

2011 Annual Report



Office of Labor-Management Standards

U.S. Department of Labor
John Lund, 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 criminal enforcement results pursuant to LMRDA Title V (financial safeguards for labor organizations), for FY 2011 and the preceding four-year average, together with noteworthy criminal enforcement actions in FY 2011. A more complete listing of these actions is located at www.dol.gov/olms/regs/compliance/enforce_2011.htm on the OLMS website.
- Section 2 presents key civil enforcement results pursuant to LMRDA Title III (trusteeships) and Title IV (union officer elections) together with noteworthy union officer election case summaries for FY 2011. Listings of union officer election voluntary settlement agreements are located at www.dol.gov/olms/regs/compliance/civil_actions_2011.htm (2011). 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). 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 2011.
- Section 6 briefly describes compliance assistance activities conducted in FY 2011.

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 \$107,051,269 has been paid or ordered to be paid to defrauded unions and other parties. OLMS also conducts audits of labor unions to ensure and promote their 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 Enforcement Statistics – Financial Integrity	FY 2011	FY 2007 – FY 2010 Yearly Average
Criminal Cases Processed	321	390
Indictments	144	121
Convictions	116	118
Compliance Audits Conducted	461	719

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 2011.

Former Carpenters Local 1421 Office Manager Sentenced for Embezzling Union Funds

In February 2011, Freida Carter-London, former office manager of Carpenters Local 1421 in Arlington, Texas, was sentenced to 60 months probation and was ordered to pay full restitution of \$99,178 due by the end of her probation. In November 2010, Carter-London pled guilty to embezzling \$99,178 in union funds. She accomplished the embezzlement by stealing cash dues and substituting checks from prior periods in union bank deposits to conceal her theft of cash.

Former Union Officer Sentenced to Prison for Extortion

Warren Annunziata, former President and Fund Administrator for United Craft and Industrial Workers Union Local 91 (a union that represents school bus drivers in New York City), was sentenced in March 2011 to 33 months in prison, two years supervised release, and was ordered to pay \$250,000 in forfeiture and restitution. Annunziata was previously indicted for extorting cash payments from union employers totaling at least \$500,000. Annunziata collected tens of thousands of dollars from a union employer who placed money into a bank account controlled by Annunziata, which he then used for personal expenses by utilizing a false identity and forged signatures. This case was conducted jointly with the Department of Labor’s Office of Inspector General and the Federal Bureau of Investigation.

Former Teamsters Officer Embezzles Union Funds for Gambling and Travel

Mark Tracy, former Secretary-Treasurer of Teamsters Local 533 in Reno, Nevada, was sentenced in June 2011 to two years in prison, three years of supervised release, and was ordered to pay a \$10,000 fine and restitution of \$87,119. Tracy was indicted on one count of embezzling \$125,000 in union funds, one count of filing false Form LM-2 reports, one count of falsifying union records, and one count of willfully concealing or destroying union records. Tracy used union funds to pay for unauthorized personal expenses, for gambling and travel, which were charged on two union credit cards. To conceal his activities, Tracy fabricated credit card statements and receipts to provide falsified documentation for his unauthorized credit card charges.

Former Plumbers Employee Sentenced for Embezzlement

Mechelle Busse, former office manager for Plumbers Local 568 in Gulfport, Mississippi, was sentenced in July 2011 to three years’ probation, including six months of home confinement, and was ordered to pay restitution. Earlier in 2011, Busse pled guilty to embezzling between

\$79,000 and \$110,000 in union funds. During a prior audit, OLMS found unrecorded and unaccounted for receipts and minimal receipt records prior to Hurricane Katrina. OLMS compared receipts, deposit records, hundreds of members' monthly dues contributions and payments from multiple employers to uncover Busse's embezzlement of incoming receipts. Busse employed a number of methods to hide her embezzlement, primarily through a check substitution scheme.

Former Carpenters Local 600 Bookkeeper Sentenced for Embezzling Union Funds

In September 2011, Colin Rehrig, former bookkeeper for Carpenters Local 600 in Bethlehem, Pennsylvania, was sentenced to eight months of home confinement followed by two years of probation. He was also ordered to pay a \$100 special assessment and a \$1,500 fine. Rehrig had previously paid \$69,749 in restitution. In June 2011, he pled guilty to a one-count information charging him with embezzling union funds. Rehrig prepared and paid himself nearly 200 inflated payroll checks.

Former Secretary-Treasurer Guilty of Embezzling over \$300,000

James Drury, former Secretary-Treasurer of Communications Workers of America (CWA) Local 3121 in Hialeah, Florida, was sentenced in March 2011 to 24 months incarceration followed by three years supervised release. Between 2005 and 2009, Drury wrote unauthorized checks to himself, made unauthorized withdrawals from the union's checking account, and used the union's credit card for personal expenses, together totaling over \$300,000. Drury forged the former president's signature on checks in order to deceive the union and further his scheme. At sentencing, Drury was ordered to pay \$186,757 in yet unpaid restitution and a \$100 special assessment. This case was conducted jointly with the Department of Labor's Office of Inspector General.

Former National Officer Gets Prison For Theft Of Union Funds During Hurricane Katrina

Frankie Sanders, former American Postal Workers Union (APWU) Southern Regional Coordinator in Houston, Texas, was sentenced in June 2011 to 18 months in federal prison without parole for theft of union funds. A jury found Sanders guilty of submitting false travel receipts seeking and obtaining more than \$10,000 in union funds for reimbursement. Sanders was also sentenced to a three-year term of supervised release and ordered to pay restitution to the APWU. OLMS initiated the investigation after an audit disclosed falsified hotel receipts in excess of \$10,000. The fraudulent receipts were for two New Orleans hotels and included alleged stays for periods when the hotels were closed due to damages as a result of Hurricane Katrina. In addition to his employment with the APWU National, Sanders also served as a trustee to a New Orleans APWU local union following the aftermath of Hurricane Katrina.

Two Former Officers Sentenced in Embezzlement Conspiracy of \$783,931

In May 2011, John McGovern, former Secretary-Treasurer of APWU Local 190 (the largest APWU local in New Jersey), was sentenced to 20 months of imprisonment followed by 36 months of supervised release and was ordered to pay restitution of \$783,931. McGovern previously pled guilty to conspiring with former Local 190 President Gary Weightman to embezzle Local 190 funds. McGovern used embezzled union money for gambling. In June 2011, Weightman was sentenced to one year of home confinement followed by 48 months of supervised release and was ordered to pay a \$1,000 fine for tax evasion. Weightman received a downward departure from the sentencing guidelines as a result of his cooperation with the

government, which assisted in McGovern's conviction. This investigation was conducted jointly with the U.S. Postal Inspection Service.

Former President Sentenced for Writing Over 100 Unauthorized Checks

Garold Lawson, former President for National Association of Government Employees (NAGE) Local R14-139 in Fort Leonard Wood, Missouri, was sentenced in June 2011 to six months confinement, four months home confinement, and three years probation. Lawson previously pled guilty to embezzling \$67,566 in union funds. OLMS initiated the investigation when an audit revealed inadequate documentation to support mileage, allowances, and reimbursed expenses ostensibly incurred by Lawson. The investigation disclosed that between 2004 and 2009, Lawson wrote over 100 unauthorized checks to himself from the union's account.

Former Union Employee Sentenced to Prison for Embezzling over \$400,000

April Franklin, former office secretary for Plumbers Local 333 in Lansing, Michigan, and former bookkeeper for Local 333's Joint Apprenticeship Training Committee, was sentenced in July 2011 to 42 months of imprisonment, followed by 36 months of supervised release and 300 hours of community service. She was also ordered to pay restitution of \$411,979 and a \$200 special assessment. Franklin previously pled guilty to one count of embezzling union funds and one count of theft from an employee benefit plan. She admitted to stealing \$371,093 from the Joint Apprenticeship and Training Fund in addition to \$40,886 from the union. Franklin issued checks to herself from the training fund to pay for personal expenses and to pay her monthly credit card bills and pocketed cash dues remitted by members to pay for her clothing, food, and travel. She also falsified the union's accounting records to hide her thefts from other union officials. Franklin's significant embezzlement caused great financial distress to the union and affected its ability to pay certain death benefits to union members' families. This investigation was conducted jointly with the Department of Labor's Office of Inspector General and Employment Benefits Security Administration.

Former Union Employee Sentenced for Embezzlement, Bank Fraud, and Identity Theft

In September 2011, Teresa Wilson, former office manager for Plumbers Local 41 in Missoula, Montana, and former President of the Southwestern Montana Central Labor Council (CLC), was convicted of one count of embezzlement from a labor union, one count of bank fraud, and one count of aggravated identity theft. Wilson was sentenced to three years and one day of imprisonment, five years of supervised release after imprisonment, and was ordered to pay an assessment of \$300 and restitution of \$124,599. Between 1997 and 2010, Wilson worked for Local 41 where her responsibilities included collecting receipts for the union and for the union's Joint Apprenticeship Training Committee (JATC). Wilson embezzled funds by taking checks intended for Local 41 and its JATC, depositing them into the CLC account, and then using the money in the CLC account for personal purchases. Wilson forged the signature of the former CLC secretary-treasurer on CLC checks. She used the stolen money for gambling.

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 Enforcement Statistics – Union Democracy	FY 2011	FY 2007 – FY 2010 Yearly Average
Election Investigations Conducted	174	129
Lawsuits Filed	3	8
Voluntary Compliance Agreements Obtained	19	25
Supervised Elections Completed	26	31
Trusteeship Investigations	8	11

The following are highlights of some of the most significant OLMS election cases during FY 2011.

Teamsters Local 901 Agrees to Settle Department’s Lawsuit

In December 2010, the Department and Teamsters Local 901 filed a stipulation of settlement to resolve the Department's April 2009 lawsuit which sought to set aside the local's October 2008 election of president, vice president, and three trustees. The lawsuit filed in the U.S. District Court for the District of Puerto Rico alleged that the local failed to provide adequate safeguards in that polling sites and polling hours were not announced in a timely manner, incumbent candidates developed and had access to information before it was provided to opposition candidates, the election at some polling sites was not conducted at the scheduled time, incumbents had custody of ballots, and an observer was denied access to a polling site. The OLMS supervised election was conducted in October 2011 at 32 polling sites and by mail ballot for those members working in the U.S. Virgin Islands. During the two days of polling, a total of 27 OLMS employees were assisted at the polls by volunteers from the Puerto Rico Department of Labor and the U.S. Department of Labor’s Wage and Hour Division.

Court Rules in Favor of Department in Lawsuit Against AFGE

In February 2011, the U.S. District Court for the District of Columbia granted the Department's motion for summary judgment and ordered a new election under the Department's supervision in a lawsuit against the American Federation of Government Employees (AFGE) National Union. The lawsuit sought to void the May 2008 election for District 2 AFGE National Vice President (NVP) because the union denied a member in good standing the right to run for office. OLMS supervised new nominations and a new election for the office of AFGE District 2 NVP. Between February and June 2011, OLMS investigators from the New York, Buffalo, Boston, and Philadelphia District Offices reviewed delegate election records for each of the 120 local unions in District 2 and supervised new delegate nominations and elections where necessary. The supervised election was successfully completed at the July 2011 District 2 caucus

with nominations and an election of National Vice President that satisfied LMRDA requirements and generated no complaints from the union membership.

Department Files Suits Against NEMSA

In March 2011, the Department filed suit against the National Emergency Medical Services Association (NEMSA), located in Modesto, California, in the U.S. District Court for the Eastern District of California. The lawsuit sought an order installing James Gambone to the office of president and prohibiting the union from removing Gambone from office because he was not eligible to run for or hold office. The complaint alleged the union denied Gambone, a member in good standing, the right to be a candidate and run for office, and further refused to permit Gambone to hold and serve in that position when he was duly elected president by receiving the most votes, by write-in votes, in the union's July 2010 election. In November 2011, the Department filed a second suit against NEMSA, this time alleging that the union failed to hold its regular officer election in June 2011. By failing to allow members to elect their union officers at least once every three years, the Department contends that the union violated the LMRDA. To remedy these violations, the Department seeks to supervise an election for vice president, treasurer, and five regional director positions.

Machinists Lodge 49 Agrees to Hold New OLMS Supervised Election

In May 2011, OLMS entered into a voluntary compliance agreement with Local Lodge 49 of the International Association of Machinists and Aerospace Workers, located in Crete, Illinois, concerning the election of officers conducted in December 2010. OLMS concluded that union funds were unlawfully used to campaign after a forensic examination of the union's computers revealed campaign literature that promoted the incumbent slate. The supervised election was conducted in August 2011 by in-person polling.

Teamster Local 948 Settles Suit and Holds New Election

Based on a stipulation of settlement filed in October 2010, OLMS supervised the election of officers in Teamsters Local 948, located in Modesto, California. The Department had filed suit in the matter due to investigative findings that the local violated the LMRDA when candidates and their supporters collected ballots and then cast them for members during its previous election. In August 2011, the OLMS team supervised five polling sites located throughout Northern California to ensure that every eligible member had the opportunity to cast their ballot in a fair election. There were numerous obstacles to overcome during the election process including inconsistencies during testing of voting machines, the use of slate names, allegations of improper campaigning and concerns about absentee ballots. OLMS utilized this multiple polling site election - a first for this local - to ensure that every member retained the right to cast a secret ballot.

Voluntary Agreement for New Election in Operating Engineers Local 310

In February 2011, OLMS entered into a voluntary compliance agreement with the International Union of Operating Engineers (IUOE) Local 310, located in Green Bay, Wisconsin, concerning its election of officers conducted in August 2010. The OLMS investigation of the election disclosed that Local 310 failed to mail an election notice to all members, denied members the opportunity to vote, and allowed ineligible members to vote. IUOE Local 310 agreed to conduct a new election, under OLMS supervision, for the offices of business manager, district director of

the power plant, and three trustees. The supervised election was conducted by mail ballot with the tallying completed in May 2011. The race for trustee was decided by only one vote.

IATSE Local 600 Enters into a Voluntary Compliance Agreement with OLMS

In February 2011, OLMS entered into a voluntary compliance agreement with International Alliance of Theatrical Stage Employees (IATSE) Local 600, located in Los Angeles, California, concerning its May 2010 election of officers. The OLMS investigation of the election disclosed that the local improperly applied a new working-at-the-trade candidate eligibility requirement retroactively. IATSE Local 600 agreed to conduct a new election, under OLMS supervision, for the office of Western Region National Executive Board - Director of Photography and Visual Effects Supervisor. The OLMS Los Angeles and San Francisco District Offices worked cooperatively to properly supervise the election (the union used a contracting service to mail ballots out of Northern California) concluded in June 2011.

OLMS Supervises American Foreign Service Association (AFSA) Election

In February 2010, OLMS entered into a voluntary settlement agreement with the American Foreign Service Association (AFSA) stating that OLMS would supervise all races in AFSA's next regularly scheduled election of officers. The AFSA has approximately 15,000 members spread throughout the world. The logistics of conducting the mail ballot election were difficult given that mail takes an extremely long time to reach some members in remote locations and that some ballots had to be sent through U.S. embassies abroad. Given this set of circumstances, nominations were announced by mail in November 2010 and acceptances were not due until February 2011. This supervised election required active supervisory involvement for almost a year; an extraordinary amount of time was spent reviewing publications and other documents before they were dispersed due to the large volume of information the union sends to its members. More than 15,000 ballots were sent to member in April 2011 and the election was successfully concluded when the return ballots were tallied in June 2011 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.

Unions must file annual financial reports (LM-2, LM-3, LM-4, or simplified filings) with OLMS. Unions must also file trusteeship reports (LM-15, LM-16) when supervision or control is established over a subordinate body. Other entities - employers (LM-10), labor relations consultants (LM-20, LM-21), union officers and employees (LM-30), and surety companies (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 2011.

OLMS LMRDA Reports Administration	FY 2011
LM-2 Labor Organization Annual Reports Processed	5,347
LM-3 Labor Organization Annual Reports Processed	12,079
LM-4 Labor Organization Annual Reports Processed	7,718
Simplified Labor Organization Annual Reports Processed	1,563
LM-10 Employer Reports Processed	953
LM-15 Trusteeship Reports Processed (initial, semiannual, and 15A)	354
LM-16 Terminal Trusteeship Reports Processed	106
LM-20 Labor Relations Consultant Agreement and Activities Reports Processed	451
LM-21 Labor Relations Consultant Receipts and Disbursements Reports Processed	94
LM-30 Labor Organization Officer and Employee Reports Processed	1,202
S-1 Surety Company Annual Reports Processed	79
Total Reports Processed	29,946

In the beginning of 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 the ability to complete and electronically submit an LM report without the need for any special software or 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. Currently, EFS is available for use by all LM-2/3/4 filers regardless of size.

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.

OLMS Enforcement Statistics – Reporting and Disclosure	FY 2011	FY 2007 – FY 2010 Yearly Average
LM-2/3/4 Delinquent Reports Cases Completed	2,757	2,318
LM-2/3/4 Deficient Reports Cases Completed	570	724
Special Reports Cases Completed	129	97

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 2011, DSP certified 2,205 Federal transit grants within an average processing time of 20 days per grant, well under a 45-day goal instituted by DSP. More information about employee protections under Federal transit law, including compliance assistance materials, can be located on the OLMS website at www.dol.gov/olms/regs/compliance/compltransit.htm.

5. Regulatory Activities

Rescission of the Form T-1 Trust Annual Report

On December 1, 2010, OLMS published in the *Federal Register* (75 FR 74936) a final rule that rescinded the Form T-1 Annual Report and reinstated a requirement that unions report financial information concerning their “subsidiary organizations.” Filers have the option of either consolidating the subsidiary information in the union’s disclosure report, or attaching a regular annual report for the subsidiary. Additionally, the final rule reinstated the OLMS policy that the LMRDA does not cover intermediate bodies that are wholly composed of public sector labor organizations.

Request for Information on the Use of Electronic Voting Systems in Union Officer Elections

On January 11, 2011, OLMS published in the *Federal Register* a Request for Information (RFI) notice seeking public comment to assist the Department of Labor (Department) in issuing guidelines concerning the use of electronic voting systems in union officer elections. Title IV of the LMRDA establishes democratic standards for the conduct of union officer elections. The LMRDA, however, does not require a particular method or system of voting. Labor organizations are free to establish their own methods or systems of voting for officer elections as long as they are consistent with lawful provisions in the union’s constitution and bylaws and the provisions of Title IV of the LMRDA.

Labor organizations and other interested parties have sought guidance from the Department regarding the LMRDA compliance of electronic voting systems. This request for information sought public comment to assist the Department in the consideration and issuance of guidance regarding the use of electronic voting systems. The comment period closed on March 14, 2011, and OLMS is reviewing comments received.

Proposed Revisions to the Form LM-10 and Form LM-20: Employer-Consultant Reporting Requirements

On June 21, 2011, OLMS published a Notice of Proposed Rulemaking pertaining to the employer and labor relations consultant reporting requirements under section 203 of the LMRDA. Section 203 requires the parties to file reports concerning agreements whereby the third-party consultant undertakes activities with an object to persuade employees concerning their rights to organize and bargain collectively. Section 203(c) exempts employers and consultants from the reporting otherwise required by sections 203(a) and (b) if the consultant only provided advice to the employer in connection with persuading employees. The proposed rule would revise the interpretation of 203(c) to narrow the scope of the advice exemption. The comment period closed on September 21, 2011. The Department is reviewing comments received.

6. Compliance Assistance

In FY 2011, 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 actual 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 2011, OLMS conducted 134 compliance assistance seminars for 4,633 attendees. In total, OLMS recorded 26,072 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.
- In FY 2011, OLMS entered into voluntary compliance partnerships with 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 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 four new compliance tips on its "Compliance Tips" page, <http://www.dol.gov/olms/regs/compliance/compltips.htm>. With the release of its Electronic Forms System (EFS) for LM-3 and LM-4 filers in May 2011, OLMS also created a new web page, <http://www.dol.gov/olms/regs/compliance/efs/efsintro.htm>, including tutorials on how to register and instructions on using EFS.
- In FY 2011, OLMS also revised its LM-2 PowerPoint presentation and prepared a second one for EFS filers. These may be accessed at: www.dol.gov/olms/regs/compliance/LM2ppt.htm.
- Modeled after its long-standing Labor Organization Orientation Program (LOOP) for newly registered labor organizations, OLMS instituted 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.