

2018 Annual Report



Office of Labor-Management Standards

U.S. Department of Labor
Arthur F. Rosenfeld, Director

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. Unions representing U.S. Postal Service employees became subject to the LMRDA with the passage of the Postal Reorganization Act of 1970. 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 (CSRA) and the Foreign Service Act of 1980 (FSA), 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 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 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 2018 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 FY 2018 criminal actions is located on the OLMS website for calendar years [2017](#) and [2018](#).
- Section 2 presents key FY 2018 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 2018. A listing of all FY 2018 voluntary agreements for OLMS-supervised union officer elections is located on the OLMS website for calendar years [2017](#) and [2018](#). FY 2018 court actions for election investigations are located on the OLMS website for calendar years [2017](#) and [2018](#). Final decision letters in election and trusteeship cases are located on the OLMS website in the [FOIA reading room](#).
- Section 3 presents reporting and disclosure data and related program activity pursuant to LMRDA Title II (reporting requirements). Section 3 also presents key FY 2018 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 the section 13(c) program, which ensures fair and equitable arrangements protecting mass transit employees, as required by the Federal Transit Act.
- Section 5 briefly describes compliance assistance activities conducted in FY 2018.

OLMS [Annual Reports for 2004 - 2017](#) are located on the OLMS website.

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 embezzlements and ensure and promote compliance with the LMRDA. 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 where criminal activity is more likely to be found. The effectiveness of this methodology is measured by the percent of audits resulting in the opening of a “fallout” criminal case.

In FY 2018, OLMS exceeded its performance goal by achieving a fallout rate of 20 percent. By achieving this high percentage of audits resulting 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 both compliance audits and criminal investigations completed.

OLMS Performance Goal – Financial Integrity	FY 2018 Target	FY 2018 Results
Percent of Audits Resulting in a Criminal Case	15.75%	20%

OLMS Enforcement Statistics – Financial Integrity	FY 2018 Plan	FY 2018 Results
Criminal Investigations Completed	201	223
Indictments	80	73
Convictions	80	72
Compliance Audits Conducted	187	215

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. Further, section 504 of the LMRDA prohibits individuals convicted of certain crimes from holding union office or employment or serving in other prohibited capacities. The bar continues for 13 years after conviction or after the end of imprisonment, whichever is later. The following are some of the most significant criminal enforcement actions from FY 2018.

Former Union Officer Sentenced to Prison for Embezzlement over \$130,000

In October 2017, Stephen A. Royer, former Secretary-Treasurer of Machinists Local Lodge 243 in East Prospect, Pennsylvania, was sentenced to one year and one day of incarceration followed by three years of supervised release for embezzlement of union funds. Royer was also ordered to pay restitution in the amount of \$130,869 and a special assessment of \$100. In June 2017, Royer pleaded guilty to one count of embezzlement. The OLMS investigation found that Royer made unauthorized cash withdrawals and withheld funds from dues deposits. He then covered his tracks by making false entries in union records and filing false Labor-Management (LM) reports with the Department.

Former Union Employee Sentenced to Prison for Embezzling over \$428,000 in Dues

In January 2018, Jeni May Hughes, former office manager for Plumbers and Pipefitters Local 155 in Little Rock, Arkansas, was sentenced to 30 months of confinement and 3 years of supervised release for embezzling union funds. She was also ordered to pay restitution in the amount of \$428,874 and a \$100 special assessment. In May 2017, Hughes pleaded guilty to a one-count criminal information charging her with embezzling union funds. The OLMS investigation found that starting in April 2005 through March 2016, Hughes had total control over the union’s deposits and the related reports. OLMS’s review of the local’s checking account and internal reports revealed Hughes did not deposit dues paid by checks, money orders, and cash.

Former Union Officer Incarcerated for \$300,000 Embezzlement

In January 2018, Matthew Smith, former Treasurer of Transport Workers Union Local 576 in Hurst, Texas, was sentenced to 10 months in prison and 1 year of supervised release for embezzlement of union funds. He was also ordered to pay \$300,848 in restitution and a \$100 special assessment. In October 2017, Smith pleaded guilty to embezzling union funds. The OLMS investigation determined that from January 2008 to February 2013, Smith embezzled through unauthorized cash withdrawals from the union bank accounts, personal debit and credit card charges on union cards, transfers to Smith’s personal investment accounts, paying a personal credit card with union funds, and unauthorized

checks to himself and other entities that benefited him. Smith also purposely failed to maintain union records, made false entries in union financial records, and did not report his personal use of union funds on several union LM-3 reports.

Former Union Employee Sentenced to Prison for Embezzlement over \$534,000

In February 2018, Glenn Smith, former controller for the Michigan Regional Council of Carpenters in Detroit, Michigan, was sentenced to 15 months in prison and 2 years of supervised release for union embezzlement. He was also ordered to pay restitution in the amount of \$534,097. In October 2017, Smith pleaded guilty to embezzling labor union funds. Beginning in 2012, Smith made unauthorized personal charges on a union credit card, sold for personal gain excess sporting event tickets bought with union funds, engaged in a check-for-cash substitution scheme, and hired and paid without authorization an individual with whom he had a personal relationship. The investigation was conducted jointly with the Department of Labor's Office of Inspector General and the Internal Revenue Service.

Former Union Officer Sent to Prison for Embezzling over \$280,000 in Cash

In February 2018, Ryan Jones, former Secretary-Treasurer of Machinists Local Lodge S-6 in Bath, Maine, was sentenced to 18 months in prison and 3 years of supervised release for embezzling union funds. The court also ordered Jones to pay restitution totaling \$280,865. In September 2017, Jones pleaded guilty to embezzlement. Jones made 199 unauthorized cash withdrawals and had attempted to cover up his crime by generating false bank statements. The investigation was conducted jointly with the Federal Bureau of Investigation.

Former Union Official Sentenced to 41 Months in Prison for Embezzlement and Tax Evasion

In February 2018, Raymond C. Ventrone, former business manager of Boilermakers Local 154 in Pittsburgh, Pennsylvania, was sentenced to 41 months of incarceration followed by 3 years of supervised release. He was also ordered to pay the following restitution - \$2,391,183 to Boilermakers Local 154, \$500,000 to Zurich Surety, and \$223,881 to the Internal Revenue Service. In September 2017, Ventrone pleaded guilty to one count each of embezzlement and tax evasion. From January 2010 through June 2015, Ventrone used his powerful position within the union to authorize union funds to pay for retail goods for personal use, including personal clothing and furniture, renovations to his residence, and extravagant gifts for his family and friends. Ventrone also under-reported his income by the more than \$600,000 he obtained through his embezzlement from the union. The investigation was conducted jointly with the Department of Labor's Office of Inspector General, the Internal Revenue Service - Criminal Investigation, and the Federal Bureau of Investigation.

Four-Year Prison Sentence for Former Union Employee who Embezzled over \$307,000

In February 2018, Stephanie DeBoer, former office manager and bookkeeper of the International Brotherhood of Electrical Workers Local 876 in Edmore, Michigan, was sentenced to four years in prison and three years of supervised release for embezzling union funds. She was also ordered to pay restitution in the amount of \$307,562 and a \$100 special assessment. In November 2017, DeBoer pleaded guilty to embezzlement. Between May 2012 and DeBoer's termination in September 2015, she wrote unauthorized checks to herself, made unauthorized payroll deposits into multiple bank accounts in her name, used union credit cards for unauthorized personal purchases, and used the union's safety clothing fund to pay personal bills. The investigation was conducted with the Department of Labor's Office of Inspector General.

Three Former Union Officials Sentenced for a Conspiracy to Commit Extortion

In March 2018, John Hamilton, former business manager of Operating Engineers Local 324 in Bloomfield Hills, Michigan, was sentenced to two years in prison and two years of supervised release. Hamilton was also ordered to pay restitution in the amount of \$250,000 and a \$100 special assessment. In August 2017, Hamilton pleaded guilty to one count of conspiracy to commit extortion. Hamilton admitted to conspiring with two other former union officials to violate the Hobbs Act. Hamilton, former Secretary-Treasurer David Hart, and former President/Business Agent Steven Minella forced business agents and other union employees to pay kickbacks of more than \$5,000 per year into the "Team Hamilton Slate Fund," which was ostensibly to be used for union election campaign expenses. Hamilton threatened employees with termination if they complained about the payments to his slate and, in 2010, actually terminated a union employee for his complaints. Hamilton used a significant portion of the slate money for his personal expenses, such as meals, liquor, and a \$5,000 wedding gift for his daughter. After losing re-election in August 2012, Hamilton took \$71,000 from his slate fund and gave it to Hart and Minella. In April 2018, Hart and Minella both were sentenced following 2015 guilty pleas for misprision of a felony for failing to report to authorities Hamilton's Hobbs Act extortion. The investigations were conducted jointly with the Department of Labor's Office of Inspector General, the Employee Benefits Security Administration, the Federal Bureau of Investigation, and the Internal Revenue Service.

Former Union Member Found Guilty and Sentenced to Prison for Wire Fraud and Conspiracy

In March 2018, Paul Moe Sr., a former general foreman and member of the International Longshoremen's Association Local 1804-1 in North Bergen, New Jersey, was sentenced to two years in prison followed by three years of supervised release. Moe was also ordered to pay restitution in the amount of \$749,000. In October 2017, after a seven-day trial, a jury found Moe guilty on one count of conspiracy to commit wire fraud and 13 substantive counts of wire fraud, stemming from his no-show job at the Port of Elizabeth terminal in New Jersey. Moe submitted fraudulent timesheets and received nearly \$500,000 annually between September 2015 and March 2017 from APM Terminal Head. Moe either never showed up at the job site or was present for as little as eight hours per week. The investigation was conducted jointly with the Employee Benefits Security Administration, Department of Labor's Office of Inspector General, and the Waterfront Commission of New York Harbor.

Former Union Employee Incarcerated for Union and Employee Benefit Plan Embezzlement

In April 2018, Alicia Rooney, former office secretary for Plumbers Local 459 in Missoula, Montana, was sentenced to three months of confinement and three years of probation. She was ordered to pay restitution in the amount of \$163,554 and a \$100 special assessment. In November 2017, Rooney pleaded guilty to one count of embezzlement from a labor union and one count of embezzlement from an employee benefit plan. The OLMS investigation found that Rooney misappropriated funds by writing unauthorized checks to herself from both accounts and making false entries/modifications in the union's accounting software records to conceal her actions.

Former Union Officer Sentenced to Prison for Embezzling over \$139,000

In April 2018, Ann Reddig, former Secretary-Treasurer of International Alliance of Theatrical Stage Employees Local 918 in Anchorage, Alaska, was sentenced to serve 14 months in a federal penitentiary and 3 years of supervised release. She was also ordered to pay restitution in the amount of \$139,960 and a \$100 special assessment. Reddig made a partial restitution payment prior to sentencing. In September 2017, she pleaded guilty to embezzling \$193,275. The OLMS investigation found that Reddig embezzled the funds by transferring money directly from union accounts into her own accounts,

forging the signature of another union officer on checks she wrote for her own benefit, using ATM machines to withdraw cash directly from union accounts, and spending union funds at retail stores via the union's debit card. Reddig also submitted false LM reports to DOL by failing to disclose the union funds that she had received.

Former Union Official Sentenced to Prison for Aggravated Identity Theft and Embezzlement

In May 2018, Richard D'Antuono, former Business Manager/Secretary Treasurer of the Operative Plasterers and Cement Masons Local 40 in Cranston, Rhode Island, was sentenced to three years of imprisonment followed by three years supervised release. D'Antuono was also ordered to pay restitution in the amount of \$319,795 and a special assessment of \$300. In January 2018, D'Antuono pleaded guilty to one count of embezzling union funds, one count of embezzling from an employee benefit fund, and one count of aggravated identity theft for forging the signatures of the authorized co-signers on an apprenticeship fund check. D'Antuono admitted that he wrote checks to himself in amounts substantially greater than his authorized salary and stipend. In addition to forging signatures, D'Antuono also had the authorized signatories sign blank checks, which he later used to embezzle funds from the operational account. The investigation was conducted jointly with the Department of Labor's Office of Inspector General and the Employee Benefits Security Administration.

Former Union Officer Sentenced to Prison for Embezzling over \$186,000

In July 2018, Henry Clay Green Sr., former Secretary-Treasurer of Union of Needletrades, Industrial, and Textile Employees—Hotel Employees and Restaurant Employees Local 26 in Medford, Massachusetts, was sentenced to six months in prison and one year of supervised release. Green was later ordered to pay a total of \$186,455 in restitution, which included a loss amount of \$171,455. Restitution also included \$9,070 to Local 26 and \$5,929 to the Greater Boston Hospitality Employees Local 26 Benefit Administration LLC in supplemental restitution for legal and audit fees. In December 2017, Green pleaded guilty to embezzlement. The investigation was conducted jointly with the Department of Labor's Office of Inspector General and the Employee Benefits Security Administration.

Seven Individuals Sentenced to Prison for Union-Auto Industry Corruption and Conspiracy

In 2018, an investigation of auto industry corruption involving the United Auto Workers International Union (UAW) in Detroit, Michigan, and the city's automakers produced seven criminal convictions in the United States District Court for the Eastern District of Michigan. The joint investigations conducted by OLMS, the Department of Labor's Office of Inspector General, the Federal Bureau of Investigation, and the Internal Revenue Service focused on a conspiracy involving Fiat Chrysler executives bribing labor officials to influence labor negotiations. The following were sentenced to prison:

- Alphons Iacobelli, former Vice President of Fiat Chrysler Automobiles US LLC (FCA);
- Monica Morgan, wife of a deceased former Vice President of the UAW;
- Virdell King, former senior official in the UAW Chrysler Department and former assistant co-director for the UAW-Chrysler National Training Center (NTC);
- Nancy Johnson, former senior official in the UAW Chrysler Department;
- Keith Mickens, former senior official in the UAW Chrysler Department;
- Jerome Durden, former FCA financial analyst and former NTC Controller; and
- Michael Brown, former FCA management employee and associate co-director of the NTC.

Their violations included conspiracy to violate the Labor Management Relations Act for paying and delivering over \$1.5 million in prohibited payments and things of value to UAW officials, receiving

prohibited payments and things of value from others acting in the interest of the FCA, failing to report income on individual tax returns, conspiring to defraud the United States by preparing and filing false tax returns for the NTC that concealed millions of dollars in prohibited payments directed to UAW officials, and deliberately providing misleading and incomplete testimony in the federal grand jury.

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 member voting rights. 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 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 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 between the receipt of the complaint and its resolution. As seen from the chart below, in FY 2018, OLMS exceeded its elapsed time performance goal of 70 days, by reducing the average number of elapsed days to resolve union officer election complaints to 68.8 days. OLMS tracks the number of election investigations and supervised elections, which is dependent upon the number of election complaints received by OLMS. The FY 2018 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 these actions are dependent upon the facts of each case.

OLMS Performance Goal – Union Democracy	FY 2018 Target	FY 2018 Results
Number of Days to Resolve Election Complaints	70	68.8

OLMS Enforcement Statistics – Union Democracy	FY 2018 Plan	FY 2018 Results
Election Investigations Conducted	99	128
Lawsuits Filed	NA	10
Voluntary Compliance Agreements Obtained	NA	22
Supervised Elections Completed	26	28
Trusteeship Investigations	12	21

The following highlights some of the most significant OLMS election cases during FY 2018.

OLMS Supervises Nationwide Machinists District Lodge 141 Rerun

In October 2016, OLMS entered into a voluntary compliance agreement with International Association of Machinists District Lodge 141 in Elk Grove Village, Illinois, concerning a March 2016 election by acclamation of District Lodge 141 officers. The union agreed to OLMS supervision of nominations and election for all Machinists District Lodge 141 officer positions at the time of its regularly scheduled

election in 2018. The investigation of the challenged election disclosed that members in good standing of District Lodge 141 were denied the right to be candidates and to hold office because the district improperly applied a recently enacted bylaw provision changing the number of local lodge endorsements that nominees needed to become bona fide candidates from 4 to 10. OLMS completed supervision of the nationwide rerun in 2018.

OLMS Supervises Machinists Grand Lodge Nationwide Rerun

In August 2017, OLMS entered into a voluntary compliance agreement with the International Association of Machinists Grand Lodge in Upper Marlboro, Maryland, concerning a challenged election of Grand Lodge officers that was completed in February 2017. The union agreed to conduct under OLMS supervision a new election, including new nominations, for the positions of international president, general secretary-treasurer, and seven U.S. based general vice presidents. The investigation of the challenged nomination and election revealed that the union imposed an unreasonable candidate eligibility requirement, which required candidates to be endorsed by 10 percent (approximately 98) of the union's affiliated local lodges. The investigation further revealed that resources of two affiliated district lodges were improperly used to promote incumbent candidates. In the new OLMS-supervised nomination and election, candidates were required to be endorsed by 25 of the union's affiliated local lodges, which had been the union's requirement prior to 2016. OLMS completed the nationwide supervised rerun in 2018.

Longshoremen's Local 1740 Agrees to Hold New Supervised Election

In January 2018, OLMS entered into a voluntary compliance agreement with International Longshoremen's Association (ILA) Local 1740 in San Juan, Puerto Rico, concerning an election of union officers conducted in June 2017. Local 1740 agreed to conduct new nominations and a new election for all union officer positions in 2018 under OLMS supervision. The investigation found multiple violations of the LMRDA. For example, the local failed to conduct its election in accordance with its constitution, bylaws, and other governing documents in that officer positions on the ballot differed from those listed in the local's constitution and bylaws. Members were denied a reasonable opportunity to nominate candidates in that the nominations notice did not contain the offices to be filled, as required by the international constitution. Further, the local denied members the right to vote when it did not allow all members to vote for all of the officers who represent them. The local also failed to mail an election notice to the last known home address of each member and failed to provide adequate safeguards to ensure a fair election when members cast absentee ballots via an informal process that violated voter secrecy. The OLMS-supervised election, completed in October 2018, included many complex variables, including a trusteeship and a merger.

Government Employees Local 2206 Agrees to Hold Rerun Election

In March 2018, OLMS entered into a voluntary compliance agreement with American Federation of Government Employees Local 2206 in Birmingham, Alabama, concerning its May 2017 election of officers. The investigation concluded that the local union's use of an internet-based, electronic voting system violated the LMRDA requirement for a secret ballot election. The investigation also found other violations including that the electronic voting system did not permit candidates to fully observe the election process and the union failed to preserve all election records for a one-year period. The union agreed to conduct new nominations and an election for all contested officer positions under OLMS supervision. The supervised mail ballot election was completed in July 2018.

Machinists District Lodge 70 Holds Rerun Election under OLMS Supervision

In March 2018, OLMS entered into a voluntary compliance agreement with International Association of Machinists District Lodge 70 in Wichita, Kansas, to conduct a new endorsement vote in Local Lodge 839, and a new election for the offices of District Lodge 70 President/Directing Business Representative and Secretary Treasurer, under OLMS supervision. The investigation established that District Lodge 70 failed to provide adequate notice of the election when a total of 483 combined nomination/election notices were returned as undeliverable and no attempt was made to obtain current addresses or re-mail the notices even in cases where the post office provided forwarding address information. Additionally, the investigation established that employer resources were used to campaign when an employer e-mail system was used to disseminate campaign literature by employees who were on employer time. The OLMS supervised election in this 11,000-member district lodge was completed in August 2018.

Department Files Lawsuit against Teamsters Local 41

In May 2018, in the United States District Court for the Western District of Missouri, the Department filed suit against International Brotherhood of Teamsters Local 41 located in Kansas City, Missouri. The lawsuit seeks to nullify the union's November 2017 election for the offices of president, vice president, secretary-treasurer, recording secretary, and three trustees. The complaint alleged that the local used a ballot return envelope with the barcode on the back of the envelope, which delayed all the voted ballots mailed to the union and caused an unknown number of voted ballots to be returned to the member's address. Local 41 also left a number of voted ballots uncounted during the ballot tally because some members attempted to correct the envelope's design flaw by crossing out the return name and address. In addition, the complaint alleges that Local 41 allowed a member to campaign on behalf of incumbent officers on the local's official Facebook webpage. The lawsuit is pending final resolution.

Patent Office Professional Association Agrees to Hold New Supervised Election

In May 2018, OLMS entered into a voluntary compliance agreement with the Patent Office Professional Association (POPA), located in Alexandria, Virginia, concerning its election of union officers conducted in November 2017. POPA agreed to conduct a new supervised election for the offices of president, vice president, secretary, assistant secretary, treasurer, chemical area delegates (9), designs and other area delegates (2), electrical area delegates (17), and mechanical area delegates (9). The investigation concluded that POPA denied members the right to vote and failed to provide proper notice of the election. POPA also failed to take reasonable steps to maintain and update its membership list. One issue in the OLMS-supervised election, completed in September 2018, involved a candidate's request to compare the union's membership list to an employer's list for the purpose of identifying union members. OLMS ultimately found that the decision to deny the candidate's request was neither an unreasonable nor inconsistent interpretation of union rules.

Department Files Lawsuit against Letter Carriers Branch 19

In June 2018, in the United States District Court for the District of Connecticut, the Department filed suit against National Association of Letter Carriers Branch 19 in New Haven, Connecticut. The lawsuit seeks to nullify the Branch 19 December 2017 election for the offices of president and two trustees. The complaint alleges that the local failed to provide adequate security for voted ballots that were initially returned to a post office box that belonged to a private individual not affiliated with the local. The voted ballots were originally placed in the post office box for an undetermined amount of time until the error was noticed and then were moved to an open bin and in an area accessible by Branch 19 members. The union also allowed two stewards to campaign to members who were working. The lawsuit is pending final resolution.

Hawaii Nurses Association Holds Rerun Election under OLMS Supervision

In July 2018, OLMS entered into a voluntary compliance agreement with the Office and Professional Employees International Union, Hawaii Nurses Association, Local 50, located in Honolulu, Hawaii, concerning the union's December 2017 election of officers. The union agreed to OLMS supervision of new nominations, a new election, and installation for the offices of president, vice president, secretary, treasurer, trustees (3), Kaiser Foundation directors (2), Queen's Medical Center directors (4), and Kaiser respiratory therapist (1). The investigation disclosed that the local failed to provide eligible members the opportunity to vote when new members were not mailed ballots and undelivered ballot packages, with better addresses, were not re-sent. The union also failed to provide adequate safeguards to ensure a fair election when voted ballots were returned to the voter, not the post office box for voted ballots. Further, the investigation revealed that the union failed to follow its constitution and bylaws when it did not reopen nominations for president, treasurer and trustee after certain candidates had become ineligible because they were suspended from membership. The supervised mail ballot election was completed in November 2018.

Department Files Lawsuit against Longshoremen's Local 1408

In July 2018, in the United States District Court for the Middle District of Florida, the Department filed suit against the International Longshoremen's Association Local 1408 in Jacksonville, Florida. The lawsuit seeks to nullify the union's December 2017 regular election of officers. The complaint alleges that the Local 1408 meeting attendance requirement was unreasonable in that it permitted no excuse for non-attendance, even when the member had good cause to miss the meeting, and it disqualified 93% of the membership from running for union office. The lawsuit is pending final resolution.

Transport Workers Local 575 Agrees to Hold Rerun Mail Ballot Election

In August 2018, OLMS entered into a voluntary compliance agreement with Transport Workers Union Local 575 located in Euless, Texas, concerning its February 2018 election of officers. The investigation concluded that Local 575 failed to follow its bylaws when it held an electronic/telephonic election instead of a mail ballot election. In addition, the manner in which the election was held failed to provide observability of the election process. The union agreed to conduct a new election under OLMS supervision for the positions of president, 2nd vice president, financial secretary-treasurer, recording secretary, and executive board member at large. The supervised mail ballot election was completed in October 2018.

Court Orders New Laborers Local 872 Election under OLMS Supervision

In September 2018, in the United States District Court for the District of Nevada, the court granted the Department's motion for summary judgment in a lawsuit against Laborers' International Union of North America Local 872, in Las Vegas, Nevada, and ordered that a new election be conducted for the office of vice president under OLMS supervision. The lawsuit sought to nullify the local's April 2015 election for the office of vice president. The complaint alleged the local improperly disqualified a nominee for not presenting proof of legal residency although the nominee had served as a shop steward and worked steadily for the same employer for a number of years. The local also improperly disqualified the same nominee for failing to pass a literacy test that was not given to any other candidate. In addition, the test lacked standardized, objective criteria for assessing literacy. OLMS expects to complete the court-ordered election in 2019.

Department Files Lawsuit against Postal Workers Local 72

In September 2018, in the United States District Court for the Northern District of Ohio, Eastern Division, the Department filed suit against the American Postal Workers Union Local 72 in Cleveland, Ohio. The lawsuit seeks to nullify the union's April 2018 regular election of officers. The complaint alleges that the union denied members the right to vote when it failed to make reasonable efforts to update the membership mailing list, obtain better addresses for undelivered ballots, respond timely to member requests for replacement ballots, and failed to count ballots from members merely because they were missing secret ballot envelopes. The union also failed to maintain adequate safeguards when it provided inconsistent and inadequate notice regarding deadlines and the method of returning ballots. Lastly, the union failed to elect by secret ballot vote when ballot numbers could be matched to an outer envelope and a voter list was maintained linking the ballot numbers to members. The lawsuit is pending final resolution.

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, 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 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. The CBAs are located on the OLMS website.

OLMS received and processed the following public disclosure reports in FY 2018.

OLMS LMRDA Reports Administration	FY 2018
Form LM-1 Labor Organization Information Reports	189
Form LM-2 Labor Organization Annual Reports	4,810
Form LM-3 Labor Organization Annual Reports	10,585
Form LM-4 Labor Organization Annual Reports	6,574
Simplified Labor Organization Annual Reports	1,195
Form LM-10 Employer Reports	730
Form LM-15 Trusteeship Reports (initial, semiannual, and 15A)	346
Form LM-16 Terminal Trusteeship Reports	59
Form LM-20 Labor Relations Consultant Agreement and Activities Reports	577
Form LM-21 Labor Relations Consultant Receipts and Disbursements Reports	78
Form LM-30 Labor Organization Officer and Employee Reports	546
Form S-1 Surety Company Annual Reports	77
Total Reports	25,766

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-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 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 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, known as “Special Reports” cases.

In FY 2018, 100 percent of LM-2 filers, over 85 percent of LM-3 filers, over 85 percent of LM-4 filers, and over 27 percent of LM-30 filers submitted their annual reports via EFS, which has increased timely and accurate filing. In FY 2018, OLMS exceeded its performance goal by increasing the percent of all LM reports filed electronically to 76.5 percent. Based upon a completed rulemaking, OLMS requires unions to file all Form LM-3 and Form LM-4 reports electronically for fiscal years beginning on or after January 1, 2017. Form LM-2 filers also must complete their reports electronically. OLMS tracks the numbers of delinquent and deficient reports and special reports cases completed. The FY 2018 planning projections in those categories are largely based on historical averages.

OLMS Performance Goal – Reporting and Disclosure	FY 2018 Target	FY 2018 Results
Percent of Reports Filed Electronically	60%	76.5%

OLMS Enforcement Statistics – Reporting and Disclosure	FY 2018 Plan	FY 2018 Results
LM-2/3/4 Delinquent Reports Cases Completed	1,696	1,519
LM-2/3/4 Deficient Reports Cases Completed	136	232
Special Reports Cases Completed	77	74

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 2018, DSP certified employee protections for 1,585 federal transit grants, with 99% percent of grants (1,580 of 1,585) 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 on the [OLMS website](#).

5. Compliance Assistance

In FY 2018, 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 2018, OLMS conducted compliance assistance seminars for 3,106 attendees. In total, OLMS recorded 16,968 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 also received and responded to hundreds of requests for information and interpretations.
- OLMS continued to work with 43 of 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 FY 2018. VCP was instrumental in implementing the new filing requirement, which mandates that all Form LM-3 and LM-4 financial reports be filed electronically via the OLMS Electronic Forms System (EFS). VCP continued to solidify its platform as a national compliance assistance effort focused on improving timely reporting, utilization of EFS, bonding coverage, quality reporting and other items examined in OLMS audits. 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 has decreased the last three years in a row. 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 28 presidents and secretary-treasurers of the VCP member unions in FY 2018. The initiative generated 1,292 compliance assistance contact hours and distributed comprehensive annual VCP informational reports, specifically tailored for each of 35 different VCP international and national unions.
- OLMS managed a public email address, enabling it to respond to nearly 2,500 inquiries and requests in the year.
- OLMS continued its Labor Organization Orientation Program (LOOP), which distributed information letters to newly registered labor organizations.