Introduction

From the founding of the United States through today, labor unions have performed an essential function in the American economy by providing a voice for workers in their workplace. They do this by negotiating and enforcing agreements with employers to promote employee safety, equitable policies, and fair pay. Labor unions advance the economic aspirations of their members, those in the middle class and those aspiring to reach the middle class. They raise wages and improve working conditions, and they do so with an even hand. They create equity among diverse communities by closing wage gaps that divide the nation by race, gender, and ethnicity. They were and remain in the forefront of the movement for social justice, promoting benefits for their members – the forty-hour week and overtime pay, retirement security and health insurance, to name just a few – long before these benefits were embodied in national and state law.

The mission of the Office of Labor-Management Standards (OLMS) has the effect of strengthening unions. OLMS is tasked with protecting unions and their members by administering the Labor-Management Reporting and Disclosure Act (LMRDA) and related laws. OLMS protects labor organizations and their membership by promoting financial integrity through its compliance audit and criminal enforcement programs. Furthermore, OLMS promotes transparency by reviewing union, employer, and persuader reports for accuracy and making them available to the public. Finally, OLMS conducts investigations of complaints filed by members concerning regularly scheduled union officer elections and trusteeships to protect the democratic process in the election of labor movement leaders by their membership. Unions are strong when they operate democratically, are free from corruption, and are transparent in their operations. OLMS is successful in its mission when strong, democratic, and transparent unions have the full confidence of workers, employers, and policy makers.

By taking regulatory and policy actions, discussing the benefits that labor unions offer, enforcing reporting of anti-union employer conduct, sponsoring far-reaching research projects, contextualizing labor union enforcement data with employer enforcement data, and modernizing its website, the OLMS mission inherently strengthens unions, enabling the labor movement to contribute to the hard work of creating greater equity and economic security. While this report for fiscal year 2021 (October 1, 2020 through September 30, 2021), by its very nature, highlights the instances when unions and their officers or employees fail to live up to the standards set for them, these are the exceptions which prove the rule: the vast and overwhelming majority of unions and their officers and employees do their work exactly as the American people expect them to do.
The Law

When the LMRDA was enacted in 1959, Congress reiterated what it had found in 1935 when it enacted the National Labor Relations Act, stating that “in the public interest, it continues to be the responsibility of the Federal Government to protect employees’ rights to organize, choose their own representatives, bargain collectively, and otherwise engage in concerted activities for their mutual aid or protection.” To help achieve that end, Congress declared that “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. OLMS continues today to protect union members and their right “to organize, choose their own representatives, bargain collectively, and otherwise engage in concerted activities for their mutual aid or protection” by pursuing this important mission through criminal and civil enforcement of the LMRDA.

The major provisions of the LMRDA are, by title:

- **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; and
- **Title V**: Safeguards for protecting union funds and assets.

Unions representing U.S. Postal Service employees became subject to the LMRDA with the passage of the Postal Reorganization Act of 1970.

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 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 safeguarding union assets, promoting democracy by enforcing the LMRDA through its criminal and civil investigations, and creating transparency about employer efforts to persuade workers on how to exercise their rights protected by federal labor laws. Criminal investigations include embezzlement, deprivation of rights by violence, extortionate picketing, willful failure to file reports, destruction of records, filing false reports, prohibition of convicted persons from holding union office or employment, and fraud related to union elections. Civil investigations include violations of the LMRDA involving union election procedures, financial disclosure requirements, and trusteeship standards. OLMS also conducts audits of union finances.
Compliance assistance also plays a major role in OLMS enforcement strategy. OLMS has an active compliance assistance program to promote voluntary compliance with the LMRDA by informing union officers and employees as well as employers and employer-consultants of their responsibilities and informing members of their legal rights.

Summary

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

- Section 1 presents key fiscal year (FY) 2021 criminal enforcement and performance results pursuant to LMRDA Title V (financial safeguards for labor organizations) together with noteworthy criminal enforcement actions. A complete listing of the calendar year (CY) 2021 criminal actions is located on the OLMS website along with those of prior calendar years. It bears noting in this Summary that of the more than 200,000 union officers and employees, fewer than 0.025% were convicted for having broken their trust with the members they represent. OLMS’ 2021 experience is similar to its experience over the last 5 years.

- Section 2 presents key FY 2021 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 2021. A listing of all 2021 voluntary agreements for OLMS-supervised union officer elections is located on the OLMS website along with those of prior calendar years. FY 2021 court actions for election investigations are located on the OLMS website along with those of prior calendar years. Final decision letters in election and trusteeship cases are located on the OLMS website in the FOIA reading room. As with OLMS’ criminal enforcement activities, it bears noting that of the more than 7,000 union officer elections estimated to have taken place in 2021, members filed viable complaints in only 78 elections and OLMS found a basis for proceeding in only 22 of those. And as regards trusteeships, reports were filed reflecting 47 subordinate bodies (local or intermediate unions) having been placed in trusteeship and OLMS had a basis for opening only 17 investigations predicated on complaints or other factors. These 2021 results for elections and trusteeships are also consistent with OLMS’ experience over the last 5 years.

- Section 3 presents reporting and disclosure data and related program activity pursuant to LMRDA Title II (reporting requirements). Section 3 also presents key 2021 reporting, enforcement and performance results. Reports are available for public disclosure on the OLMS Online Public Disclosure Room.

- Section 4 summarizes grant certification activity pursuant to the section 13(c) program, which ensures fair and equitable arrangements protecting mass transit employees, as required by the Federal Transit Act.

- Section 5 provides an overview of the OLMS regulatory initiatives in FY 2021.

- Section 6 briefly describes compliance assistance activities conducted in FY 2021.

- Section 7 discusses OLMS outreach efforts undertaken in FY 2021.

OLMS Annual Reports for 2004–2020 are located on the OLMS website.
Program Activities

1. Safeguarding Union Assets

As part of the effort to protect and safeguard the union funds and assets belonging to hard-working union members, OLMS investigates possible embezzlement from unions and other violations of criminal laws. 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. While the vast majority of union officers and employees do their work diligently and without incident, unfortunately criminal violations do sometimes occur and, when they do, the union is the victim. When a union officer or employee violates their position of trust by embezzling or misappropriating union funds or assets, they commit a federal crime punishable by imprisonment or fine, or both. OLMS is responsible for investigating these crimes.

Further, section 504 of the LMRDA prohibits individuals convicted of certain crimes from holding union office or employment or serving in other specified capacities. The bar continues for 13 years after conviction or after the end of imprisonment, whichever is later. OLMS is also responsible for investigating violations of section 504 in addition to other violations including embezzlements of union funds and the willful failure to file complete and accurate financial and other reports with OLMS or to maintain records. These investigations may result in criminal prosecutions.

OLMS monitors activities involving union funds to help safeguard such funds from criminal conduct. There are over 20,000 unions that file LM reports with OLMS and, among those unions, upwards of 200,000 elected officers and employees. During the past five years OLMS has opened annually on average around 217 criminal investigations. Those investigations have led to between 60 and 79 criminal convictions annually over the last five years. While many of those convicted were union officers or employees, others were not. For example, out of the 48 criminal convictions reported for 2021, four were convictions of employers, vendors or others whose criminal conduct affected union funds.

OLMS also conducts audits of labor unions both to detect embezzlements and promote compliance with the LMRDA. This effort extends to every level of labor organizations, from local unions to intermediate bodies, national and international unions. Compliance audit closing letters are located on the OLMS website. Because it is not feasible for OLMS to audit every union, OLMS developed a methodology to direct its auditing resources to unions whose metrics suggest the possibility that there may have been criminal activity, diverting resources from audits of organizations with less potential of criminal activity to other programs. The effectiveness of this methodology is measured by the percent of audits resulting in the opening of a “fallout” criminal case. A higher or lower than expected fallout rate measures only the “efficiency” of OLMS’ targeting strategies and says nothing (either positively or negatively) about the amount of criminal activity involving union funds.

In 2021, OLMS fell short of its performance goal in this area, achieving a fallout rate of 15.25 percent with a target of 16.75 percent. Despite the disruption caused by the COVID-19 pandemic, travel restrictions, and diminished staff training, OLMS met its goal in planned criminal investigations with strong results in other financial integrity areas.
### OLMS Performance Goal – Financial Integrity

<table>
<thead>
<tr>
<th>FY 2021 Target</th>
<th>FY 2021 Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent of Audits Resulting in a Criminal Case</td>
<td>16.75%</td>
</tr>
</tbody>
</table>

### OLMS Enforcement Statistics – Financial Integrity

<table>
<thead>
<tr>
<th>FY 2021 Plan</th>
<th>FY 2021 Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Criminal Investigations Completed</td>
<td>202</td>
</tr>
<tr>
<td>Indictments</td>
<td>80</td>
</tr>
<tr>
<td>Convictions</td>
<td>80</td>
</tr>
<tr>
<td>Compliance Audits Conducted</td>
<td>237</td>
</tr>
</tbody>
</table>

Below are summaries of notable cases resulting from OLMS investigations during FY 2021.

**Former Union Officer Sentenced to Home Confinement for Wire Fraud and Forged Securities**

In October 2020, Rocky Gannon, former President of American Federation of Government Employees Local 2302, located in Fort Knox, Kentucky, was sentenced to 15 months of home confinement, four years of probation, and 250 hours of community service. He was also ordered to pay $116,353 in restitution and a $1,200 assessment. In June 2020, Gannon pleaded guilty to three counts of wire fraud and nine counts of forged securities. The OLMS investigation found that Gannon converted union funds by making electronic payments to the union credit card company for personal charges, forging checks, and creating false invoices.

**Former Union Employee Sentenced to Prison for Embezzlement**

In October 2020, Rick E. Drain, former business manager for Laborers Local 1085, located in Parkersburg, West Virginia, was sentenced to one year and one day in prison and one year of supervised release. He was also ordered to pay $59,181 in restitution and a $100 special assessment. In July 2020, Drain pleaded guilty to one count of embezzling union funds. The OLMS investigation discovered that Drain diverted funds from initiation fees and direct dues, withheld cash from bank deposits, and received unauthorized union checks.

**Former Union Officer Sentenced to Home Confinement Following $119,000 Embezzlement**

In November 2020, Angel Luis Garcia, former Financial Secretary of Amalgamated Transit Union Local 1614, located in Dover, New Jersey, was sentenced to 12 months of home confinement with electronic monitoring and three years of supervised release. Garcia was ordered to pay $119,021 in restitution and a $100 special assessment. In June 2020, Garcia pleaded guilty to one count of embezzling union funds. The OLMS investigation disclosed that Garcia used union funds to pay for his personal telephone bills, home mortgage payments, personal loans, and to purchase personal goods at Home Depot, Amazon, and BestBuy. He also issued himself duplicate salary payments.
Five Former UAW Officials and Fiat Chrysler Sentenced for Union-Auto Industry Corruption

In 2021, the ongoing investigation of union and auto industry corruption involving the United Auto Workers International Union (UAW) in Detroit, Michigan, and the UAW Region 5 and Midwest Community Action Program (CAP) Council, both in St. Louis, Missouri, and Fiat Chrysler Automobiles US LLC resulted in six additional convictions in the United States District Court for the Eastern District of Michigan. The joint investigations conducted with the Department of Labor’s Office of Inspector General, the Federal Bureau of Investigation, and the Internal Revenue Service focused on criminal conspiracies in which UAW officials committed fraud and embezzlement, took bribes and kickbacks, and laundered money.

Between November 2020 and July 2021, five more individuals were sentenced for crimes involving the UAW. Dennis Williams and Gary Jones, former UAW Presidents; Vance Pearson, former UAW Region 5 Director; and Edward “Nick” Robinson, former UAW Midwest CAP Council President, all were sentenced to prison following guilty pleas for conspiracy to embezzle union funds. Jones and Pearson also pleaded guilty to conspiracy to use a facility of interstate commerce to aid a racketeering enterprise, and Jones and Robinson pleaded guilty to conspiracy to defraud the United States. Joseph Ashton, former UAW Vice President in the General Motors (GM) Department and Director of the UAW-GM Center for Human Resources, was also sentenced to prison after he pleaded guilty to conspiracy to commit honest services wire fraud and one count of conspiracy to commit money laundering. Additionally, in August 2021, Fiat Chrysler Automobiles US LLC, located in Detroit, Michigan, was sentenced after the company pleaded guilty to conspiracy to violate the Labor Management Relations Act.

A total of 14 UAW defendants and Fiat Chrysler have been sentenced and ordered to pay $2,385,056 in restitution, $30,090,500 in fines, and $1,912,757 in forfeiture stemming from the investigations and prosecutions to date.

Former Union Officer Sentenced to Prison for Embezzlement

In January 2021, Edward C. Davis, Jr., former Secretary-Treasurer of Brotherhood of Locomotive Engineers and Trainmen Division 620, located in Fort Worth, Texas, was sentenced to six months of prison and three years of supervised release. He was also ordered to pay $61,386 in restitution. In September 2020, Davis pleaded guilty to embezzlement of union funds. The OLMS investigation found that Davis wrote himself 86 unauthorized checks for additional salary and the purchase of a personal laptop.

Former Union Officer Sentenced for Taking Money within Special Maritime and Territorial Jurisdiction of the United States

In February 2021, Jeffrey Phillips, former Secretary-Treasurer of International Association of Machinists and Aerospace Workers Local Lodge 836, located at the Portsmouth Naval Shipyard in Kittery, Maine, was sentenced to two years of probation. He was also ordered to pay $57,611 in restitution, a $2,400 fine, and a $100 special assessment. In February 2020, Phillips pleaded guilty to taking and carrying away personal property within the special territorial jurisdiction of the United States.
The OLMS investigation uncovered that Phillips stole union funds by making two to three cash withdrawals of $500 at a bank drive-through window each week for nearly five years.

**Former Union Officer Sentenced for Embezzling Over $101,000 through Bank Fraud**

In March 2021, Kenneth Morris, former Treasurer of American Federation of Teachers Local 2240, located in Kentfield, California, was sentenced to time served and three years of supervised release. He was also ordered to pay $101,583 in restitution and a $100 special assessment. In November 2019, Morris pleaded guilty to one count of bank fraud. Morris, a teacher at a Catholic school, embezzled the money by depositing dues deduction checks from the Archdiocese of San Francisco and the Diocese of San Jose into his personal account. He also wrote unauthorized checks to himself from the union bank account and deposited them into his personal bank account.

**Former Union Officer Sentenced to Prison for Wire Fraud for Embezzling $185,000**

In July 2021, Aja Jasmin, former President of United Food and Commercial Workers Local 350-C, located in Rancho Cucamonga, California, was sentenced to 28 months of imprisonment and three years of supervised release. She was ordered to pay $185,000 in restitution and a $25 special assessment. In February 2021, Jasmin pleaded guilty to one count of wire fraud. The investigation found that throughout a multi-year scheme, Jasmin took sole custody of the union’s checkbook, forged the signatures of the other account signatories on hundreds of checks, and wired funds from the local’s bank account to her personal credit cards for personal expenses. Jasmin prolonged the embezzlement scheme by submitting falsified bank statements to the international union, failing to provide relevant records for attempted audits, preventing new officers from reviewing the union’s financial records, and announcing fabricated account balances at membership meetings. The investigation was conducted jointly with the Department of Labor’s Office of Inspector General.

**Former Union Employee Sentenced for Embezzling Over $112,000**

In August 2021, Karen Pierce, former office manager for Plumbers Local 142, located in San Antonio, Texas, was sentenced to five years of probation and ordered to pay $112,759 in restitution. In July 2020, Pierce pleaded guilty to one count of theft of union funds. The OLMS investigation found that Pierce embezzled money through stolen checks and used signature stamps to forge the officers’ signatures on most of the checks. She also falsified records in an attempt to conceal these thefts.

**Former Union Officer Sentenced to Prison for Embezzling Over $140,000**

In September 2021, Hasan Zahdeh, former President of Michigan Union of Healthcare Workers, located in Muskegon, Michigan, was sentenced to 14 months of imprisonment followed by three years of supervised release. He was also ordered to pay $140,498 in restitution and a $100 special assessment. In April 2021, Zahdeh pleaded guilty to one count of embezzlement of union funds. The OLMS investigation discovered that Zahdeh used the embezzled funds to pay for hundreds of personal and unauthorized expenses, such as international travel including several trips to Turkey, utility bills, home repairs and maintenance, furniture, and various communications bills. In addition, he wrote four checks to the union’s attorney, forged the attorney’s signature on the back of the checks, and deposited the checks into his personal bank accounts. Zahdeh also stole dues payments from members by depositing
dues checks into his personal bank account as well as by directing members to deposit their individual
dues payments into a newly opened personal bank account, which he misrepresented to members as a
union bank account.

Former Union Officer Sentenced to Prison Following Union Book Selling Scheme

In June 2019, Salvatore Tagliaferro, former President of Carpenters Local 926, located in Brooklyn,
New York, and a New York City District Council of Carpenters Representative, and John DeFalco,
former Vice President of Carpenters Local 157, located in New York, New York, were indicted on
multiple charges for a scheme to sell union “books” or membership cards (union property) in exchange
for cash bribes. In October 2020, DeFalco pleaded guilty to embezzlement/conversion of union assets
and aiding and abetting, conspiracy, honest services wire fraud, as well as other crimes including
witness tampering. DeFalco continues to await sentencing. In April 2021, Tagliaferro was found guilty
following a jury trial of all charges he faced: conversion of union assets, honest services wire fraud,
aiding and abetting, and conspiracy. In September 2021, Tagliaferro was sentenced to five years in
prison and ordered to pay $145,065 in restitution and $296,400 in forfeiture. The investigation was
conducted jointly with the United States Attorney’s Office for the Southern District of New York -
Public Corruption Unit, the Department of Labor’s Office of Inspector General, and the New York City
Department of Investigation.

Former Union Officer Sentenced to Prison for Embezzling Over $184,000

In September 2021, Yvette Luster, former Treasurer of Postal Mail Handlers Local 314, located in
Hazelwood, Missouri, was sentenced to 18 months of prison and three years of probation. Luster was
also ordered to pay $184,138 in restitution and a $100 special assessment. In June 2021, Luster pleaded
guilty to one count of embezzlement of labor union assets. The OLMS investigation found that Luster
embezzled by making over $80,000 in ATM cash withdrawals and by using the union’s debit card for
numerous personal and unauthorized disbursements. She also embezzled by submitting numerous
claims for lost work time paid by the United States Postal Service and by paying herself duplicate
unauthorized salary payments. Luster used the embezzled funds to pay for personal expenses.

2. Protecting Union Democracy

Title IV of 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 member voting rights. While the majority of union officer elections are held without
protest, OLMS investigates properly-filed complaints protesting union officer elections. Before filing a
complaint with OLMS, union members must avail themselves of the union’s internal protest procedures.
If OLMS’ investigation reveals a violation of Title IV of the LMRDA that may have affected the
outcome of the election, OLMS seeks a voluntary compliance agreement with the union to allow OLMS
to supervise a new election. If the union does not voluntarily agree to remedy the violation, OLMS
takes legal action seeking to void the challenged election and conduct a new election supervised by
OLMS. Under Title III of the LMRDA, 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 between the receipt of a complaint and its resolution. As seen in the chart below, in 2021 OLMS achieved its elapsed time performance goal of 67 days by reducing the average number of elapsed days to resolve union officer election complaints to 66.9 days. OLMS tracks the number of election investigations and supervised elections, both of which are dependent upon the number of election complaints OLMS receives. The 2021 planning projections in those categories were based on historical averages only. OLMS does not project or estimate the number of lawsuits filed or voluntary compliance agreements obtained in a year, given that these actions are dependent upon the facts of each case.

<table>
<thead>
<tr>
<th>OLMS Performance Goal – Union Democracy</th>
<th>FY 2021 Target</th>
<th>FY 2021 Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Days to Resolve Election Complaints</td>
<td>67</td>
<td>66.9</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OLMS Enforcement Statistics – Union Democracy</th>
<th>FY 2021 Plan</th>
<th>FY 2021 Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Election Investigations Conducted</td>
<td>96</td>
<td>78</td>
</tr>
<tr>
<td>Lawsuits Filed</td>
<td>N/A</td>
<td>8</td>
</tr>
<tr>
<td>Voluntary Compliance Agreements Obtained</td>
<td>N/A</td>
<td>14</td>
</tr>
<tr>
<td>Supervised Elections Completed</td>
<td>26</td>
<td>27</td>
</tr>
<tr>
<td>Trusteeship Investigations</td>
<td>9</td>
<td>17</td>
</tr>
</tbody>
</table>

The 78 election complaints OLMS received in 2021 represent 1.1% of the 7,000 elections that OLMS estimates unions held in 2021, and the 27 supervised rerun elections (i.e., elections in cases in which the union acknowledged, or a court found, that there were violations) represents 34.6% of the complaints filed and 0.39% of all union officer elections conducted.

The following highlights significant OLMS election cases during FY 2021.

**Department Files Suit Against AFGE Local 96**

In June 2021, the Department filed suit against American Federation of Government Employees (AFGE) Local 96, located in St. Louis, Missouri. The complaint alleged that the local failed to elect the winning candidate by a majority of votes cast, as required by the AFGE Constitution. During the union’s 2020 election, Local 96 failed to hold a runoff between the two remaining candidates after a third candidate was declared ineligible, and no candidate received a majority of the votes cast. The lawsuit followed an election conducted under the supervision of the Department pursuant to a voluntary compliance agreement with Local 96. Local 96 failed to complete the supervised election process after an investigation found that one candidate’s campaign materials were created with support from a local employer. The litigation is pending.
New York Professional Nurses Union Agrees to Hold New Election Under OLMS Supervision

In March 2021, OLMS entered into a voluntary compliance agreement with the New York Professional Nurses Union, located in New York, New York, concerning its regular election of officers in October 2020. The union agreed to hold a new election for the offices of the vice president and seven executive board members under the supervision of OLMS. The investigation concluded that the union failed to mail notice of the election to the last known home address of all members at least 15 days prior to the election, denied new members the right to vote despite their having met the requirements for membership, and failed to provide adequate safeguards to ensure a fair election when it did not provide any advance notice of a change in its eligibility rules with respect to members who were in arrears after a leave of absence. The supervised election will take place by polling site and absentee ballot in January 2022.

Communications Workers Local 6222 Agreed to Hold New Election Under OLMS Supervision

In April 2021, OLMS entered into a voluntary compliance agreement with Communications Workers of America Local 6222, located in Houston, Texas, to conduct a new election and installation for the offices of president, vice presidents II and III, and secretary-treasurer, along with executive board positions for AT&T Mobility (Call Center) and ASI, on or before June 2021, under OLMS supervision. The investigation established that the local failed to provide adequate safeguards when it used a ballot drop box that was left unattended and unsecured at the union hall during the election period and by failing to properly count ballots, which resulted in an incorrect candidate being advanced to the runoff election for secretary-treasurer. Additionally, campaign literature was posted on AT&T company vehicles. The June 2021 supervised election and August 2021 run-off election were both held by mail ballot.

Settlement Agreement Ends Litigation Involving Auto Workers Local 2209 Election

In April 2021, the Department filed suit against United Automobile, Aerospace and Agricultural Implement Workers of America Local 2209, located in Roanoke, Indiana. The complaint alleged that the union applied one or more candidate qualifications that were unreasonable because they were not specifically contained in the UAW constitution and bylaws, were not uniformly applied, and denied a member in good standing the right to be a candidate. In June 2021, the union entered into a settlement agreement with OLMS directing that the agency would supervise a new election for the office of Unit I Chairperson. The election concluded with in-person polling at three locations over the course of a 24-hour period in July 2021.

Union of Patriots Plaza Agreed to Hold New Election under OLMS Supervision

In April 2021, OLMS entered into a voluntary compliance agreement with Union of Patriots Plaza, located in Pikesville, Maryland. The union agreed to conduct nominations, election, and installation for the offices of president, vice president, secretary-treasurer and recording secretary under OLMS supervision. The investigation concluded that the union has been in existence since at least September 2016 and had failed to conduct an election of officers in violation of the LMRDA and the union’s constitution and bylaws. The supervised election, conducted by polling site with an absentee ballot provision, was concluded in July 2021.
Settlement Agreement Ends Litigation Involving AFGE District 4 Election

In April 2021, the Department filed suit against the American Federation of Government Employees (AFGE), located in Washington, D.C. The suit sought to nullify AFGE’s election for the office of National Vice President for District 4, one of the positions in the October 2020 AFGE District 4 caucus election. The complaint alleged that AFGE violated Title IV of the LMRDA by failing to follow its constitution and bylaws and failing to provide adequate safeguards to ensure a fair election when one local union cast the incorrect number of votes in the election. The complaint further alleged that AFGE failed to follow its constitution and bylaws when it improperly allocated a local union’s votes to two delegates, after that local improperly denied a third, duly elected delegate’s request to attend the 2020 District 4 caucus. A July 2021 stipulated settlement states that a new election for District 4 national vice president will be conducted under OLMS supervision. The District 4 Caucus concluded in December 2021 via a polling site election with local delegates from District 4.

Letter Carriers Branch 142 Agreed to Hold New Election Under OLMS Supervision

In June 2021, OLMS entered into a voluntary compliance agreement with National Association of Letter Carriers Branch 142, located in Washington, D.C. The union agreed to conduct a new election and installation for the office of president under OLMS supervision. The investigation concluded that a union list was used by one of the candidates to send campaign text messages, and that the list was not provided to the other candidates. The supervised election, conducted by mail ballot, concluded in August 2021.

AFGE Agreed to Hold Rerun Election for District 7 National Vice President

In June 2021, OLMS entered into a voluntary compliance agreement with the American Federation of Government Employees (AFGE), located in Washington, D.C., concerning AFGE District 7’s October 2020 election of union officers. AFGE agreed to hold a new election for the office of District 7 National Vice President. The OLMS investigation concluded that the District 7 Caucus Credentials Committee seated some delegates with incomplete credentials and seated other delegates from locals that had failed to provide proper notice of the delegate election to their members, which resulted in ineligible delegates being permitted to vote. The investigation also determined that one candidate used a union cell phone to send text messages and make phone calls to campaign. In addition, the investigation found that District 7 failed to elect its officers by secret ballot as required by the AFGE Constitution when it utilized an internet voting system that made it possible to connect some delegates with their votes by analyzing local voting strength and number of delegates.

Department Files Suit Against Teamsters Local 688

In July 2021, the Department filed suit against International Brotherhood of Teamsters Local 688, located in St. Louis, Missouri. The lawsuit sought to nullify the union’s November 2020 officer election and order Local 688 to conduct a new election with new nominations under OLMS supervision. The complaint alleged that Local 688 failed to provide adequate safeguards and ensure ballot secrecy during the election when the union failed to provide physical partitions, failed to instruct members to vote in
Department Files Lawsuit against Electrical Workers Local 108

In August 2021, the Department filed suit against International Brotherhood of Electrical Workers Local 108, located in Tampa, Florida. The lawsuit sought to nullify the local’s September 2020 election for the offices of business manager/financial secretary, president, and convention delegate. The complaint alleged that the local failed to provide absentee ballots to all the members who requested one. The OLMS investigation revealed that the United States Postal Service assigned the local a post office box that was rented to and accessed by a different customer throughout the election period. Since the local used that post office box as the address for all absentee ballot requests, such requests were returned to members as undeliverable, denying members the right to vote. The investigation also established that the union’s failure to provide absentee ballots may have affected the outcome of the election. A December 2021 stipulated settlement provided for new nominations and a new election to be conducted for the offices of president, business manager/financial secretary, and three convention delegates under OLMS supervision.

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.

Title II of the LMRDA requires that unions file annual financial reports, known as Labor-Management (LM) 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 they establish supervision or control over a subordinate body. Other entities, such as 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](http://www.unionreports.gov). OLMS also collects and maintains collective bargaining agreements (CBAs) filed by CBA signatories on a voluntary basis. These CBAs also are located on the [OLMS website](http://www.unionreports.gov).

During FY 2021, OLMS established an initiative to improve disclosure of arrangements made between employers and labor consultants, as required under the LMRDA. OLMS planned to process a combined 600 Form LM-10 employer reports and Form LM-20 consultant reports to disclose employer-consultant agreements or arrangements to persuade employees to exercise or not to exercise their rights to organize and engage in collective bargaining. While improving the transparency of these arrangements over the previous year, OLMS fell short of its plan and only processed a total of 480 employer and consultant reports during FY 2021.

OLMS received, processed, and made the following reports publicly available in FY 2021.
## OLMS LMRDA Reports Administration

<table>
<thead>
<tr>
<th>Form</th>
<th>FY 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Form LM-1 Labor Organization Information Reports</td>
<td>203</td>
</tr>
<tr>
<td>Form LM-2 Labor Organization Annual Reports</td>
<td>4,799</td>
</tr>
<tr>
<td>Form LM-3 Labor Organization Annual Reports</td>
<td>10,049</td>
</tr>
<tr>
<td>Form LM-4 Labor Organization Annual Reports</td>
<td>6,494</td>
</tr>
<tr>
<td>Simplified Labor Organization Annual Reports</td>
<td>1,134</td>
</tr>
<tr>
<td>Form LM-10 Employer Reports</td>
<td>403</td>
</tr>
<tr>
<td>Form LM-15 Trusteeship Reports (initial, semiannual, and 15A)</td>
<td>295</td>
</tr>
<tr>
<td>Form LM-16 Terminal Trusteeship Reports</td>
<td>50</td>
</tr>
<tr>
<td>Form LM-20 Labor Relations Consultant Agreement and Activities Reports</td>
<td>314</td>
</tr>
<tr>
<td>Form LM-21 Labor Relations Consultant Receipts and Disbursements Reports</td>
<td>56</td>
</tr>
<tr>
<td>Form LM-30 Labor Organization Officer and Employee Reports</td>
<td>420</td>
</tr>
<tr>
<td>Form S-1 Surety Company Annual Reports</td>
<td>59</td>
</tr>
<tr>
<td><strong>Total Reports</strong></td>
<td><strong>24,276</strong></td>
</tr>
</tbody>
</table>

OLMS utilizes a web-based Electronic Forms System (EFS) for completing and submitting LM reports. Implementation of EFS is being conducted in phases. Currently, Form LM-1, LM-2, LM-3, and LM-4 Labor Organization reports, Form LM-10 Employer Report, Form LM-20 and LM-21 labor relations consultant reports, and Form LM-30 Labor Organization Officer and Employee reports can be filed via EFS. EFS allows any of these filers 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 deficient, 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, known as “Special Reports” cases.

During FY 2021, 100 percent of LM-2, LM-3, and LM-4 filers submitted their annual reports via EFS, which has increased timely and accurate filing. Additionally, nearly 42 percent of LM-30 reports were filed electronically while 93 percent of LM-10 reports were filed using EFS, both representing increases in electronic filing in these areas over last year. In 2021, OLMS exceeded its performance goal by increasing the percent of all LM reports filed electronically to 97.4 percent. OLMS tracks the numbers of delinquent and deficient reports and special reports cases completed. The 2021 planning projections in those categories are largely based on historical averages.
### OLMS Performance Goal – Reporting and Disclosure

<table>
<thead>
<tr>
<th>FY 2021 Target</th>
<th>FY 2021 Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent of Reports Filed Electronically</td>
<td>85%</td>
</tr>
</tbody>
</table>

### OLMS Enforcement Statistics – Reporting and Disclosure

<table>
<thead>
<tr>
<th>FY 2021 Plan</th>
<th>FY 2021 Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>LM-2/3/4 Delinquent Reports Cases Completed</td>
<td>1,514</td>
</tr>
<tr>
<td>LM-2/3/4 Deficient Reports Cases Completed</td>
<td>151</td>
</tr>
<tr>
<td>Special Reports Cases Completed</td>
<td>61</td>
</tr>
</tbody>
</table>

## 4. Employee Protections

OLMS also 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 2021, OLMS certified employee protections for 1,985 federal transit grants. With the exception of one grant application, OLMS certified 100 percent of grants within a 45-day timeframe, well under the 60 days permitted by guidelines (29 CFR §215). Pursuant to 29 CFR §215.7, OLMS notified unions and the public of 330 rural grants, to which the FTA applied the Special Warranty Arrangement. More information about employee protections under federal transit law can be found on the OLMS website.

## 5. Regulatory Initiatives

OLMS published, on March 6, 2020, a final rule establishing a Form T-1 Trust Annual Report that requires annual reporting by Form LM-2 filing labor organizations on financial information pertinent to “trusts in which a labor organization is interested” (“section 3(l) trusts”). The rule required a labor organization with total annual receipts of $250,000 or more to file a Form T-1, under certain circumstances, for each section 3(l) trust, as defined by 29 U.S.C. § 402(l) of the LMRDA. Under this rule, the Form T-1 reporting requirements were triggered if a labor organization, either alone or in combination with other labor organizations, (1) selected or appointed the majority of the members of the trust’s governing board, or (2) contributed more than 50 percent of the trust’s receipts.

Subsequently, on March 29, 2021, OLMS announced that, in the spring 2021 Semi-Annual Regulatory Agenda, it would publish notice of an intended rulemaking to propose rescission of the Form T-1. Additionally, OLMS announced that it would not seek to enforce the filing of a Form T-1 for one year from the date a labor organization’s first Form T-1 is due. See: https://www.dol.gov/agencies/olms/about/newsletter/2021/1.

Later, on May 27, 2021, OLMS published a notice of proposed rulemaking (NPRM) to rescind the Form T-1. Upon further review of the 2020 Form T-1 rule, including the pertinent facts and legally relevant
policy considerations surrounding that rulemaking, OLMS proposed to withdraw the rule implementing the Form T-1 because it believed that the trust reporting required under the rule is overly broad and is not necessary to prevent the circumvention and evasion of the LMRDA Title II reporting requirements. Moreover, upon further consideration, the Department expressed concern that the 2020 rulemaking record was insufficient to justify the separate trust reporting requirements as set forth in the 2020 Form T-1 rule. The NPRM had a 60-day comment period that closed on July 26, 2021. Please see the OLMS Form T-1 filing advisory.

6. Compliance Assistance

In FY 2021, 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 2021, OLMS conducted more virtual compliance assistance seminars than normal due to COVID-19 in an effort to increase participation. For example, OLMS sponsored national compliance assistance seminars, presented in both English and Spanish, providing guidance on holding union officer elections during the pandemic. In total, OLMS provided formal compliance assistance seminars to 3,730 participants and recorded 8,252 contact hours (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 also received and responded to hundreds of requests for information and interpretations.

- OLMS continued to work with the nation’s most prominent international and national unions in the Voluntary Compliance Partnership (VCP) initiative, leveraging their resources to improve the compliance performance of over 16,000 affiliates in 2021. During FY 2021, the VCP program expanded to 47 partner national/international unions. VCP continued to solidify its platform as a national compliance assistance effort focused on improving timely reporting, bonding coverage, accurate and complete reporting including the submission of union constitutions and bylaws, and the implementation of financial safeguards to prevent unions from becoming victims of financial fraud. VCP is a strategic leadership effort that requires executive level involvement from OLMS and officer level involvement from the union, which helps to drive compliance through the labor-management community by providing tools, information, and assistance. The overall late-filing rate for unions under the VCP initiative is significantly lower than for non-VCP unions, and the late filing rate decreased significantly after increasing during FY 2020, as the COVID-19 pandemic began. VCP continues to assist labor organizations with OLMS procedures regarding mergers and terminations, regional and national training conferences, and other organizational development activities. OLMS leadership met directly with the presidents and secretary-treasurers of 23 VCP member unions in 2021. The initiative generated 77 compliance assistance contact hours and distributed comprehensive annual VCP informational reports, specifically tailored for each of 30 different VCP international and national unions.
• OLMS reinstituted its Persuader Reporting Orientation Program (PROP), a compliance assistance initiative to inform employers and their representatives about potential reporting obligations under the LMRDA. The PROP initiative was in effect previously from 2011 to 2016. PROP enables OLMS to contact employers involved in representation elections – and any other parties that have notified the National Labor Relations Board of their status as representatives for such employers – to inform them of potential LMRDA reporting requirements. OLMS provides information on where to locate reporting forms and instructions and how to contact OLMS to ask questions or receive additional information. OLMS also provides a fact sheet on employer-consultant agreements.

• OLMS managed a public email address, enabling it to respond to nearly 2,400 inquiries and requests in the year.

• OLMS continued its Labor Organization Orientation Program, which distributed 99 information letters to newly registered labor organizations.

7. Outreach

In 2021, OLMS embarked on a project to educate workers, unions, policy makers and the public more broadly about OLMS’ work and the important role labor unions play in the modern American economy. These efforts include:

• A redesigned website to better describe the results of OLMS’ enforcement activities in the broader context of the labor movement and the enforcement activities of other Department of Labor worker protection agencies.

• A series of blog posts by the OLMS Director under the website headline “From the Director’s Desk” discussing these and other topics in a more narrative form.

• Presentations on these topics (in person and virtually) by the Director to the regulated community.

• Conducting (in coordination with other DOL agencies) empirical research into topics including the role of “persuaders” in union representation elections, and the leveraging of OLMS and other data to better understand the race, ethnicity and gender wage gap between union and non-union workers and industries.

• Participation in work undertaken by the Department in connection with the White House Task Force on Worker Organizing and Empowerment.