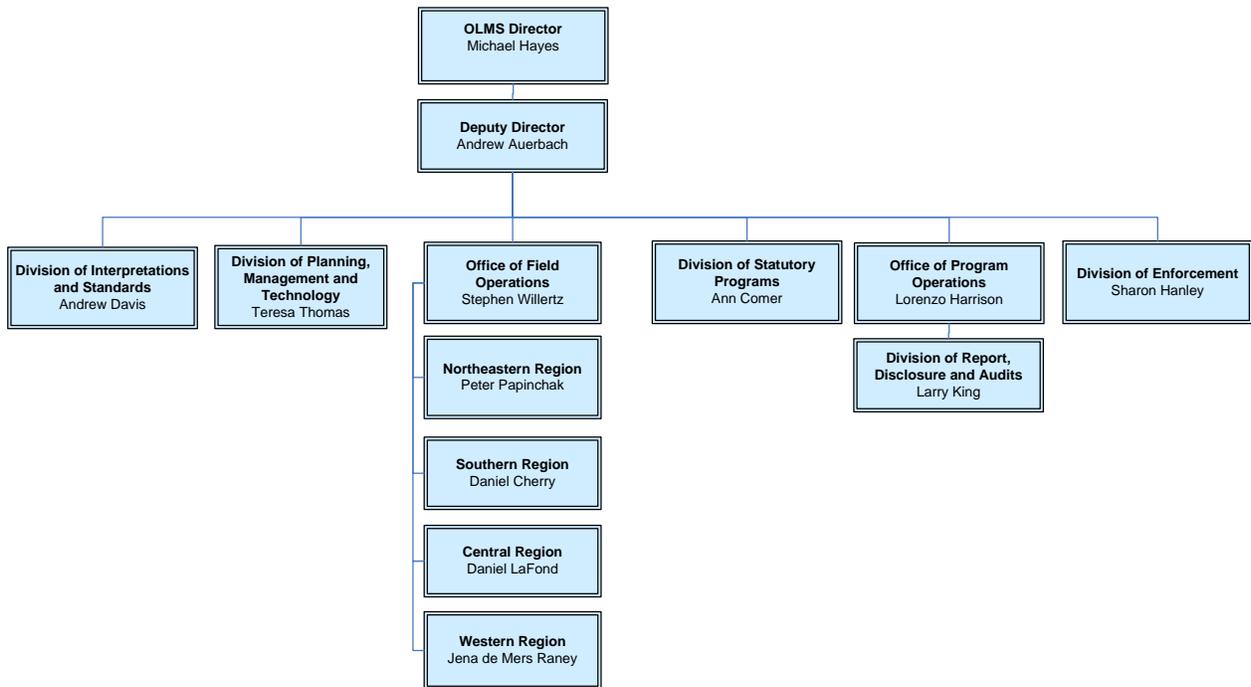
### Authorizing Legislation

Public Law / Act	Legislation	Statute No.
PUB. L. 86-257	Labor-Management Reporting and Disclosure Act of 1959, as amended.	29 U.S.C. 401
PUB. L. 95-454	Civil Service Reform Act of 1978	5 U.S.C. 7101
PUB. L. 88-365 PUB. L. 102-240	Urban Mass Transportation Act of 1964, as amended.	49 U.S.C. 533 (b)
PUB. L. 91-518	Rail Passenger Service Act of 1970 as amended.	45 U.S.C. 501 et seq.
PUB. L. 91-375	Postal Reorganization Act of 1970.	39 U.S.C. 101

## Organizational Structure

OLMS is staffed by approximately 209 Federal and 12 contract employees. The structure includes six national office components in addition to the offices of the director and deputy director, and 16 field offices including four regional offices and 12 subordinate district offices. National office components employ approximately 43 FTE and 12 contractors; the field offices comprise approximately 166 FTE, the majority of which are investigators.

### Organizational Chart



### Director

Provides political leadership to the agency.

### Deputy Director

Provides executive leadership with regard to policy development, program operations and administration, and management functions for OLMS.

### Office of Field Operations

Provides executive leadership to overall field office operations and management of forensic technology support to investigations nationwide.

**Regional Offices**

Manage field office program and administrative operations within assigned geographic jurisdictions; conducts audits and investigations and provides liaison with other agencies, labor organization leaders and other stakeholders within geographical jurisdiction.

**District Offices**

Plan and conduct all OLMS program operations within assigned geographic jurisdictions.

**Office of Program Operations**

Provides executive leadership to carry out the Secretary's public disclosure responsibilities under the LMRDA and ensure that filings are complete and timely and that those entities required to file do so; carries out the Voluntary Compliance Partnership and Persuader Reports Filing Programs.

**Division of Reports, Disclosure and Audits (DRDA)**

Administers OLMS operations for receipt, maintenance, and public disclosure of reports and perform related report auditing functions; administers OLMS programs to secure reporting compliance by labor organizations and others; and administers the OLMS program to collect, maintain, and publicly disclose collective bargaining agreements.

**Division of Enforcement**

Develops criminal and civil enforcement policy; oversees the OLMS criminal and civil enforcement and investigative audit programs; provides advice to OLMS field offices and coordinates with the Office of the Solicitor, the Department of Justice and representatives of other agencies with respect to enforcement activities.

**Division of Interpretations and Standards (DIS)**

Develops policy and administers regulatory activities; develops and administers comprehensive national public information and liaison programs; develops and administers staff training programs.

**Division of Planning, Management and Technology**

Provides OLMS planning, management, and technology support services to include: develops strategic plans, annual program plans, performance goals and measures, and performance evaluation efforts; develops technology acquisition plans; manages and maintains established computer systems, computer equipment repair and maintenance and user support; coordinates with DOL regarding technology initiatives and activities; formulates and executes the OLMS budget; and, supports all OLMS administrative and management responsibilities.

**Division of Statutory Programs (DSP)**

Administers transit employee protections established in federal transit law by certifying fair and equitable protections for affected transit employees as a condition of federal transit grant assistance.

**TAB 1: Agency Organizational Overview**

*Workforce At-A-Glance*

DEPARTMENT OF LABOR EMPLOYMENT *			
AS OF 11/1/2016 - OLMS			
<b>AGENCY</b>			
Subagency	National Office	Regional Office	Total
OLMS	48	152	200
Total	48	152	200
<b>RACE &amp; GENDER</b>			
Ethnicity	F	M	Total
American Indian	0	1	1
Asian	3	4	7
Black	36	12	48
Hawaiian/PI	1	0	1
Hispanic	8	3	11
White	65	67	132
Total	113	87	200
<b>BARGAINING UNIT</b>			
Local 12	18		
NCFLL	16		
Non-BU	57		
NULI	109		
<b>SUPERVISORY**</b>			
Non Supervisor	161		
Supervisor	39		
<b>WORK SCHEDULE</b>			
F-Full Time	199		
P-Part Time	1		
<b>REGIONS</b>			
1 Boston	6		
2 New York	16		
3 Philadelphia	13		
4 Atlanta	19		
5 Chicago	45		
6 Dallas	14		
7 Kansas City	9		
8 Denver	6		
9 San Francisco	18		
10 Seattle	6		
Natl Ofc	48		
Total	200		
<b>GRADE DISTRIBUTION</b>			
00	4		
04	1		
07	19		
09	16		
11	12		
12	66		
13	32		
14	27		
15	23		
Total	200		
<b>DISABLED STATUS</b>			
No Disability	184		
Non-targeted	15		
Targeted	1		
<b>APPOINTMENT TENURE</b>			
Permanent	200		
<b>RETIREMENT ELIGIBILITY</b>			
Early Out	38		
Eligible	30		
Not Eligible	132		
<b>METRO D.C. AREA EMPLOYEES BY BUILDING</b>			
800 N CAPITOL ST NW	9		
FRANCES PERKINS BLDG	38		
PATRIOT'S PLAZA	1		
Total	48		
Includes regional employees working in the D.C. area			
<b>GRADE 13 &amp; ABOVE</b>			
Ethnicity	F	M	
Black	9	7	
Hawaiian/PI	1	0	
Hispanic	4	1	
White	29	35	

\* Permanent and Temporary Employees  
 \*\* Supervisor count includes manager levels 2 and 4

## **Organizational Changes during the Past Eight Years**

### **Dissolution of the Employment Standards Administration (ESA)**

Prior to 2009, OLMS was one of four agencies composing the Employment Standards Administration (ESA). In 2010, ESA was broken up and each of its components – OLMS, Wage and Hour Division, Office of Federal Contract Compliance Programs, and Office Workers' Compensation Programs – was structured to report to the Office of the Secretary of Labor. Contemporaneous with becoming an independent agency and overall DOL plans to reduce costs, OLMS focused on its most mission critical functions. Its budget was gradually but ultimately reduced to \$39.1 million in fiscal year 2015, followed by an increase to \$40.5 million in FY 2016.

### **2014 OLMS Restructuring**

In FY 2014, OLMS underwent a significant restructuring which formalized and implemented the organizational efficiencies that had taken place over the previous five years. These changes impacted both the regional and the national office structures as described below.

#### **Pre- 2014 Regional Office Structure**

The Office of the Deputy Director was responsible for the operation of four OLMS regions; each headed by a senior executive and staffed with a GS-11 administrative officer. Each region consisted of five district offices, each headed by a GS-15 district director and a GS-14 supervisory investigator. District offices were staffed with investigators, senior investigators (GS-13) and a labor-management assistant (LMA), GS-1802-07. Investigators, senior investigators, supervisory investigators, and district directors were classified to the GS-1801 (investigator) or GS-1811 (criminal investigator) series.

The regional director was (and continues to be) responsible to develop OLMS enforcement policies, procedures, and strategies, develop regional program operations plans, and oversee all program activity within assigned regional jurisdictions.

The district director was (and continues) to be responsible to develop district program operations plans, oversee civil and criminal investigations, engage in liaison with other law enforcement agencies and others, and conduct activities to assist labor organizations, employers, consultants, and others to comply with the law.

#### **Pre-2014 National Office Structure**

The Office of the Deputy Director was responsible for two divisions within the national office, each headed by a GS-15 manager, and two offices, each headed by a senior executive. Each senior executive was responsible for two divisions, each headed by a GS-15 manager.

- The Office of Enforcement and International Union Audits was headed by a senior executive and provided management, review, and oversight of OLMS' union audit and enforcement programs. The office oversaw the operations of the Division of

Enforcement (DOE) and Division of International Union Audits (DIUA).

- The Division of Enforcement was (and continues to be) responsible for enforcement of and compliance with Titles III, IV and V of the LMRDA and equivalent provisions of other laws.
- The Division of International Union Audits was responsible for administering a program of compliance audits of national and international union. Its chief was a GS-15 manager. This division had not been funded or staffed since approximately 2009.
- The Office of Policy, Reports, and Disclosure was headed by a senior executive and provided management, review, and oversight of OLMS policy development, and the LMRDA reports and public disclosure program. The office oversaw the operations of the Division of Interpretations and Standards (DIS) and Division of Reports, Disclosure and Audits (DRDA). That office has not been funded or staffed since 2012.
- The Office of the Deputy Director directly oversaw two national office divisions:
  - The Division of Planning, Management and Technology develops and coordinates OLMS strategic plans, annual program plans, performance goals and measures, and performance evaluation efforts; develops and coordinates OLMS technology acquisition plans; formulates the OLMS budget; oversees OLMS budget execution; prepares required budget reports and documents; and, provides services in support of all OLMS administrative and management responsibilities.
  - The Division of Statutory Programs issues guidelines and establishes policies and procedures to implement employee protection requirements to ensure that equitable arrangements protecting mass transit employees are in place, as a condition of the release of federal transit grant funds.

## **Current Regional Office Structure**

OLMS retained its four-region field structure, however, because of the decrease in the number of field investigators, OLMS eliminated the four field SES positions. Instead, the regions are now headed by GS-15 regional directors. The regional directors no longer report to the deputy director. They report to a national office director: the Director of Field Operations. Each regional director is supported by either a GS-9 or GS-11 administrative officer.

OLMS reduced the number of district offices nationwide from 20 to 12; consolidating from five to three per region. This was accomplished by retaining the largest office in each region and “pairing” the remaining four. The pairings were based on geographic location, number of unions in each jurisdiction, workloads, and projected staffing levels. The number of GS-15 district directors was reduced from 20 to 12. The number of GS-14 supervisory investigators was reduced from 20 to 12. Each of the three district offices is headed by a GS-15 district director. The district director is responsible for managing the planning and implementation of all OLMS program and associated administrative operations within the assigned geographic territory.

Each of OLMS’ 20 district offices had been supported by an LMA. OLMS reduced the number of LMAs from 20 to 12, consistent with the reduction in the number of offices.

## **Current National Office Structure**

The Office of Policy, Reports and Disclosure and the Office of Enforcement and International Union Audits, including its subordinate Division of International Union Audits, were dissolved. The current structure is as follows:

- The OLMS deputy director oversees the Office of Field Operations, the Office of Program Operations, and four national office Divisions: the Division of Planning, Management and Technology; the Division of Statutory Programs; the Division of Interpretations and Standards; and, the Division of Enforcement. The deputy director is one of the three career senior executive service position.
- The Office of Program Operations (OPO) provides leadership for the management, operation, and direction of OLMS program and administrative operations including the OLMS Public Disclosure Room, the Voluntary Compliance Partnership Program and outreach associated with encouraging filing of persuader reports, and provides overall management and direction to the Division of Reports, Disclosure and Audits. OPO is led by a career senior executive service position.
- The Office of Field Operations (OFO) is responsible for oversight of the field offices – the four regional offices and their constituent district offices. The OFO is led by a director, a position that constitutes one of the agency’s three career-SES positions.

## **Key Leaders**

Michael J. Hayes, Director, Office of Labor-Management Standards (political)

Andrew D. Auerbach, Deputy Director

Stephen J. Willertz, Director, Office of Field Operations

Lorenzo D. Harrison, Director, Office of Program Operations

Sharon Hanley, Chief, Division of Enforcement

Andrew Davis, Chief, Division of Interpretations and Standards

Teresa Thomas, Chief, Division of Planning, Management and Technology

Larry King, Chief, Division of Reports, Disclosure and Audits

Vacant, Chief, Division of Statutory Programs

Dan Cherry, Director, Southern Region

Dan LaFond, Director, Central Region

Pete Papinchak, Director, Northeastern Region

Jena De Mers Raney, Director, Western Region

## **TAB 2: 30/60/90 DAYS – STATE OF PLAY**

### **Key Meetings, Decisions and Announcements**

*By end of February 2017: None*

*By end of March 2017: None*

*By end of April 2017: None*

### **Key Agency Stakeholders**

All labor organizations representing private sector or federal employees are OLMS stakeholders. As this is a key constituency for many Department of Labor components, and no one labor union at present has a more key role than another, OLMS has concluded that it cannot assemble and share a meaningful list of stakeholders.

## TAB 3: INITIATIVES

### Policy and Regulatory Issues

An important OLMS rulemaking, called the “persuader rule,” was preliminarily enjoined nationwide by a U.S. District Court on June 27, 2016. OLMS had planned for that rule to go into effect on July 1, 2016. The rule requires labor relations consultant and employers to report on certain agreements or arrangement. They each must report if the consultant undertakes, or agrees to undertake, “persuader activities.” These are defined as any actions, conduct, or communications that are undertaken with an object, explicitly or implicitly, directly or indirectly, to affect an employee's decisions regarding his or her representation or collective bargaining rights. Under the typical reportable agreement or arrangement, a consultant agrees to manage a campaign or program to avoid or counter a union organizing or collective bargaining effort, either jointly with the employer or separately. The rule also requires consultants to file reports when they hold union avoidance seminars for employers. Under prior regulation (and currently under the injunction), consultants and employers were only required to report, speaking generally, when the consultant spoke directly to the employees.

Beginning in 2009, OLMS took decisive action to revise or rescind regulations that unfairly burdened labor unions with excessive paperwork, without providing commensurate benefits to members and the public. For example, OLMS rescinded a regulation that had penalized smaller labor unions by (counterintuitively) requiring small unions that were having difficulty with the reporting rules to file even more information on a more complex form. OLMS also rescinded the Form T-1, which had required reporting on entities with only a weak relationship to labor unions. OLMS revised the Form LM-30 (labor organization officer and employee report) by, for example, relieving volunteers like union stewards from having to post their home mortgages and student loans on the Internet.

Another notable policy effort is the Voluntary Compliance Partnership program. This program, begun in 2009 with 20 partner national and international unions, delivers compliance assistance and other help to local unions by coordinating efforts with their national and international unions. Since its inception, this program has since expanded to reach 43 parent unions, which increased OLMS’s compliance assistance reach to over 16,000 local unions. The program is designed to effect improvement in union operations in areas such as adequate financial bonding for local unions, e-filing rates, and reduced delinquency rates for required filings as best practices continue to be replicated.

### Enforcement

OLMS has pending numerous criminal significant cases, i.e., cases that involve a prominent subject, involve a substantial financial loss; have the potential for significant media coverage or congressional interest; or involve a high level official. The majority of the cases involve embezzlement of labor organization funds. The Secretary need not be briefed on these cases at the outset.

OLMS has a special enforcement policy with regard to annual reports (Form LM-21) filed by labor relations consultants. The LM-21 is required of any consultant who in that year had a “persuader agreement” with an employer. A possible interpretation of the LM-21 reporting obligation is that consultants must publicly disclose all receipts and disbursements from all their clients in connection with labor relations advice or services. That possible disclosure obligation is removed by OLMS’s special enforcement policy on LM-21 reports, which was issued on April 13, 2016.

## **Audits and Reports**

OLMS has no such audits or reports.

## **Management**

OLMS’ Electronic Labor Organization and Reporting System (e.LORS) is more than 15 years old and obsolete. The system is mission essential. It comprises various applications that support OLMS’ administration of the Labor-Management Reporting and Disclosure Act (LMRDA). Continued code revisions to e.LORS have degraded the system and approximately 60 percent of all application costs have been spent fixing bugs and patching, resulting in increased maintenance costs each year. Modernization would specifically enable OLMS to enhance public customer service, increase mission efficiency, implement the DOL regulatory agenda, leverage use of the DOL DGIP (Digital Government Initiative Platform), and comply with accessibility laws and DOL policy directives. Congress has to date not funded e.LORS modernization.

### ***Personnel and Engagement***

Due to OLMS’ uniquely difficult budget environment for the past years, which includes three years at sequestration levels, OLMS has not been a leader in the FEVS scores. OLMS, however, has seen improvements each year.

The core of the Federal Employee Viewpoint Survey consists of questions broken down into six major categories. On average, OLMS outperforms both the government as a whole and the Department of Labor in two of those categories, namely the “*Leadership*” and “*My Agency*” categories. In two categories, “*My Satisfaction*” and “*My Work Unit*,” OLMS outperforms the government but underperforms DOL. In another two, “*My Supervisor*” and “*My Work Experience*,” OLMS is outstripped by both DOL and the government.

OLMS’ scores have increased from last year. Of the 71 questions studied, only six questions recorded lower scores than last year, and only one showed a meaningful dip (over 2%), which was “*My supervisor supports my need to balance work and other life issues.*” In contrast, 65 questions showed an increase in scores, with 14 showing substantial gains (over 8%), with the greatest gain in “*Managers/supervisors/team leaders work well with employees of different backgrounds.*”

OLMS’ action plan was developed in conjunction with the National Union of Labor Investigators, Ind., which is the union that represents OLMS investigators in the field. The action plan establishes an LM Forum, which holds meetings between OLMS management and NULI officers twice a year to discuss ways to improve the FEVS scores. The action plan also provides for 12 conference calls,

**TAB 3: Initiatives**

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one every month, each to one of OLMS' 12 district offices. These calls provide a means for all field investigators to address OLMS' senior management directly with their concerns, ideas, and suggestions. Finally, the action plan requires a twice yearly information exchange between OLMS management and NULI officers.

## TAB 4: BUDGET

### BUDGET AUTHORITY AND FTE SUMMARY

(Dollars in millions)

	<b>FY 2013 Enacted</b>	<b>FY 2014 Enacted</b>	<b>FY 2015 Enacted</b>	<b>FY 2016 Enacted</b>	<b>FY 2017 Request</b>
<b>Budget Authority</b>	\$39.1	\$39.1	\$39.1	\$40.6	\$45.7
<b>FTE</b>	222	211	209	199	209

#### At-A-Glance

- The Office of Labor-Management Standards (OLMS) administers the Labor-Management Reporting and Disclosure Act and other applicable laws. These laws provide safeguards for labor union democracy and union financial integrity and transparency by requiring public disclosure reporting by unions, union officers, union employees, employers, labor consultants, and surety companies and by providing standards for conducting union elections.
- OLMS is also responsible for reviewing public transportation grants to ensure labor protections for transit workers are in place prior to Federal funds being released.
- Prior to FY 2009, OLMS was a part of the Employment Standards Administration (ESA). In 2009, ESA was eliminated and OLMS became an independent agency reporting directly to the Secretary of Labor.
- OLMS is a single budget activity agency and is funded through an annual appropriation.

#### Budget and FTE Trends

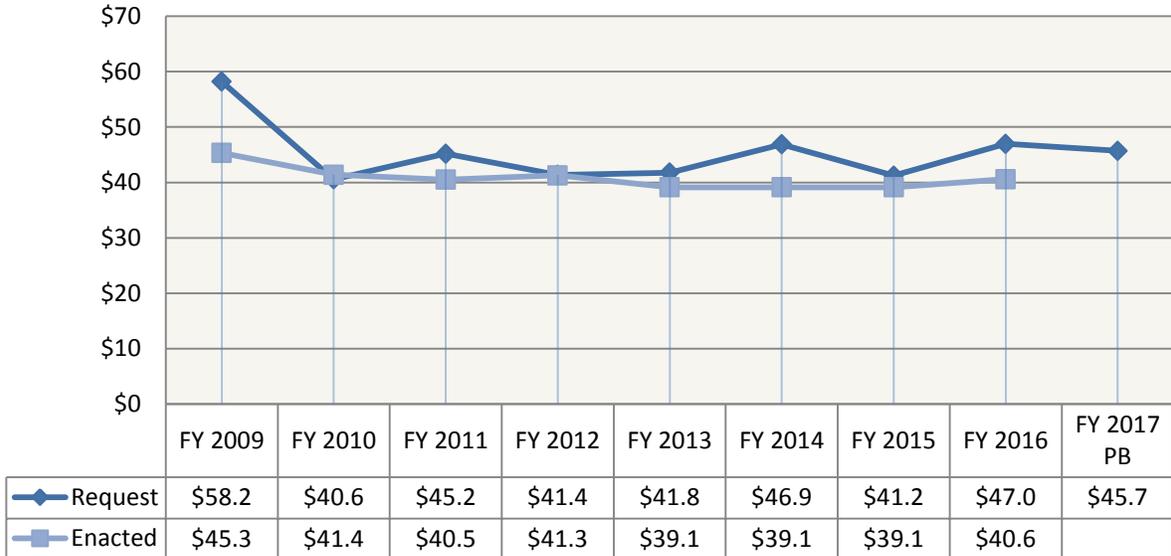
- OLMS's budget authority has ranged from a high of \$45.3 million in FY 2009 to a low of \$39.1 million in FY 2013 after sequestration.
- OLMS's funding was stable until it was reduced by \$2.2 million for sequestration in FY 2013. During sequestration, OLMS originally planned to absorb reductions by furloughing all employees for seven days. Due to unexpected attrition, however, OLMS was able to reduce the number of furlough days to 2.5. The agency absorbed the remainder of the reduction by eliminating performance bonuses, training, travel, and reducing its payment to the Working Capital Fund.
- The agency's budget authority was not increased from sequestration levels until FY 2016.
- In the FY 2016 and FY 2017 President's Budget, OLMS requested resources to modernize its 15 year old legacy reporting and enforcement case management database system: the Electronic Labor Organizations Reporting System (e.LORS). OLMS did not receive the requisite funding in 2016.

#### Staff Contact

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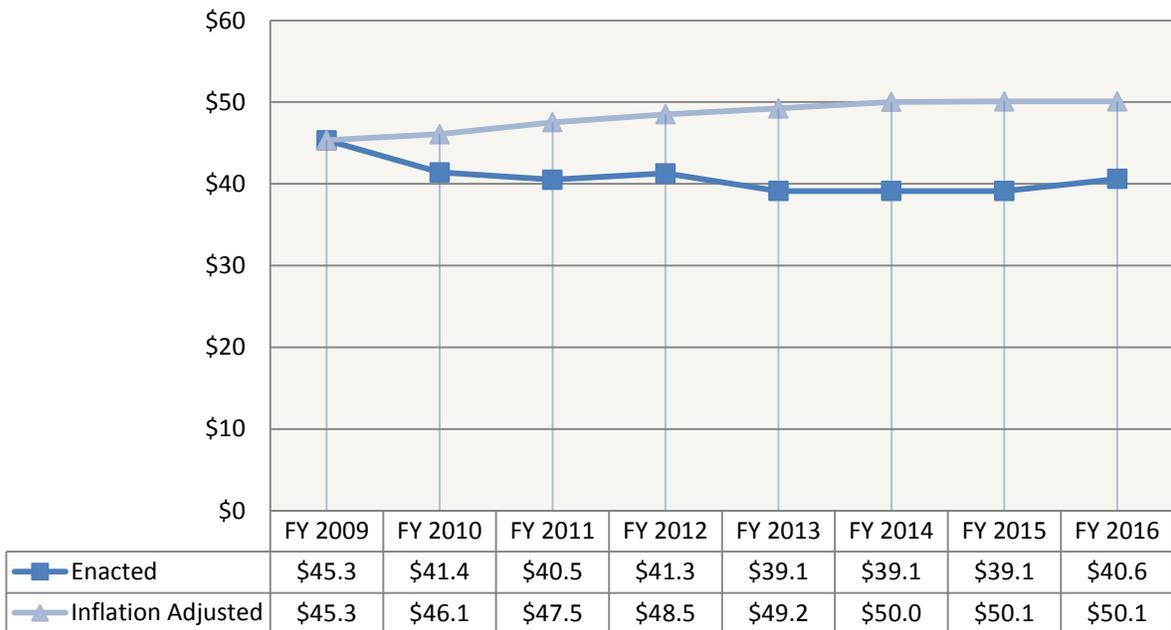
## OLMS

Request vs. Enacted, FY 2009-FY 2016  
(Dollars in millions)



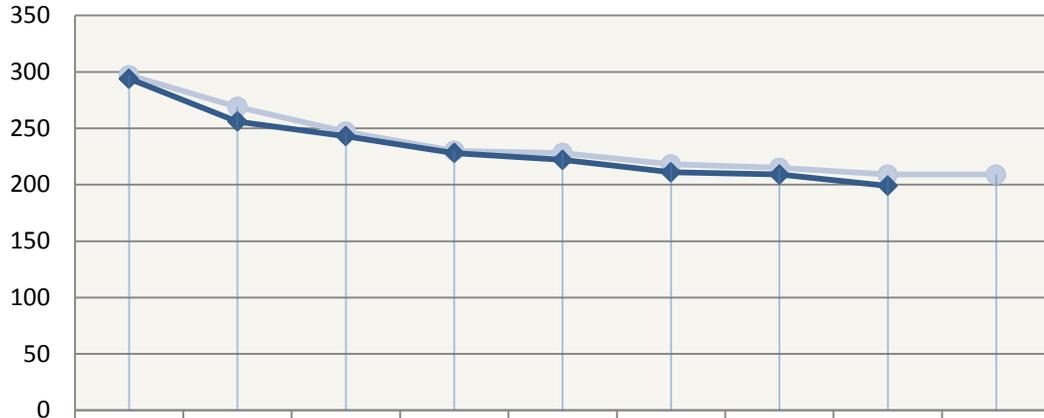
## OLMS

FY 2009 Inflation Adjusted BA vs. FY 2009-FY 2016 Enacted BA  
(Dollars in millions)



# OLMS

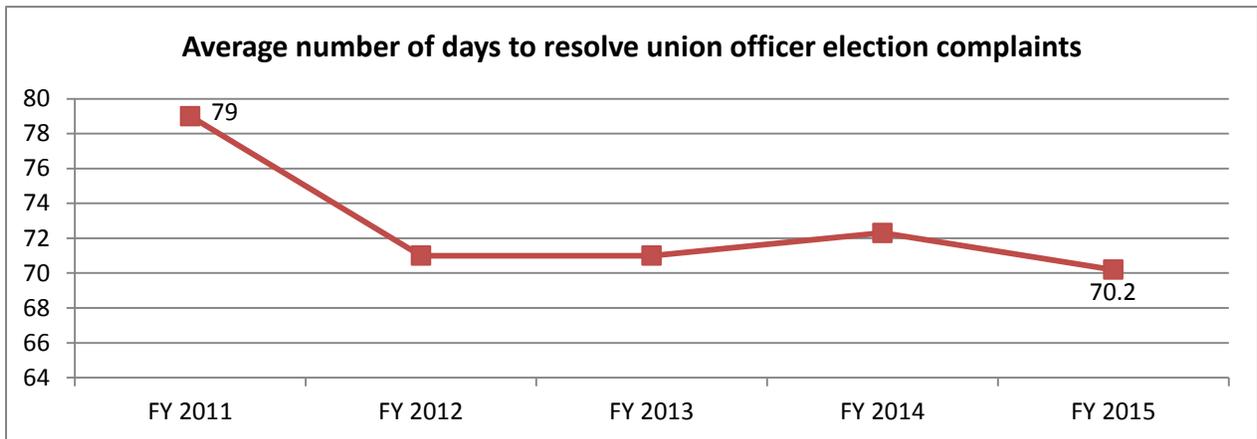
Authorized FTE vs. Actuals, FY 2009-2017



	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017 PB
Authorized	297	269	247	230	228	218	215	209	209
Actuals	294	256	243	228	222	211	209	199	

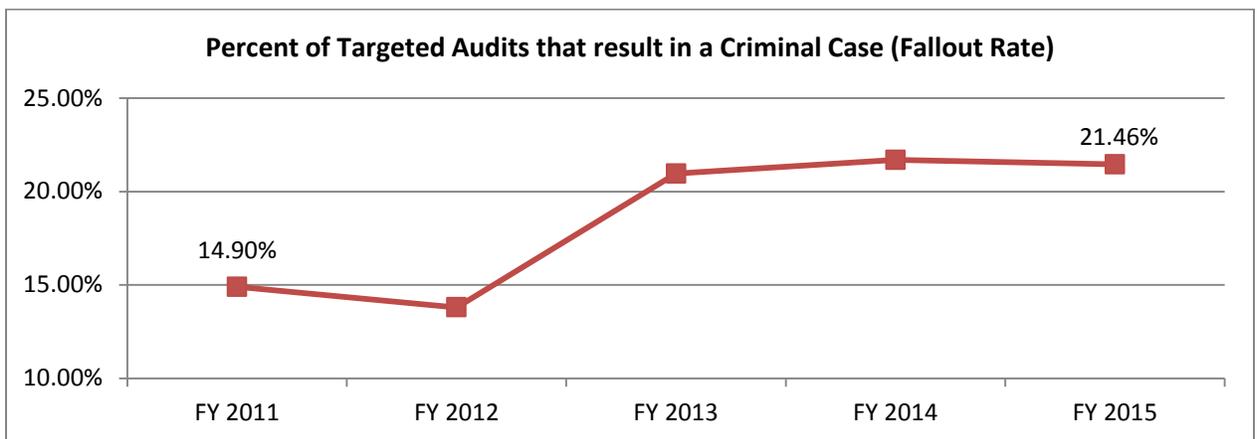
## TAB 5: AGENCY PERFORMANCE

The Office of Labor-Management Standards (OLMS) is the Federal agency responsible for administering and enforcing most provisions of the Labor-Management Reporting and Disclosure Act of 1959 (LMRDA), ensuring union financial transparency, integrity and democracy through its oversight and investigative services. OLMS has implemented a number of changes in its internal processes to become more efficient. For instance, through changes such as increased communications between national and field offices, among staff and management, and its partnership with SOL, OLMS has reduced the average number of days to resolve union officer election complaints from 79 in FY 2011 to 70.2 in FY 2015.



Because it is not feasible for OLMS to audit every union for malfeasance, OLMS developed a methodology to direct its auditing resources to unions where criminal activity is more likely to be found. Such cases are known as “fallouts”. The “fallout” measure tracks the number of targeted audits that result in a criminal case. Better targeting has allowed OLMS to mitigate somewhat the expected decrease in criminal cases identified that could have resulted from the declining number of OLMS. While the decline in staff has resulted in a decrease in the number of both audits and criminal investigations, increased effectiveness, efficiency and targeting prevented the decline in cases processed from being significantly greater.

**Performance Goal OLMS 3.2** – Promote union financial integrity, transparency and democracy.



**TAB 5: Agency Performance**

Under the LMRDA, unions, employers, labor consultants and others must file a number of reports and documents. Some of these reports can be filed electronically through the OLMS electronic Labor Organization Reporting System (e.LORS). Some unions continue to file paper

**Performance Goal OLMS 3.2** – Promote union financial integrity, transparency and democracy.

versions of their documents and OLMS must ensure these too are available for disclosure. OLMS ensures the public has access to these documents through the OLMS website. Increasing the percentage of forms filed electronically cuts costs by eliminating scanning manually submitted forms, aids in transparency by making electronically submitted forms available on the web site almost instantaneously, and ensures that electronic submissions are submitted in accordance with a series of business rules to avoid inaccuracies. e.LORS is built on a platform over 15 years old, however, and requires a major overhaul to ensure continued system security and functionality, which OLMS has noted in annual budget submissions and operating plans for the past several years.

