



July 31, 2025

To: United States Department of Labor
200 Constitution Ave, NW
Washington, DC 20210

From: Institute for the American Worker

Re: OLMS Notice of Proposed Rulemaking, RIN Number 1245-AA15

The Institute for the American Worker (“I4AW”) submits these comments to the Department of Labor (“the Department” or “DOL”) in response to the Office of Labor-Management Standards (“OLMS”) Notice of Proposed Rulemaking and Request for Comments regarding Filing Thresholds for Forms LM-2, LM-3, and LM-4 Labor Organization Annual Reports; RIN Number 1245-AA15 (“Proposed Rule”).

14.3 million Americans, nearly ten percent of American workers, are members of labor organizations.¹ These labor organizations collect hundreds of millions of dollars in dues each year from their members² and are obligated to utilize those monies to further their work to benefit their members.³ Annually these unions are required to report to OLMS how those dues and other receipts were spent, providing an important transparency and accountability mechanism for members and the public. These reports are posted on the OLMS website for public scrutiny and are also reviewed by OLMS staff. I4AW seeks to empower workers and, as such, believes that workers are entitled to this important report of how their dues are being spent to further the interest of the workers. We applaud the Administration and Department for in its “aggressive deregulatory efforts in [its] push to put the American worker first.”⁴ However, this NPRM will only protect a few labor organizations from paperwork that promotes transparent accountability and may reduce protections for those workers OLMS was created to defend.

I4AW is particularly concerned that the Proposed Rule will undermine OLMS’ ability to identify egregious abuses by some labor organization leadership and will make it harder for some members to understand how their dues dollars are being spent. The Proposed Rule focuses entirely on reducing perceived burdens on the organizations filing reports but fails to consider whether those perceived burdens are overstated and whether there may be costs to members and the public from a reduction in transparency. In addition, the Proposed Rule misses the opportunity to give members of the largest organizations even more transparency into the goings on of the organization, despite those large entities’ ability to relatively easily provide such information to their members and the public. While I4AW understands the desire

¹ Bureau of Labor Statistics, “Union Members-2024,” January 28, 2025, available at: <https://www.bls.gov/news.release/pdf/union2.pdf>.

² See OLMS Online public Disclosure Room, available at: <https://olmsapps.dol.gov/olpdr/>

³ See OLMS, “Union Members: Know Your Rights,” available at: <https://www.dol.gov/sites/dolgov/files/olms/regs/compliance/unionmemrightsposter.pdf>.

⁴ See United States Department of Labor, “Secretary Chavez-DeRemer unveils aggressive deregulatory efforts in push to put the American worker first,” available at: <https://www.dol.gov/newsroom/releases/osec/osec20250701-0>.

to have filing obligations reflect the realities of inflation, I4AW believes that a more balanced approach could ensure transparency and accountability on the largest organizations and those with the most resources and thus supports an approach more in line with the one proposed by OLMS in 2020 (RIN 1245-AA10).

The Institute for the American Worker is a 501(c)(3) nonprofit organization focused on improving the lives of American workers by promoting freedom, innovation, and collaboration between workers and job creators. I4AW was formed to educate key policy leaders and stakeholders in our nation's capital about critical issues in labor policy, developing legislation, and emerging workplace trends. I4AW hosts educational briefings and provides customized labor research and analysis that help policy makers understand how specific labor policies impact businesses and workers. More information can be found on www.i4aw.org, which is a one-stop shop for the best resources on the most important labor policy debates facing our country.

This comment explains the purpose of OLMS reporting, highlights the benefits of the current reporting regime, notes I4AW's concerns that the proposal may leave workers less protected, and recommends that OLMS consider the Department's own 2020 proposed rule before making a final determination here.

1. Background

a. LMRDA History

In 2020 OLMS published a lengthy notice of proposed rulemaking (“NPRM”) to modify the requirements for the LM-2 report.⁵ In that notice, OLMS detailed the background and purpose of the Labor-Management Reporting and Disclosure Act of 1959 (“LMRDA”), also known as the Landrum-Griffin Act.⁶ The NPRM explained that the LMRDA was enacted in response to significant public concern about corruption, undemocratic practices, and financial mismanagement within certain segments of organized labor. The LMRDA was designed to ensure transparency, protect members’ rights, and restore public confidence in union governance.⁷

The “McClellan Committee,” hearings of the Senate Select Committee on Improper Activities in the Labor or Management Field held over a period of years in the late 1950s, found problematic behavior by labor leaders, including embezzlement, racketeering, and collusion with organized crime. The findings shocked the public and lawmakers alike, prompting a national call for federal oversight.⁸

⁵ See Department of Labor Notice of Proposed Rulemaking “Labor Organization Annual Financial Reports: Form Revisions,” RIN Number: 1245-AA10, October 13, 2020, available at: <https://www.regulations.gov/document/LMSO-2020-0002-0001.181->

⁶ See 85 FR 63648.

⁷ See 85 FR 63648.

⁸ See 85 FR 63648. See also Benjamin Aaron, “The Labor-Management Reporting and Disclosure Act of 1959,” 73 Harv. L. Rev. 851, (1960); William J. Isaacson, “Employee Welfare and Benefit Plans: Regulation and Protection of Employee Rights,” 59 Colum. L. Rev. 96 (1959); “Interim Report of the Select Committee on Improper Activities in the Labor or Management Field,” S. Report No. 85-1417 (1957).

The LMRDA attempted to fix these problems by requiring democratic protections and access to information necessary for members to hold their leaders accountable. DOL noted that Congress intended to "eliminate or prevent improper practices on the part of labor organizations, employers, labor relations consultants, and their officers and representatives."⁹ OLMS is charged with enforcing the LMRDA and ensuring members are protected from such bad actors and bad acts.

By 2020, however, many of these same problems continued to appear. The 2020 NPRM identified "just a handful of examples" of violations from 2017 through 2020 to highlight the continued need for LMRDA protections and reporting.¹⁰

The 2020 NPRM identified that increased labor organization revenue, the use of more complex financial instruments, and evolving governance structures all necessitated a regulatory update to give OLMS the information it needs to fulfill the LMRDA's core purpose. As the Department noted, "financial transparency is critical to fostering democracy and ensuring that members can detect and deter corruption."¹¹

b. Purpose of OLMS Financial Reporting Forms

OLMS requires most labor organizations to file annual financial reports—specifically Forms LM-2, LM-3, and LM-4—through its Electronic Forms System ("EFS").¹² These disclosures enhance financial transparency, empower members in decision-making, assist federal oversight, and ultimately prevent misuse of union assets.¹³

Form LM-2 is the most detailed report and is required for the largest labor organizations. It captures comprehensive financial activity, including receipts, disbursements, assets, liabilities, and loans. Individual transactions over \$5,000 must be itemized, providing a clear financial trail.¹⁴ OLMS proposed raising this threshold from \$250,000 to \$300,000 in its 2020 NPRM along with some additional data requests on the LM-2.¹⁵

In 2020 OLMS also proposed a new "long form" version of LM-2 ("LM-2 LF") for labor organizations with receipts exceeding \$8 million. That form would supplement the current LM-2 report with new schedules to track investment purchases, representational activity, and political lobbying in greater detail.¹⁶ The additional specificity was intended to increase accountability.¹⁷

By tweaking the filing thresholds and increasing reporting requirements for the largest organizations, OLMS sought to balance transparency, member empowerment, and reporting efficiency.¹⁸

⁹ See 85 FR 63649.

¹⁰ See 85 FR 64729.

¹¹ See 85 FR 63649.

¹² See OLMS, "Union Members: Know Your Rights," available at:

<https://www.dol.gov/sites/dolgov/files/olms/regs/compliance/unionmemrightsposter.pdf>.

¹³ See 85 FR 63648.

¹⁴ See 85 FR 63652.

¹⁵ See 85 FR 63647.

¹⁶ See 85 FR 63654.

¹⁷ See 85 FR 63658–63660.

¹⁸ See 85 FR 63648–63666.

2. Benefits of a Comprehensive Reporting Scheme

As Justice Brandeis once wrote, “Publicity is justly commended as a remedy for social and industrial diseases. Sunlight is said to be the best of disinfectants; electric light the most efficient policeman.”¹⁹ In the same vein, OLMS and members of labor organizations alike benefit greatly from the disinfecting power of transparent and robust reports. This section will discuss the benefits that accrue to the public, labor organization members, and the government from robust enforcement.

OLMS reviews LM-2, LM-3, and LM-4 disclosures to prompt investigations into various financial abuses of member dollars by leadership. These data enable OLMS to find abuses such as embezzlement, fake jobs, improper loans and conflicts of interest, financial mismanagement, poor recordkeeping, and actions that undermine internal democracy. The LM-2 forms strengthen DOL’s ability to protect members from such harm and to fulfil its Congressionally-mandated role. OLMS’ record of investigating, prosecuting, and ameliorating corruption is highlighted by the hundreds of cases reported on the OLMS website, many in partnership with the Department of Justice (“DOJ”) and other federal agencies.²⁰

These annual criminal reports showcase the multiple bad actors OLMS, in partnership with DOJ and other state and federal law enforcement entities, charges each year. Many of those prosecuted work (or worked) for labor organizations that could be allowed to file less robust reports under the proposed rule. Below we cite four recent examples of entities whose leaders were criminally convicted that were part of labor organizations that would be eligible for less comprehensive reporting (and thus a lower likelihood these misdeeds would have been caught or punished) under the NPRM:

- In 2024 in Springhill, LA, the Financial Secretary of the United Steelworkers Local 554 embezzled union funds and was sentenced to six months in prison, over \$40,000 in restitution.²¹ USW Local 554 reported receipts of \$16,517 in 2024 meaning it would be eligible to file the least robust LM-4 under the proposed rule instead of the LM-3.
- In 2025 in Cleveland, OH, the President of the International Brotherhood of Boilermakers Lodge 1086 pled guilty to a fourth degree felony, was sentenced to five years probation, and had to pay over \$14,000 in restitution.²² IBB Lodge 1086 reported receipts of \$19,949 in 2024 meaning it would be eligible to file the least robust LM-4 under the proposed rule instead of the LM-3.
- In 2024 in Houston, TX, the Secretary-Treasurer of the International Association of Machinists and Aerospace Workers Local Lodge 2198 pled guilty to embezzling over \$63,000 in funds.²³ IAMAW Local Lodge 2198 reported receipts of \$369,184 in 2024 meaning it would be eligible to file the less robust LM-3 under the proposed rule instead of the LM-2.

¹⁹ Louis D. Brandeis, Harper’s Weekly, Volume 58, Number 2974, “What Publicity Can Do,” 10,

²⁰ See OLMS Criminal Enforcement Actions Webpage, available at: <https://www.dol.gov/agencies/olms/criminal-enforcement>.

²¹ OLMS 2024 Criminal Enforcement, available at: <https://www.dol.gov/agencies/olms/criminal-enforcement/2024>.

²² OLMS 2025 Criminal Enforcement, available at: <https://www.dol.gov/agencies/olms/criminal-enforcement/2025>.

²³ OLMS 2024 Criminal Enforcement, available at: <https://www.dol.gov/agencies/olms/criminal-enforcement/2024>.

- In 2023 in Binghamton, NY, the Business Representative/Treasurer of Roofers Local 203 pled guilty to larceny, was sentenced to five years' probation, and paid over \$21,000 in restitution.²⁴ Roofers Local 203 reported receipts of \$286,234 in 2024 meaning it would be eligible to file the less robust LM-3 under the proposed rule instead of the LM-2.

These are but four of many examples where robust reporting enabled OLMS' district offices to open investigations that led to serious charges and strengthened protections for labor organization members. And these four examples also remind us of the potential that less robust reporting could have negative repercussions on workers and overall compliance.

3. Current NPRM Focuses Only on Reducing Perceived Burdens, Not Lost Accountability

In the 2020 NPRM, the Department explained the tradeoff from increasing the filing thresholds:

“Although the overwhelming majority (78.5%) of all reporting labor organizations are currently exempt from filing Form LM–2, changing the threshold to \$300,000 would reduce the recordkeeping and reporting burden for approximately 273 labor organizations. Taking such action, would however, reduce the amount of information available to their 441,247 members.”²⁵

Unfortunately, OLMS failed to provide a similarly complete analysis in its most recent proposal. The Regulator Impact Analysis (“RIA”) correctly identifies that LM-2, LM-3, and LM-4 reporting obligations impose administrative costs, especially on smaller labor organizations with limited staff.²⁶ And the RIA is correct that increasing the thresholds will reduce compliance costs for the organizations.²⁷ But raising the threshold to \$450,000 would exempt more than 850 unions from itemized reporting of officer disbursements, political activity, and asset transactions—precisely the types of data most useful for detecting embezzlement, self-dealing, and conflicts of interest.²⁸ According to 2024 LM-2 filing data, these organizations represent more than 1.25 million workers.²⁹

And raising the LM-3 filing threshold to \$25,000 would exempt more than 2,050 organizations from their current reporting requirements.³⁰ According to 2024 LM-3 filing data, these organizations represent more than 500,000 workers.³¹ These shifts will make it harder for nearly 1.8 million represented employees in these 2,957 organizations³² to monitor their leadership and

²⁴ OLMS 2023 Criminal Enforcement, available at: <https://www.dol.gov/agencies/olms/criminal-enforcement/2023>.

²⁵ See 85 FR 64747.

²⁶ See 90 FR 28252.

²⁷ See 90 FR 28253.

²⁸ See 90 FR 28253.

²⁹ See DOL Yearly LM Filing Data, available at:

https://olmsapps.dol.gov/olpdr/?_ga=2.254274315.2020607130.1658153547-131188624.1645563445#Union%20Reports/Yearly%20Data%20Download/.

³⁰ See 90 FR 28253.

³¹ See DOL Yearly LM Filing Data, available at:

https://olmsapps.dol.gov/olpdr/?_ga=2.254274315.2020607130.1658153547-131188624.1645563445#Union%20Reports/Yearly%20Data%20Download/.

³² See 90 FR 28252 (“Approximately 868 labor organizations that filed Form LM-2 in FY 2024 would fall below the revised Form LM-2 threshold and instead file the Form LM-3 in the next reporting cycle. Approximately 2,089 labor

for the Office of Labor-Management Standards (OLMS) to proactively identify red flags in organization finances to protect those workers.

The proposed rule presumes, based merely on historic surveys of the regulated organizations, that there are substantial costs associated with filing the LM reports each year. These data appear to come from the most recent 2024 Information Collection Request which reports that it takes 140.2 hours to fill out to an LM-2 and an additional 390 hours of recordkeeping to collect the necessary information.³³ Of note, however, the 2016 Information Collection Request reports the identical hours for filling out and recordkeeping to inform an LM-2.³⁴ The fact these data are at least eight years old makes the presumed cost savings from permitting some organizations to file a less detailed form appear inflated to say the least. Further, the latest supporting statement fails to describe “any consideration of using information technology to reduce burdens” despite instructions from OMB on the form itself.³⁵ The description of automation, technological collection techniques, and use of information technology to reduce burdens in the 2024 document is identical to the 2020 version, despite massive improvements in software, the widespread adoption of AI, and other cost-savings from the use of technology.³⁶ In the face of modern accounting software and electronic data collection, these burdens may well be overstated. Thus, it is not clear whether OLMS’ proposal will actually provide the level of cost savings projected in the RIA.

This potential overstatement is made worse since the proposed rule’s RIA focuses exclusively on perceived cost savings to labor organizations but fails to consider the external costs to American workers and the general public.³⁷ The RIA does not attempt to quantify the potential losses to workers from reduced transparency, nor does it acknowledge the role that financial disclosures play in preventing criminal abuse. This is a serious omission. As OLMS enforcement records have shown, labor organizations are not immune to fraud, and financial reporting can be vital to identifying and correcting such wrongs. The Department’s decision not to evaluate these costs and not to estimate the negative value of less fraud detection, less democratic accountability, or potential reputational harm to the labor movement suggests an incomplete basis for the rulemaking.

While we applaud efforts to streamline red tape, such efforts must carefully balance accountability as well. Represented employees deserve access to the financial information that

organizations that filed the Form LM-3 in FY2024 would fall below the revised Form LM-3 threshold and file the Form LM-4 in its next reporting cycle.”).

³³ See Supporting Statement for The Information Collections: Labor Organizations and Auxiliary Reports, 2024, OMB Control Number: 1245-0003, available at: https://www.reginfo.gov/public/do/PRAViewDocument?ref_nbr=202407-1245-001.

³⁴ See Paperwork Reduction Act Employer and Agreement and Activities Report Supporting Statement, 2016, OMB Control Number: 1245-0003, available at: https://www.reginfo.gov/public/do/PRAViewDocument?ref_nbr=201604-1245-001.

³⁵ *Id.* at 9.

³⁶ See Paperwork Reduction Act Supporting Statement, 2020, OMB Control No. 1245-0003, 2020, available at: https://www.reginfo.gov/public/do/PRAViewDocument?ref_nbr=202008-1245-001.

³⁷ See 90 FR 28253 (“The Department estimates that increasing the Form LM–2 and Form LM–3 thresholds will result in an overall combined reduction of 567,002 burden hours annually and a total estimated cost savings of \$21,835,735.04. The Department also expects its proposal to increase benefits to the public and to American workers by reducing compliance burdens, thereby enabling the regulated community to allocate more resources and time to core activities and services.”).

directly impacts their dues, benefits, and representation. By weakening disclosure requirements, this proposal could undermine the very purpose of the LMRDA—to protect the rights and interests of America’s workers.

4. DOL Should Reconsider its 2020 Proposal Before Finalizing

Rather than adopt the current rules proposed in this NPRM, I4AW believes a better alternative would be to adopt the more balanced approach outlined in the 2020 proposal.³⁸ That proposal increased the filing threshold while simultaneously ensuring that the largest labor organizations remain fully transparent and accountable. That approach would better balance regulatory burden and transparency and thus better align with the original intent of the LMRDA. Raising the LM-2 threshold to \$300,000, as proposed in the 2020 rule, or even inflation-adjusting that 2020 proposed \$300,000 would more accurately reflect the point at which additional financial oversight may be warranted. That figure is based on both historical precedent and the realities of inflation.

As everyone is aware, inflation rose considerably during the Biden-Harris presidential administration.³⁹ This inflation was caused in part by the prior administration’s economic mismanagement, including skyrocketing federal spending and needless attacks on small businesses, including massive increases in federal regulation. The price increases affected every American worker at the grocery store, gas pump, and when trying to stretch their incomes to the end of the month. But rather than simply take the current filing threshold and inflate it, OLMS should consider the full history of reporting thresholds.

When the LMRDA was enacted in 1959, the filing threshold was set at \$20,000.⁴⁰ Adjusting that figure to 2025 dollars would bring the threshold to approximately \$222,000.⁴¹ In 1962 the threshold was increased to \$30,000.⁴² Adjusting that figure to 2025 dollars would bring the threshold to approximately \$323,000.⁴³ Similarly, adjusting the 1981 threshold of \$100,000⁴⁴ for inflation to 2025 dollars would translate to around \$371,000 today.⁴⁵ And even adjusting the proposed 2020 threshold of \$300,000 for inflation to 2025 dollars would bring the threshold to approximately \$375,000.⁴⁶ Rather, OMLS proposes to expand only the most recent and highest filing baselines (the 2003 \$250,000 threshold which is approximately \$444,000 in 2025 dollars) rather than comparing against all historic baselines. Had OLMS more fully compared across historic baselines, inflation might better justify a \$350,000 threshold. In fact, the average of all

³⁸ See 85 FR 64726 et seq.

³⁹ BLS, “12-month percentage change, Consumer Price Index, selected categories,” available at: <https://www.bls.gov/charts/consumer-price-index/consumer-price-index-by-category-line-chart.htm>.

⁴⁰ See 85 FR 64747.

⁴¹ Author’s calculation rounded to the nearest thousand using the CPI Inflation Calculator, Bureau of Labor Statistics, available at: https://www.bls.gov/data/inflation_calculator.htm.

⁴² See 85 FR 64747.

⁴³ Author’s calculation rounded to the nearest thousand using the CPI Inflation Calculator, Bureau of Labor Statistics, available at: https://www.bls.gov/data/inflation_calculator.htm.

⁴⁴ Author’s calculation rounded to the nearest thousand using the CPI Inflation Calculator, Bureau of Labor Statistics, available at: https://www.bls.gov/data/inflation_calculator.htm.

⁴⁵ Author’s calculation rounded to the nearest thousand using the CPI Inflation Calculator, Bureau of Labor Statistics, available at: https://www.bls.gov/data/inflation_calculator.htm.

⁴⁶ Author’s calculation rounded to the nearest thousand using the CPI Inflation Calculator, Bureau of Labor Statistics, available at: https://www.bls.gov/data/inflation_calculator.htm.

inflation-adjusted thresholds is \$347,000. In sum, the \$300,000 threshold proposed in 2020, or some average of inflation adjusted historic thresholds at around \$350,000, offers a middle-ground update that is both historically consistent and financially reasonable.

Moreover, labor organizations with \$350,000 or more in annual receipts are financially and administratively capable of fulfilling the LM-2 filing requirements. These organizations typically have dedicated staff and accounting systems in place to comply with detailed reporting mandates. Further, modern technology and accounting software make data collection and reporting much less burdensome than in prior years. Requiring such entities to continue submitting comprehensive financial disclosures protects represented members and fosters trust within the organization and with the public.

Equally important, the largest labor organizations (those with multi-million dollar budgets and tens or hundreds of thousands of members) can and should be held to the highest standards of transparency. The proposed LM-2 Long Form from the 2020 NPRM provides critical insight into the financial practices of these large unions and is an essential tool for oversight. Transparency is not merely about compliance, it is also foundational to worker empowerment and democratic governance within labor organizations.

The 2020 proposal would have accomplished three essential objectives: it relieved small organizations of unnecessary filing burdens; it aligned filing requirements with the capacity and scale of the organization; and it ensured that the most resource-rich labor organizations remained fully transparent. By contrast, the Department's current proposal fails to strike the same balance, potentially reducing transparency from some mid-size organizations without requiring any additional information from the largest organizations. If OLMS were to finalize a version of its 2020 proposal, the rule could better serve American workers, reduce compliance costs for small organizations, and ensure that transparency requirements remain aligned with the scale and influence of each organization.

Conclusion

The Institute for the American Worker has concerns with the proposed OLMS regulation because it will leave workers who rely on their labor organizations vulnerable to harm merely to reduce perceived burdens on some labor organizations. By sacrificing transparency and potentially reducing accountability, members may no longer be protected from the abuses of the worst actors. Since the NPRM did not provide a careful analysis that takes these risks into consideration, I4AW would urge the Department of Labor to instead consider the never-withdrawn 2020 NPRM which takes a more measured approach to reducing burdens while also balancing the need to collect information to protect workers. The 2020 NPRM better ensures transparency and accountability, giving OLMS the resources it needs to protect workers, and still doesn't impose unnecessary filing burdens on the smallest organizations.

I4AW urges DOL to withdraw the current proposed rule and adopt a rule in line with the 2020 proposal to best protect the American worker.