

2013 Annual Report

Office of Labor-Management Standards

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



January 2014

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 five sections, with related tables and charts.

- Section 1 presents key FY 2013 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_2013.htm on the OLMS website.
- Section 2 presents key FY 2013 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 2013. Listings of union officer election voluntary settlement agreements are located at www.dol.gov/olms/regs/compliance/civil_actions_2013.htm (2013). 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 2013 reporting enforcement and performance results. Reports are available for public disclosure on the OLMS Online Public Disclosure Room website, www.unionreports.gov.
- Section 4 summarizes grant certification activity pursuant to Section 13(c) of the Federal Transit Act, ensuring fair and equitable arrangements protecting mass transit employees.
- Section 5 briefly describes compliance assistance activities conducted in FY 2013.

To view past-year 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. OLMS also conducts audits of labor unions to detect embezzlement and ensure and promote compliance with the LMRDA. Compliance audit closing letters are located on the OLMS website at www.dol.gov/olms/regs/compliance/CA_closing_letters.htm. OLMS seeks to more effectively and accurately identify cases of fraud and embezzlement, with effectiveness measured by the percent of audits resulting in the opening of a “fallout” criminal case.

In FY 2013, OLMS exceeded its performance goal by increasing the fallout rate to 20.97 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 convictions.

OLMS Performance Goal – Financial Integrity	FY 2013 Target	FY 2013 Results
Percent of Audits Resulting in a Criminal Case	14.25%	20.97%

OLMS Enforcement Statistics – Financial Integrity	FY 2013 Plan	FY 2013 Results
Criminal Cases Processed	296	319
Indictments	100	97
Convictions	100	116
Compliance Audits Conducted	321	329

Union officers, employees, and representatives have a duty to manage the funds and property of the union solely for the benefit of the union in accordance with its constitution. A union officer or employee who embezzles or misappropriates union funds or assets commits a federal crime punishable by imprisonment or fine, or both. OLMS is responsible for investigating these crimes. The following are some of the most significant criminal enforcement actions from FY 2013.

Former Union Employee Convicted of Embezzling over \$104,000

In October 2012, Rachel Lanham, former office secretary for Machinists District Lodge 34 in Columbus, Ohio, was sentenced to six months of home confinement, three years of supervised release, and was ordered to make full restitution in the amount of \$104,867. In June 2012, Lanham pled guilty to one count of embezzlement. The investigation found that Lanham made unauthorized salary payments to herself via electronic fund transfers and used a union credit card to make unauthorized personal purchases.

Former Union Secretary-Treasurer Sentenced for Wire Fraud

In October 2012, Rebecca Mercer, former Secretary-Treasurer of National Treasury Employees Union (NTEU) Chapter 284 in Atlanta, Georgia, was sentenced to one year and one day of imprisonment, three years of probation, and was ordered to pay restitution in the amount of \$50,822. In June 2011, Mercer pled guilty to one count of wire fraud. The investigation revealed that between July 2006 and June 2008, Mercer embezzled more than \$50,000 in union funds through unauthorized debit card transactions and ATM withdrawals.

Former Union Official Sentenced for Conspiring to Embezzle Union Funds

In October 2012, Ronald Witt, former business manager and JATC Trustee of International Union of Operating Engineers (IUOE) Local 450 in Houston, Texas, was sentenced to one year and one day in prison, three years of supervised release, and was ordered to pay \$198,333 in restitution. In January 2012, Witt pled guilty to one count of conspiring to embezzle union funds. Witt stole nearly \$200,000 and used the money to pay for luxury trips for himself and friends, to remodel his home, and for other personal expenses. Witt’s wife, Anita Witt, former

Local 450 Financial Secretary and the committee's coordinator, was also charged with conspiracy and embezzlement from an employee benefit plan. Those charges were dismissed following the acceptance of responsibility and sentencing of her husband as agreed to in Ronald Witt's plea agreement. This investigation was conducted jointly with the Employee Benefits Security Administration.

Former Union Official Sentenced for Embezzling over \$110,000 via Fraudulent Checks

In December 2012, Claude Huff, former President and Business Manager of Amalgamated Transit Union (ATU) Local 1385 in Dayton, Ohio, was sentenced to five years of probation and was ordered to pay restitution in the amount of \$110,348. In September 2012, Huff pled guilty to one count of embezzlement of union funds. The investigation disclosed that between 2004 and 2010, Huff embezzled union funds through unauthorized checks to himself for salary, vacation pay, and sick leave. Huff also altered union financial records in an attempt to conceal his actions.

Former Union Trustee Sentenced to Prison for Embezzling \$379,000

In January 2013, Ava Ramey, former trustee of United Government Security Officers of America (UGSOA) Local 21 in Bowie, Maryland, was sentenced to two years in prison followed by three years of probation. She was also ordered to pay restitution and forfeiture in the amount of \$379,000. In June 2012, Ramey pled guilty to one count of embezzlement from a labor organization. The investigation revealed that between December 2005 and October 2009, Ramey wrote more than \$80,000 in checks from the union's account to either herself or to cash for personal expenses and withdrew more than \$60,000 from the union's account in unapproved ATM withdrawals. In addition, Ramey withdrew in person or transferred to her personal account more than \$100,000 in union funds and wrote more than \$60,000 in checks from the union's account to her family members.

Former Union President Sentenced to Prison for Embezzlement of \$150,000

In February 2013, John McNamee, former President of International Alliance of Theatrical Stage Employees (IATSE) Local 829 in New York, New York, was sentenced to one year of imprisonment, two years of supervised release, and was ordered to pay a \$25,000 fine. McNamee made full restitution prior to the sentencing. In October 2012, McNamee pled guilty to one count of embezzlement in the amount of \$150,000 in labor union funds. An OLMS investigation found that between January 2004 and February 2011, McNamee used the union credit card to cover personal expenses, including jewelry, clothing, restaurant bills, entertainment tickets, and vacations for himself and his family.

Former Union Official Sentenced to Home Detention for Embezzlement for Unauthorized Pay and Reimbursements

In February 2013, Lawrence E. Minas, former General Chairman for United Transportation Union (UTU) General Committee of Adjustment 449 in Munster, Indiana, was sentenced to six months of home detention and was ordered to pay 10% of his monthly income in restitution. In September 2012, Minas pled guilty to embezzling union funds in the amount of \$71,160. The investigation discovered the embezzlement and false records relative to unauthorized salary reimbursements, per diem payments, and vacation reimbursements. Minas admitted guilt in a signed statement.

Former Union Employee Sentenced to Prison and Ordered to Repay over \$200,000 in Cash Dues Embezzled

In April 2013, Grace Rathke, former office manager for Laborers Local 32 in Rockford, Illinois, was sentenced to 17 months of incarceration, three years of probation, and was ordered to pay full restitution of \$204,836. In January 2013, Rathke pled guilty to embezzling union funds. The investigation found that between November 2004 and March 2009, Rathke stole money that the union members paid in cash and falsified records to conceal the theft. This investigation was conducted jointly with the Department of Labor's Office of Inspector General.

Former Union President Sentenced to Jail for Embezzlement of Unauthorized Pay Totaling \$110,000

In May 2013, Stephen P. Arena, former President of Novelty and Production Workers Local 148 in Jersey City, New Jersey, was sentenced to six months in jail and six months home confinement for embezzlement of union funds. Arena agreed to make full restitution of \$110,000 to the union and was ordered to pay a \$5,000 fine to the court. In May 2012, Arena pled guilty to a one-count indictment charging him with embezzlement of labor union funds. Arena conspired with the union's secretary-treasurer/recording secretary, David Caivano, to steal money from the union by taking unauthorized salary increases and bonuses. This investigation was conducted jointly with the Department of Labor's Office of Inspector General.

Former Union Secretary-Treasurer Sentenced to Prison for Filing a False Report

In May 2013, Joseph Allen, former Secretary-Treasurer of National Association of Letter Carriers (NALC) Branch 588 in Athens, Georgia, was sentenced to one year in prison, one year of probation, and was ordered to pay restitution in the amount of \$50,000. In March 2013, Allen pled guilty to one count of filing a false report. The investigation found that Allen took out a bank loan in the union's name without authorization of the executive board or membership. Allen also used the union's credit and debit cards for personal purchases and wrote unauthorized checks to himself and for personal purchases. This investigation was conducted jointly with the Department of Labor's Office of Inspector General and U.S. Postal Service's Office of Inspector General.

Former Union Employee Sentenced to Home Detention for Embezzlement

In June 2013, Deborah Small, former bookkeeper for International Brotherhood of Electrical Workers (IBEW) Local 712 in Beaver, Pennsylvania, was sentenced to 10 months of home detention, five years of probation, and was ordered to pay restitution in the amount of \$75,285. The court ruled that the restitution should include the \$19,800 in auditing fees incurred by the union after considering the victim impact statement and the financial losses to the union. In February 2013, Small pled guilty to one count of embezzlement in the amount of \$55,485. The investigation disclosed that Small embezzled the money using a variety of methods: petty cash, extra salary checks, unauthorized health care reimbursements, and a complicated receipts scheme.

Former HFIA Clerical Employee Sentenced to Prison for Embezzling over \$500,000 in Unauthorized Checks

In July 2013, Cora Carper, former clerical employee for the International Association of Heat and Frost Insulators and Allied Workers (HFIAW) in Lanham, Maryland, was sentenced to 37 months in prison followed by three years of probation. Carper agreed that the total

embezzlement amount was \$502,586 and was ordered to pay the remaining restitution of \$495,286. In April 2013, Carper pled guilty to embezzling at least \$200,000 from the union. The investigation found that, between June 2009 and February 2011, Carper cashed more than 300 checks from the union's political action fund which she managed. Carper frequently falsified information on the checks and in the union's electronic ledger in order to conceal the embezzlement.

Former Union Official Sentenced for Embezzling Cash Dues

In July 2013, Kristine Stephens, former administrative assistant and bookkeeper for Painters Local 567 in Sparks, Nevada, was sentenced to 10 months of home confinement with electronic monitoring, five years of probation, 100 hours community service, and was ordered to pay \$81,570 in restitution. In November 2012, Stephens pled guilty to one count of embezzlement. The investigation found that Stephens stole cash dues from the union.

Former International Union Employee Sentenced for Embezzling Union Funds

In July 2013, Charles E. Rocha, former Political Director for the Steelworkers International Union in Pittsburgh, Pennsylvania, was sentenced to two years of probation and was ordered to pay a fine of \$2,000. Rocha had previously made restitution in the amount of \$12,449. Rocha also filed a petition with the court to have the Section 504 bar that would prohibit him from serving in certain capacities with labor unions be reduced in length so that he could continue serving as a union consultant. The judge denied Rocha's petition; therefore, the 13-year bar was automatically imposed. In March 2013, Rocha pled guilty to embezzling union funds. The investigation found that between January 2008 and June 2009, Rocha misused a union credit card, incurred personal travel agency charges, and received unauthorized expense reimbursements from falsified travel vouchers.

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 2013, 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 2013 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 2013 Target	FY 2013 Results
Number of Days to Resolve Election Complaints	75	71

OLMS Enforcement Statistics – Union Democracy	FY 2013 Plan	FY 2013 Results
Election Investigations Conducted	123	122
Lawsuits Filed	NA	8
Voluntary Compliance Agreements Obtained	NA	19
Supervised Elections Completed	29	26
Trusteeship Investigations	6	15

The following highlights some of the most significant OLMS election cases during FY 2013.

Department Settled Lawsuit against Union General De Trabajadores

In February 2012, a stipulation of settlement was filed to resolve the Department’s March 2011 lawsuit against the Union General De Trabajadores in Rio Piedras, Puerto Rico. The stipulation of settlement provided that the Department would supervise the union’s nomination and election of all officers no later than January 31, 2013. The lawsuit filed in the U.S. District Court for the District of Puerto Rico sought to set aside the union’s January 2010 election because the investigation established that employer funds were used to promote the winning slate in that an employer provided the winning slate with advertising and design services without being paid until after the investigation. OLMS supervised in-person polling for the 15,000-member union at four polling centers on one day with the tally conducted the following day in January 2013.

AFGE Local 1120 Enters into a Voluntary Compliance Agreement with OLMS

In November 2012, OLMS entered into a voluntary compliance agreement with American Federation of Government Employees (AFGE) Local 1120 in Boise, Idaho, concerning the challenged election in June 2012. The union agreed to conduct a new runoff election and installation for the office of president under OLMS supervision. The investigation established that Local 1120 failed to elect by secret ballot when the identity of members casting ballots using the union’s internet electronic voting system could be linked with their vote and the vote of a member who cast a ballot by mail could be easily identified. Additionally, the union did not provide candidates the opportunity to have observers at each stage of the election process since the election was conducted outside of the local union’s jurisdiction using an electronic voting system. The supervised election took place in February 2013 by mail ballot.

Steelworkers Local 13 Agrees to Hold New OLMS Supervised Election

In November 2012, OLMS entered into a voluntary compliance agreement with Steelworkers Local 13 in Independence, Missouri, concerning the challenged election of officers conducted in April 2012. The union agreed to conduct new nominations and a new election for the position of vice president as well as a new election for the positions of president, financial secretary, guide, and two guards under OLMS supervision. The investigation disclosed that Local 13 did not adequately update member address information, did not use an accurate voter eligibility

list, failed to verify that eligible members only voted once, failed to keep a record of why some ballots were invalidated and not opened or counted, unreasonably imposed a candidacy requirement and failed to notify candidates of enforcement of this requirement until after nominations, and improperly voided five ballots in their entirety. The supervised election was conducted in February 2013 by mail ballot.

IATSE Local 884 Enters into a Voluntary Compliance Agreement with OLMS

In January 2013, OLMS entered into a voluntary compliance agreement with Studio Teachers and Welfare Workers of the International Alliance of Theatrical Stage Employees (IATSE) Local 884 in Los Angeles, California, to conduct a new election for the office of business representative under OLMS supervision. The investigation established that Local 884 failed to consistently apply an election rule deadline related to postmarks on voted ballots. Additionally, the union failed to ensure adequate election safeguards when the election chairperson mailed ballots without observers or other election committee members present, kept voted ballots at her home in an unsecured shoebox, and recounted the ballots and changed the winning margin in the sergeant-at-arms race without observers or other committee members present. The supervised mail ballot election was held in April 2013.

Department Settled Lawsuit against United Steelworkers of America Local 1104

In February 2013, a stipulation of settlement was filed to resolve the Department's October 2012 lawsuit against United Steelworkers of America Local 1104 in Lorain, Ohio. The lawsuit filed in the U.S. District Court for the Northern District of Ohio sought to set aside the union's April 2012 election because the Department's investigation established that Local 1104 applied an unreasonable meeting attendance requirement which disqualified more than 95 percent of the members from running for elected office and resulted in only one contested race. The Department supervised new nominations and a new election for the offices of president, trustee (three positions), inside guard, and outside guard. The supervised election and tally for the 1,200-member union were held at the local's union hall in April 2013.

Western Pulp and Paper Workers Local 5 Enters into Voluntary Compliance Agreement with OLMS

In March 2013, the Department entered into a voluntary compliance agreement with Western Pulp and Paper Workers Local 5 in Camas, Washington, concerning a challenged election held in December 2012. Local 5 agreed to rerun the runoff election for finance officer and install six candidates who won office in the original election. The investigation concluded that Local 5 violated its constitution and bylaws by failing to set up polls at a worksite where its members are employed. In addition, Local 5 disqualified six winning candidates by enforcing an unreasonable meeting attendance requirement after completion of the election. The investigation established that the meeting attendance requirement was unreasonable because it disqualified approximately 95 percent of the members from running for elected office. The ballots for the Western Pulp and Paper Workers Local 5 supervised mail ballot rerun election were tallied in May 2013.

IAFF International Union Enters into Voluntary Compliance Agreement with OLMS

In April 2013, the Department entered into a voluntary compliance agreement with the International Association of Fire Fighters (IAFF) in Washington, D.C., concerning its July 2012 election of officers. The IAFF agreed to conduct a new election for District 5 Vice President

under OLMS supervision. The investigation of the challenged election disclosed that some locals in District 5 failed to elect delegates and proxies by secret ballot or without proper nomination or election notice. OLMS was able to certify some or all of the previously elected ex-officio delegates in 44 of the local unions. There were 71 local unions required to hold new nominations for delegates because they had no certified delegates. OLMS staff supervised 64 nomination meetings and two delegate elections in person. Delegates were mailed ballots of varying denominations equivalent to their voting strength. Ballots were in denomination of 1, 5, 10, 20 and 50 and were necessary to protect voter secrecy. In past elections, delegates voted a single ballot equivalent to their local's voting strength.

ILWU Local 142 Agrees to Hold New OLMS Supervised Election

In April 2013, the Department entered into a voluntary compliance agreement with International Longshore and Warehouse Union (ILWU) Local 142 in Honolulu, Hawaii, concerning a challenged election held in November 2012. Local 142 agreed to conduct a new election for the office of Kauai Division Business Agent under OLMS supervision. The investigation established that a candidate for business agent campaigned on company time and property, and inappropriately used company bulletin boards for campaign purposes. Although the challenged election conducted polling at 35 sites in Kauai, the supervised election was conducted primarily by mail ballot election in July 2013.

Department Files Suit Against NALC Branch 2730

In May 2013, the Department filed suit against National Association of Letter Carriers (NALC) Branch 2730 in Gretna, Louisiana. The lawsuit filed in the United States District Court for the Eastern District of Louisiana sought to void the branch's November 2012 election for president, vice president, treasurer, secretary, and state and national convention delegates and to obtain a new election for these positions under the Secretary of Labor's supervision. The investigation determined that the branch failed to timely mail ballots and election notices, failed to mail ballots and election notices to all members, and failed to have voted ballots returned to a secure location.

Machinists Local Lodge 1976 Enters Voluntary Agreement with OLMS

In May 2013, OLMS entered into a voluntary compliance agreement with Machinists Local Lodge 1976, a 1,400-member union in Moon Township, Pennsylvania, concerning its December 2012 election of officers. Local Lodge 1976 agreed to conduct a new election for president, vice president, recording secretary, grievance committee chair, two grievance committee positions and two trustees under OLMS supervision. The investigation of the challenged election established that employer equipment and supplies were used to produce campaign literature that promoted the incumbent slate of officers. The supervised poll ballot election was conducted in December 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 website, 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 2013.

OLMS LMRDA Reports Administration	FY 2013
Form LM-1 Labor Organization Information Reports	191
Form LM-2 Labor Organization Annual Reports	4,836
Form LM-3 Labor Organization Annual Reports	11,287
Form LM-4 Labor Organization Annual Reports	7,724
Simplified Labor Organization Annual Reports	1,331
Form LM-10 Employer Reports	934
Form LM-15 Trusteeship Reports (initial, semiannual, and 15A)	226
Form LM-16 Terminal Trusteeship Reports	58
Form LM-20 Labor Relations Consultant Agreement and Activities Reports	571
Form LM-21 Labor Relations Consultant Receipts and Disbursements Reports	117
Form LM-30 Labor Organization Officer and Employee Reports	797
Form S-1 Surety Company Annual Reports	80
Total Reports	28,152

In FY 2011, OLMS introduced its new Electronic Forms System (EFS). EFS is a web-based system for completing and submitting Labor-Management (LM) reports. Implementation of EFS is being conducted in phases. Currently, Form LM-2, LM-3, and LM-4 Labor Organization reports and Form LM-30 Labor Organization Officer and Employee reports can be filed via EFS. EFS allows any filer with a web-enabled computer to complete and electronically submit an LM report without any special software or a digital signature. EFS performs calculations for the LM report and completes a form error check prior to submission to OLMS. EFS also allows unions that maintain electronic accounting records to import financial data from their accounting programs directly into their LM form. When labor organization annual reports are not filed in a timely manner or the reports filed are not acceptable, OLMS opens an investigation to obtain compliance. Additionally, when reports due from employers, labor relations consultants, and union officers and employees are not timely or properly filed, OLMS pursues delinquent and deficient reports from these entities, as “Special Reports” cases.

In FY 2013, 100 percent of LM-2 filers, over 38 percent of LM-3 filers, over 32 percent of LM-4 filers, and over 16 percent of LM-30 filers submitted their annual reports via EFS, which has increased timely and accurate filing. In FY 2013, OLMS exceeded its performance goal by

increasing the percent of all LM reports filed electronically to 42.4 percent. OLMS also tracks the numbers of delinquent and deficient reports and special reports cases completed. The FY 2013 planning projections in those categories are largely based on historical averages. Enhanced OLMS outreach efforts have improved timely reporting compliance resulting in fewer than projected delinquent reports cases and special reports cases, as noted in the chart below.

OLMS Performance Goal – Reporting and Disclosure	FY 2013 Target	FY 2013 Results
Percent of Reports Filed Electronically	34.5%	42.4%

OLMS Enforcement Statistics – Reporting and Disclosure	FY 2013 Plan	FY 2013 Results
LM-2/3/4 Delinquent Reports Cases Completed	2,181	2,063
LM-2/3/4 Deficient Reports Cases Completed	214	311
Special Reports Cases Completed	79	75

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 2013, DSP certified 1,902 federal transit grants, with 99.3% percent of grants (1,889 of 1,902) certified within a 45-day timeframe, well under the 60 days permitted by guidelines. More information about employee protections under federal transit law can be found at www.dol.gov/olms/regs/compliance/compltransit.htm.

5. Compliance Assistance

In FY 2013, 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 2013, OLMS conducted compliance assistance seminars for 2,125 attendees. In total, OLMS recorded 9,795 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 maintained voluntary compliance partnerships with 40 international and national 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 for filers of the Form LM-30 Labor Organization Officer and Employee Report on how to file electronically.
- 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 managed a public email address, enabling it to respond to thousands of inquiries and requests in the year.
- 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.