

2012 Annual Report

Office of Labor-Management Standards

U.S. Department of Labor
Michael J. Hayes, Director



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Introduction

When the Labor-Management Reporting and Disclosure Act (LMRDA) was enacted in 1959, Congress declared, "it is essential that labor organizations, employers and their officials adhere to the highest standards of responsibility and ethical conduct in administering the affairs of their organizations, particularly as they affect labor-management relations." The LMRDA primarily promotes union democracy and financial integrity in private sector labor unions through standards for union officer elections and union trusteeships and safeguards for union assets. Additionally, the LMRDA promotes transparency through reporting and disclosure requirements for labor unions and their officials, employers, labor relations consultants, and surety companies. The Office of Labor-Management Standards (OLMS) continues today to pursue this important mission through criminal and civil enforcement of the LMRDA.

The major provisions of the LMRDA, by title, are:

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

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

OLMS is the front line agency responsible for enforcing the LMRDA through its criminal and civil investigations. Criminal investigations include embezzlement, deprivation of rights by violence, extortionate picketing, willful failure to file reports, filing false reports, prohibited union office holding or employment of convicted persons, and fraud related to union elections. Civil investigations include violations of the LMRDA involving union election procedures, financial disclosure requirements, and trusteeship standards.

OLMS conducts audits of union finances, administers a comprehensive compliance assistance program, and offers information and technical support to union officers and members to further the goals of financial integrity, union democracy, and transparency.

Compliance assistance also plays a central role in the OLMS enforcement strategy. OLMS has an active compliance assistance program to promote voluntary compliance with the LMRDA by informing union officers and employees of their responsibilities and informing members of their legal rights.

Summary

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

- Section 1 presents key FY 2012 criminal enforcement and performance results pursuant to LMRDA Title V (financial safeguards for labor organizations) together with noteworthy criminal enforcement actions. A more complete listing of these actions is located at www.dol.gov/olms/regs/compliance/enforce_2012.htm on the OLMS website.
- Section 2 presents key FY 2012 civil enforcement and performance results pursuant to LMRDA Title III (trusteeships) and Title IV (union officer elections) together with noteworthy union officer election case summaries for FY 2012. Listings of union officer election voluntary settlement agreements are located at www.dol.gov/olms/regs/compliance/civil_actions_2012.htm (2012). Final decision letters in election and trusteeship cases are located on the OLMS website at www.dol.gov/olms/regs/compliance/OLMS_FOIA.htm.
- Section 3 presents reporting and disclosure data and related program activity pursuant to LMRDA Title II (reporting requirements). Section 3 also presents key FY 2012 reporting enforcement and performance results. Reports are available for public disclosure on the OLMS Online Public Disclosure Room, www.unionreports.gov.
- Section 4 summarizes grant certification activity pursuant to Section 13(c) of the Federal Transit Act, ensuring fair and equitable arrangements protecting mass transit employees.
- Section 5 presents major regulatory activities in FY 2012.
- Section 6 briefly describes compliance assistance activities conducted in FY 2012.

To view previous OLMS annual reports, visit:

www.dol.gov/olms/regs/compliance/OLMS_Annual_Reports.htm.

Program Activities

1. Safeguarding Union Assets

As part of the effort to protect and safeguard union funds and assets, OLMS investigates possible embezzlement from unions and other violations of criminal laws. Over the past 10 years, restitution of \$109,674,741 has been paid or ordered to be paid to defrauded unions and other parties. OLMS also conducts audits of labor unions to detect embezzlement and ensure and promote compliance with the LMRDA. Compliance audit closing letters are located at www.dol.gov/olms/regs/compliance/CA_closing_letters.htm on the OLMS website. OLMS

seeks to more effectively and accurately identify cases of fraud and embezzlement, which is measured by the percent of audits resulting in the opening of a “fallout” criminal case.

In FY 2012, OLMS exceeded its performance goal by increasing the fallout rate to 13.8 percent. By increasing the percent of audits that result in criminal case fallouts, OLMS was able to redirect resources from audits to its criminal investigation program. Thus, despite reduced agency resources, OLMS still exceeded its planned numbers of criminal cases processed and reached historical levels in criminal indictments and convictions.

OLMS Performance Goal – Financial Integrity	FY 2012 Target	FY 2012 Results
Percent of Audits Resulting in a Criminal Case	13.75%	13.8%

OLMS Enforcement Statistics – Financial Integrity	FY 2012 Plan	FY 2012 Results
Criminal Cases Processed	288	308
Indictments	100	124
Convictions	100	121
Compliance Audits Conducted	359	333

Union officers, employees, and representatives have a duty to manage the funds and property of the union solely for the benefit of the union in accordance with its constitution. A union officer or employee who embezzles or misappropriates union funds or assets commits a federal crime punishable by fine and/or imprisonment. OLMS is responsible for investigating these crimes. The following are some of the most significant criminal enforcement actions from FY 2012.

Former Union Official Sentenced to Prison Following a Trial

In October 2011, Frank Rago, former Representative of the International Longshoremen’s Association (ILA) and former President of ILA Local 1604 in Stoneham, Massachusetts, was sentenced to one year and one day of incarceration, three years of supervised release, and was also ordered to pay \$216,384 in restitution and \$10,000 in forfeiture. After a 13-day jury trial in January 2010, Rago was convicted of unlawful labor payments and falsification of documents required to be kept by ERISA. Rago secured a no-show job with the employer of the local’s members so that he could continue being paid his prior salary without performing any work. Rago also falsified employment documents pertaining to work that his minor son did not complete. This investigation was conducted jointly with the Department of Labor’s Office of Inspector General.

Former Union Employee Sentenced for Embezzlement for a Duplicate Paycheck Scheme

In January 2012, Toni Lancaster, former office manager for Carpenters Local 711 in Portland, Oregon, was sentenced to five months of home confinement, three years of probation, and was ordered to pay full restitution. In September 2011, Lancaster pled guilty to embezzling union funds in the amount of \$68,403. The investigation found that Lancaster had issued herself unauthorized duplicate paychecks over a period of six years and falsified union financial records to conceal her theft.

Former Union Employee Sentenced to Prison for Embezzling over \$494,000

In January 2012, Jennine Prince, former bookkeeper/office secretary for Iron Workers Local 3 in Pittsburgh, Pennsylvania, was sentenced to two years of imprisonment, three years of supervised release, and was ordered to pay restitution in the amount of \$494,598. In September 2011, Prince pled guilty to embezzling union funds. The investigation disclosed that Prince had embezzled union funds by writing checks to self, taking cash dues, and falsifying union records.

Former Secretary-Treasurer Convicted of Embezzling Union Funds for Drugs

In January 2012, Tracy Ford, former Secretary-Treasurer of Machinists Lodge 1528 in Modesto, California, was sentenced to five years of probation which includes 10 months of home detention with electronic monitoring (with the exception of work and other approved outings). Ford was also ordered to pay \$174,100 in restitution. In September 2011, Ford pled guilty to embezzling union funds. Ford issued herself extra unauthorized salary checks totaling \$147,425 and made \$27,466 in unauthorized employer contributions on behalf of another individual who in turn supplied her with the drug OxyContin.

Former Union Officer Sentenced to Prison Following a Trial

Gloria Porter, former President of National Federation of Federal Employees (NFFE), International Association of Machinists (IAM) Local 2049 and former Secretary-Treasurer of the NFFE IAM Army Materiel Command (AMC) District Council in Las Cruces, New Mexico, was sentenced to 70 months of imprisonment followed by three years of supervised release. Porter also was ordered to pay \$143,457 in restitution. In June 2011, after a three-day trial, a federal jury convicted Porter on all 107 counts of an indictment charging her with wire fraud, mail fraud, and aggravated identity theft. Porter embezzled money by obtaining an unauthorized debit card on the AMC checking account and using it to make unauthorized cash withdrawals and personal charges. She also submitted false financial reports for the AMC and Local 2049, which included the forged signature of at least one officer. Porter concealed her theft by providing fraudulent bank statements to audit committee members. This investigation was conducted jointly with the Federal Bureau of Investigation and the Las Cruces Police Department.

Former Treasurer Sentenced for Embezzlement via Fraudulent Checks

In April 2012, Graven Townsend, former Treasurer of Steelworkers Local 9-462 in Prattville, Alabama, was sentenced to five years of probation and ordered to serve five months at Dismas Charities. Townsend was also ordered to pay additional restitution owed in the amount of \$80,970. In December 2011, Townsend pled guilty to embezzling \$98,970. Townsend embezzled union funds by altering and paying himself unauthorized checks after forging the president's signature.

Former Union President Sentenced to Prison for Embezzlement for Gambling

In May 2012, Ernest Milewski, former President of the United Food and Commercial Workers (UFCW), Northeast District Council in Wilkes-Barre, Pennsylvania, was sentenced to 18 months in prison, three years of supervised release, and was ordered to pay \$257,590 in restitution. In August 2011, Milewski pled guilty to embezzling union funds and embezzling assets of a health care benefit program. Milewski, a confessed gambler, embezzled money through various unauthorized transactions. This investigation was conducted jointly with the Department of Labor's Office of Inspector General and Employee Benefits Security Administration.

Former Union Officer Sentenced to Prison for Embezzling over \$561,000

In May 2012, James J. Kearney Jr., former Financial Secretary-Treasurer of Iron Workers Local 45 in Jersey City, New Jersey, was sentenced to 30 months of incarceration, three years of supervised release, and was ordered to pay restitution of \$371,000. In November 2011, Kearney pled guilty to embezzling union funds in the amount of \$561,365. The investigation disclosed that between June 2007 and September 2010, Kearney withdrew \$471,400 from the union's bank account and failed to deposit an additional \$89,965 in receipts from membership dues and other fees and monies received by the union.

Former Union President Sentenced to Prison for Defrauding Members of over \$758,000

In June 2012, Diana Frey, former President of the Cincinnati Organized and Dedicated Employees (CODE) in Cincinnati, Ohio, was sentenced to 51 months of incarceration, three years of supervised release, and was ordered to pay restitution in the amount of \$758,056. In September 2011, Frey pled guilty to wire fraud. Frey used the stolen money for family rental properties, an in-ground swimming pool at her home, meals, travel, and pampering for her pets. Frey embezzled the money from the Cincinnati employee union of 800 middle managers, professionals, and technical workers that she helped found.

Former Union Employee Sentenced to Prison for Embezzling Cash Dues

In September 2012, Laura Dixon, former office secretary for the Ohio and Vicinity Regional Council of Carpenters in Cleveland, Ohio, was sentenced to 18 months of incarceration, two years of supervised release, and was ordered to pay full restitution in the amount of \$170,216. Dixon was also ordered to undergo mental health and alcohol counseling. In March 2012, Dixon pled guilty to embezzlement. Dixon embezzled union funds by pocketing the majority of union dues that were paid in cash and concealed her theft by falsifying electronic accounting records, producing falsified financial information, and refusing to share bank documentation with union officials. This investigation was conducted jointly with the Department of Labor's Office of Inspector General.

Former Business Manager Sentenced to Prison for Embezzling for Personal Expenses

In September 2012, William Adrian, former business manager for Plumbers Local 101 in Belleville, Illinois, was sentenced to 366 days in prison, three years of supervised release, and was ordered to pay restitution of \$102,572. In May 2012, Adrian pled guilty to embezzling union funds and theft from an employee pension or welfare plan. From 2008 through 2011, Adrian used union credit cards to make fraudulent charges for various personal expenses, including over \$23,000 in wine, over \$15,000 in meals for him and his wife, family vacations, car expenses, and trips to visit his children at college. Adrian concealed his embezzlement of union funds by filing false financial reports with the Labor Department. This investigation was conducted jointly with the Department of Labor's Office of Inspector General and Employee Benefits Security Administration.

2. Protecting Union Democracy

The LMRDA establishes democratic standards for conducting union officer elections, such as the frequency and method of election, the right of members in good standing to be candidates, rights of candidates, and voting rights of members. When a union member files a timely

complaint protesting a regularly scheduled election of union officers following a timely and proper internal protest, OLMS conducts an investigation. If the investigation reveals a violation of the union democracy provisions of the LMRDA that may have affected the outcome of the election, OLMS asks the union to agree to allow OLMS to supervise a new election. If the union agrees, a voluntary compliance agreement is signed. If the union does not voluntarily agree to remedy the violation, OLMS takes legal action seeking a new election supervised by OLMS. The agency also conducts investigations to determine the validity of the imposition or continuation of trusteeships imposed by national unions on subordinate bodies. Trusteeship investigations are conducted upon receipt of a complaint from a member or subordinate body.

OLMS seeks to improve the timely resolution of union officer election complaints, which is measured by the average number of elapsed days. In FY 2012, OLMS exceeded its performance goal by reducing the average number of elapsed days to resolve union officer election complaints to 71 days. OLMS tracks the number of election investigations and supervised elections, which are dependent upon the number of election complaints received by OLMS. The FY 2012 planning projections in those categories are based on historical averages. OLMS does not project or estimate the number of lawsuits filed or voluntary compliance agreements obtained in a year, given that such actions are dependent upon the facts of each case.

OLMS Performance Goal – Union Democracy	FY 2012 Target	FY 2012 Results
Number of Days to Resolve Election Complaints	76	71

OLMS Enforcement Statistics – Union Democracy	FY 2012 Plan	FY 2012 Results
Election Investigations Conducted	127	123
Lawsuits Filed	NA	4
Voluntary Compliance Agreements Obtained	NA	22
Supervised Elections Completed	32	25
Trusteeship Investigations	5	14

The following highlights some of the most significant OLMS election cases during FY 2012.

Machinists District Lodge 141 Settles Lawsuit and Holds Supervised Election

In August 2011, the Department and Machinists District Lodge 141 filed a stipulation of settlement to resolve the Department’s July 2010 lawsuit which sought to set aside the district’s June 2010 election for assistant general chairman positions and to supervise the next regular election of district lodge officers scheduled for June 2012. The lawsuit filed in the U.S. District Court for the Northern District of Illinois (Eastern Division) alleged that the union improperly disqualified a nominee for that office for failing to meet the union’s 24-month continuous good standing candidate eligibility requirement. OLMS supervision began with nominations at all of the district lodge’s 47 locals throughout the country in March 2012 followed by the June 2012 elections held at all 47 locals. A nationwide team of 28 investigators located in OLMS offices across the U.S. worked at the on-site elections held at all locals in June. In July 2012, OLMS supervised the final tally of votes cast for all Machinists DL 141 officer positions.

Transport Workers Union Agrees to Settle Department's Lawsuit and Hold New Election

In November 2011, the Department and the Transport Workers Union of America (TWU) filed a stipulation of settlement to resolve the Department's July 2010 lawsuit which sought to set aside the September 2009 election of one international vice president and two executive board members. The lawsuit filed in the U.S. District Court for the Southern District of New York alleged that the union permitted three international union officers, who were not in continuous good standing for two years preceding nominations, to be nominated and elected. The OLMS supervised election required the work of more than 50 investigators and managers from 18 different offices in order to certify the proper election of 354 TWU local union delegates to participate in the international election. OLMS then supervised the international union's first mail-ballot election by delegates between conventions in accordance with the LMRDA. The final tally of the ballots cast was completed in July 2012.

Voluntary Agreement for New Election for the AAUP National Union

In January 2012, OLMS entered into a voluntary compliance agreement with the American Association of University Professors (AAUP) in Washington, D.C., concerning its election of officers completed in April 2011. The OLMS investigation concluded that there was a lack of secrecy because the balloting agent could determine how members voted, a person who was no longer a member was a candidate, the nomination notice for one position was not distributed to all members, some members were denied the right to vote, and the union failed to provide adequate safeguards when employers and AAUP employees had access to some members' voting credentials. The union agreed to conduct new nominations and a new election for the ASC Chair and new nominations, if needed, and a new election for three at-large council members and District 1 through 10 council members under OLMS supervision. Ballots were sent to the more than 33,000 members in March 2012 and the election was successfully completed when the returned ballots were tallied in April 2012 under OLMS supervision.

AAUP - NYSC Enters into a Voluntary Agreement with OLMS

In January 2012, OLMS entered into a voluntary compliance agreement with the American Association of University Professors (AAUP) New York State Conference (NYSC) in Syracuse, New York, concerning its election of officers completed in April 2011. The OLMS investigation concluded that the union: failed to provide adequate safeguards when some employers had access to some members' voting credentials; failed to provide proper notice of election; failed to conduct the election by secret ballot; denied some members the right to vote; and failed to provide adequate safeguards to ensure a fair election in that the accuracy of the vote tally could not be confirmed. The supervised election was conducted in April 2012 by mail ballot.

NPMHU Local 307 Agrees to Hold New OLMS Supervised Election

In March 2012, OLMS entered into a voluntary compliance agreement with National Postal Mail Handlers Union (NPMHU) Local 307 in Detroit, Michigan, concerning the challenged election of officers conducted in February 2010. The union agreed to conduct an election of officers, including nominations, under OLMS supervision. The OLMS investigation disclosed that Local 307 funds were used when a union newsletter was issued at union expense that was critical of one candidate in the election. In addition, Local 307 erroneously omitted the name of a candidate in good standing from the ballot and failed to properly count the ballots. The supervised election will be completed by February 2013 by mail ballot.

Voluntary Agreement for New APWU Local 174 Election

In April 2012, OLMS entered into a voluntary compliance agreement with American Postal Workers Union (APWU) Local 174 in Baton Rouge, Louisiana, concerning its election of officers completed in November 2011. The OLMS investigation discovered ballot irregularities, including the presence of ballots printed on different paper than used to print the official ballot, affecting the outcome of the election. The union agreed to conduct a new election for all LMRDA-covered offices under OLMS supervision. The supervised election was conducted in June 2012 by mail ballot.

CWA Local 6215 Agrees to Voluntary Agreement with OLMS

In July 2012, OLMS entered into a voluntary compliance agreement with Communications Workers of America (CWA) Local 6215 in Dallas, Texas, concerning its October 2011 election of officers. The OLMS investigation concluded that the local imposed an unreasonable meeting attendance requirement, which disqualified over 98% of the members from running for office. The investigation also revealed that an ineligible person voted and an eligible member's vote was not counted. The local agreed to conduct new nominations and a new election for the offices of chief steward for jurisdictions 4, 7, 8, and 17 under OLMS supervision. The supervised election was conducted in September 2012 by mail ballot.

Department Settles Two Lawsuits against NEMSA

In July 2012, the Department and the National Emergency Medical Services Association (NEMSA), located in Modesto, California, filed two stipulations of settlement to resolve two separate lawsuits filed by the Department against NEMSA in 2011. The first stipulation of settlement provides that the Department will supervise a new election for president. The first lawsuit was filed in March 2011 after an OLMS investigation determined that NEMSA denied a member in good standing his right to be a candidate and run for office, and further refused the same member his right to hold office after he was duly elected president by receiving the most votes, by write-in votes, in the union's July 2010 election. The second stipulation of settlement provides that the Department will supervise nominations and an election for vice president, treasurer, and five regional director positions. The second lawsuit was filed in November 2011 after an OLMS investigation determined that NEMSA did not hold its regularly scheduled officer election in June 2011 and thus failed to allow members to elect their union officers every three years, as required by the LMRDA.

Department Files Suit against IBEW Local 611

In August 2012, in the U.S. District Court for the District of New Mexico, the Department filed suit against International Brotherhood of Electrical Workers (IBEW) Local 611 in Albuquerque, New Mexico. The lawsuit seeks to nullify the local's September 2011 election for the offices of business manager/financial secretary, president, vice president, recording secretary, treasurer, and the executive board. The complaint alleges that one group of candidates used employer email to campaign while other candidates requested but were not allowed to make similar use of this employer resource.

Operating Engineers Local 501 Agrees to Settle Department's Lawsuit

In October 2012, the Department and Operating Engineers Local 501 filed a stipulation of settlement to resolve the Department's October 2011 lawsuit, which sought to set aside the local's August 2010 election for the offices of business manager/recording-corresponding

secretary, president, vice president, financial secretary, treasurer, trustee, one auditor, and one executive board member. The lawsuit filed in U.S. District Court for the Central District of California alleged that the union improperly disqualified two nominees who had been barred by the union from holding office; refused to allow a slate of candidates to run on the ballot as a slate because the slate was comprised of fewer than 10 candidates; and printed erroneous instructions on the ballot regarding how many auditor positions members could vote for. The OLMS supervised election will be completed by August 2013.

3. Labor Union and Labor-Management Transparency

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

Unions must file annual financial reports (Forms LM-2, LM-3, LM-4, or simplified filings) with OLMS. Unions must also file trusteeship reports (Forms LM-15, LM-16) when supervision or control is established over a subordinate body. Other entities – employers (Form LM-10), labor relations consultants (Forms LM-20, LM-21), union officers and employees (Form LM-30), and surety companies (Form S-1) – are also required to file reports under certain circumstances. Reports are available for public disclosure on the OLMS Online Public Disclosure Room, www.unionreports.gov. OLMS also collects and maintains collective bargaining agreements (CBAs) filed by CBA signatories on a voluntary basis. CBAs covering 1,000 or more workers are maintained by OLMS and are located at www.dol.gov/olms/regs/compliance/cba/index.htm.

OLMS received and processed the following public disclosure reports in FY 2012.

OLMS LMRDA Reports Administration	FY 2012
Form LM-2 Labor Organization Annual Reports	4,945
Form LM-3 Labor Organization Annual Reports	11,540
Form LM-4 Labor Organization Annual Reports	7,402
Simplified Labor Organization Annual Reports	1,376
Form LM-10 Employer Reports	837
Form LM-15 Trusteeship Reports (initial, semiannual, and 15A)	200
Form LM-16 Terminal Trusteeship Reports	42
Form LM-20 Labor Relations Consultant Agreement and Activities Reports	617
Form LM-21 Labor Relations Consultant Receipts and Disbursements Reports	96
Form LM-30 Labor Organization Officer and Employee Reports	993
Form S-1 Surety Company Annual Reports	83
Total Reports	28,131

In FY 2011, OLMS introduced its new Electronic Forms System (EFS). EFS is a web-based system for completing and submitting Labor Organization Annual Financial Reports. EFS allows any labor organization with a web-enabled computer to complete and electronically submit an LM report without any special software or a digital signature. EFS performs all

calculations for the LM report and completes a form error check prior to submission to OLMS. EFS also allows unions that maintain electronic accounting records to import financial data from their accounting programs directly into their LM form. When labor organization annual reports are not filed in a timely manner or the reports filed are not acceptable, OLMS opens an investigation to obtain compliance. Additionally, when reports due from employers, labor relations consultants, and union officers and employees are not timely or properly filed, OLMS pursues delinquent and deficient reports from these entities, as “Special Reports” cases.

In FY 2012, 100 percent of LM-2 filers, over 32 percent of LM-3 filers, and over 27 percent of LM-4 filers submitted their annual reports via EFS, which has increased timely and accurate filing. In FY 2012, OLMS exceeded its performance goal by increasing the percent of all LM reports filed electronically to 37.8 percent. OLMS also tracks the numbers of delinquent and deficient reports and special reports cases completed. The FY 2012 planning projections in those categories are largely based on historical averages. Enhanced OLMS outreach efforts have improved special reporting compliance resulting in fewer than projected special reports cases, as noted in the chart below. Special reports cases are opened only when reports are not filed voluntarily. Improved voluntary compliance enabled OLMS to achieve reporting compliance with fewer than projected special reports cases.

OLMS Performance Goal – Reporting and Disclosure	FY 2012 Target	FY 2012 Results
Percent of Reports Filed Electronically	30.5%	37.8%

OLMS Enforcement Statistics – Reporting and Disclosure	FY 2012 Plan	FY 2012 Results
LM-2/3/4 Delinquent Reports Cases Completed	2,145	2,305
LM-2/3/4 Deficient Reports Cases Completed	259	332
Special Reports Cases Completed	115	39

4. Employee Protections

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

In FY 2012, DSP certified 2,166 Federal transit grants within an average processing time of less than 16 days per grant, well under the 60 days permitted by guidelines. More information about employee protections under Federal transit law, including compliance assistance materials, can be found at www.dol.gov/olms/regs/compliance/compltransit.htm.

5. Regulatory Activities

Final Rule Revising the Form LM-30 Labor Organization Officer and Employee Report

On October 26, 2011, OLMS published in the *Federal Register* a final rule revising the Form LM-30 Labor Organization Officer and Employee Report. The Form LM-30 is intended to make public any actual or likely conflict between the personal interests of union officers and employees and their obligations to the union and its members. These conflicts may arise from payments, interests, and transactions involving: (1) the employers whose employees the union represents or actively seeks to represent; (2) vendors and service providers to such employers, the official's union, or the union's trust; and (3) other employers from which a payment could create a conflict. Under the new Form LM-30, union shop stewards, as a general rule, are not required to file the form; union leave and no docking payments (*i.e.*, payments to union officials who are also employees of the employer for work done for the union on employer time) are not required to be reported; and no report need be filed for bona fide financial transactions with credit institutions. The new Form LM-30 imposed stricter reporting requirements for high level union officers and employees.

6. Compliance Assistance

In FY 2012, OLMS undertook the following initiatives as part of a comprehensive compliance assistance program to educate unions, union officials, employers and consultants about the LMRDA:

- OLMS continued its program of structured, nationwide compliance assistance seminars but sought to reduce the number of sessions while increasing attendance through enhanced recruitment. The goal of this program is to provide an opportunity each year for the officers of every labor organization to attend a compliance assistance seminar. The content of the compliance assistance seminar is similar throughout the country so that every officer in attendance benefits from the same material. In FY 2012, OLMS conducted compliance assistance seminars for 4,729 attendees. In total, OLMS recorded 21,103 contact hours of compliance assistance (*i.e.*, the number of participants multiplied by the number of hours of instruction).
- OLMS continued to be responsive to all specific requests for compliance assistance seminars. OLMS received and responded to hundreds of requests for information and interpretations.
- OLMS entered into voluntary compliance partnerships with an additional 12 national and international unions resulting in significant improvements in the reporting and bonding compliance of their affiliates, as well as promoting training initiatives and development of best practices.
- OLMS conducted a live Webinar concerning the recently published changes to the Form LM-30 Labor Organization Officer and Employee Report.
- OLMS continued to promote and use an electronic mailing list system to send e-mail messages to unions, accountants, union members, and other interested parties. More than 33,000 subscribers to the Department of Labor's electronic messaging system receive OLMS messages.
- OLMS published two new compliance tips on its "Compliance Tips" page: "Form LM-2 Common Reporting Errors", www.dol.gov/olms/regs/compliance/catips/CompTip_LM2ReportingErrors.pdf and the other on "Recordkeeping for and the Reporting of Receipts", www.dol.gov/olms/regs/compliance/catips/CompTip_Receipts.pdf.

- OLMS continued its Persuader Reporting Orientation Program (PROP) for employers hiring consultants in National Labor Relations Board (NLRB) certification elections. OLMS sent a letter to all employers and representatives listed in certification petitions advising them of their potential reporting responsibilities under Section 203 of the LMRDA.