
The following comments are submitted by the Coalition for a Democratic Workplace ("CDW" or "the Coalition") in response to the Department of Labor’s ("the Department") Proposed Rule on Labor Organization Annual Financial Reports and LM Form Revisions ("Proposed Rule"). The Proposed Rule was published in the Federal Register on October 13, 2020. ¹

CDW members include hundreds of employer and business associations and other organizations that together represent millions of businesses of all sizes employing tens of millions of individuals working in every industry and every region of the United States.

These employers and employees have a strong interest in the Department’s Proposed Rule on union financial disclosures. Current financial disclosure rules allow unions to obscure vital financial information that make it virtually impossible for union members, employers, and the general public to fully understand a union’s financial health, investments and expenditures.

The Labor Management Reporting and Disclosure Act ("LMRDA") was first enacted in 1959 in response to years of corruption and financial abuse by labor unions. Today’s labor organizations are far more like modern corporations in their structure, scope, and complexity than the labor organizations of 1959. Furthermore, today’s labor organizations have changed dramatically since 2009, when changes to reporting requirements were last considered.

1. Today’s labor organizations have already adopted the technology needed to track and report spending to comply with the 2009 changes. The proposed changes will require minimal increased time or cost beyond the initial investment to adapt recordkeeping platforms to meet new standards. The argument that additional reporting would be unduly burdensome is now moot and certainly outweighed by the value of increased transparency and accountability,

¹ 85 Fed. Reg. 64,726.
particularly for organizations above the proposed long-form basis of $8M in annual revenue.

2. Through mergers, acquisitions, and restructuring, many of today’s largest labor organizations have become structurally complex conglomerates. Today, it is far more challenging for their members and prospective members to fully discern and evaluate a labor organization.

3. Technology has evolved to a point where complex financial information can be readily disseminated and made accessible to members, prospective members, and the public.

4. The recent flagrant case of corruption cited in the Proposed Rule, the conspiracy between officials of the United Auto Workers (UAW) and officials of the Fiat Chrysler training center\(^2\), speaks to the need for greater transparency around the relationships between labor organizations and training centers, pension funds, health and welfare funds, and worker centers. In addition, union financed worker centers, like the International Brotherhood of Teamsters’ Warehouse Workers Resource Center in southern California for example, can and should be held to the same standards of transparency and accountability as other labor organizations if they are being supported largely by union members’ dues.

CDW strongly encourages adoption of the Proposed Rule. While we do suggest a number of small revisions, the Department clearly took advantage of a decade of experience and technological advancement. The Proposed Rule is a significant improvement over the changes made in 2009. Below we list our comments and suggested improvements.

**The Confidentiality Exceptions**

We recommend the Department require labor organizations to itemize all expenditures above the $5000 reporting threshold. While we understand that the identity of a legitimate “salt” or the employer targeted may need to be kept confidential, the amounts spent on salting employers is clearly relevant to members. The same is true about funding for worker centers.

*The department should make it clear that all union payments to worker centers, and all covered receipts and disbursements by the worker centers themselves, should be fully disclosed on LM-2s.* As numerous complaints to the Department have confirmed in recent years, many unions are affiliated with so-called Worker Centers who are either acting as front organizations on the unions’ behalf and/or who are acting themselves as

labor organizations within the meaning of the LMRDA. Financial accountability of such expenditures in union LM-2s has been sporadic at best, and very few of the worker centers have filed LM-2 reports as required by law. The Department should take this opportunity in its final rule to make clear that all payments to worker centers must be fully disclosed and that the worker centers themselves must file LM-2s.

It is unclear how the revelation of any other spending from any given year could impact organizing or negotiations in real time as the information is not available to the public until several months into the following year. It is particularly difficult to justify keeping confidential any spending that would not otherwise be reported on the current Schedule 15—Representation.

If it is ultimately determined that public knowledge of certain expenditures could negatively impact organizing or bargaining strategies, we recommend those items be reported in detail on an addendum shielded from public view but readily available to Department investigators. To reduce inappropriate use and abuse of this provision, we recommend the Department specify the types of allowable confidential expenditures and require labor organizations tag each confidential expenditure to indicate the type of confidential expense. The labor organization would then carry the total of its confidential spending from the addendum onto the LM-2 under a new category, “Confidential Spending.”

We are most concerned about confidential spending being lumped together with other reported spending with no named payee. Union members should be able to clearly see the total of two types of expenditures with no named payee: spending below the $5000 threshold and spending above the $5000 threshold reported as confidential. Union members can then be reasonably confident that any such undesignated spending above the threshold was spent in their interest, under penalties for false reporting.

There is ample reason to believe corrupt union officials have hidden questionable spending in plain sight as disbursements with no named payee. A review of the LM-2 reports associated with some of the most high-profile embezzlement cases of the last fifteen years bears this out. Raymond Ventrone, the former business manager of Boilermakers Local 154, was sentenced to 41 months in Federal prison for embezzling between $1.5M to $2.5M from 2010 to 2014. A review of the 1700-member local’s LM-2 reports show eye-popping expenditures to unnamed payees during that same time period averaging $1.2M per year. In 2011, the local reported $2.6M in undesignated spending on General Overhead; in 2016, undesignated spending on General Overhead

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4 Business Manager Sentenced to 41 Months in Prison for Embezzling $1.5 Million from Boilermakers Local 154 The United States Attorney’s Office of the Western District of Pennsylvania February 12, 2018
plummeted to just $235,000, the first reporting year after Ventrone was removed from office.

In 2005, Service Employee International Union (SEIU) Local 434B reported a total of $11.9M as Other Disbursements, 42% of the dues collected from Local 434B. In 2013, a federal jury convicted Tyrone Freeman, the president of Local 434B in 2005, of fourteen criminal counts, including four counts of mail fraud and seven counts of embezzlement.

In practice, it is challenging and potentially risky for members to attempt to obtain detailed records of spending by their union local, let alone the parent labor organization. Members should never be required to draw attention to themselves and potentially strain their relationship with the organization that serves as their sole advocate in the workplace. As such, the labor organization cannot remain the gatekeeper for access to detailed information that a member might use to challenge their union officials.

Under no circumstances should a labor organization be allowed to hide from its members or the public any payments made under a confidentiality agreement. To the contrary, members should be privy to the terms and nature of any and all financial settlements made for alleged wrongdoing, and this can be accomplished while still shielding the name of the payee from public disclosure. Particularly in light of the current heightened awareness of certain social ills, members should always be made aware if their union officials have felt compelled to financially settle charges of sexual harassment, discrimination, employment law violations, and, particularly, CA charges (charges against employers) of the National Labor Relations Act (“NLRA” or “the Act”).

We would go further to recommend that labor organizations entering into such settlements be required to flag their LM-2 filing for every year in which such payments are made and disclose the nature of the charges and terms of the settlement in the current field Item 69—Additional Information Summary.

Since the start of 2009, entities of the SEIU have been charged nearly 300 times for violations of the NLRA as an employer; of those, at least thirty charges were made of unlawful discharge under the Act. The fact that it cannot be readily determined how many of those cases may have ended in financial settlements speaks loudly to the need for full transparency. Members should be able to clearly see any and all settlements, particularly those settlements made over charges that speak directly to a labor organization’s understanding and adherence to the NLRA.

Labor organizations may also conceal settlements as an employer over charges of sexual harassment and violations of Title VII of the 1964 Civil Rights Act. Just this year

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5 Former President of SEIU Local Found Guilty of Stealing Tens of Thousands of Dollars from Union and Failing to Report Income The Federal Bureau of Investigation Los Angeles Division January 28, 2013
SEIU United Healthcare Workers West settled\(^6\) with a former employee over a raft of charges of sexual harassment and sexual assault by a top-ranking official of that organization against a number of his female employees.\(^7\) In 2017, Local 100 of the United Labor Unions reached a $30,000 settlement over charges by the U.S. Equal Employment Opportunity Commission. The union was charged with terminating two employees based on race.\(^8\)

Certainly, labor organizations should not be permitted to continue to hide settlements of these sorts, under the conceit of protecting the identity of the aggrieved, from the dues-paying members who are ultimately financially responsible for those settlements. We would go one step further and require all labor entities to parse out and flag the legal costs of fighting charges of negligence, corruption, or unlawful actions as an entity or an employer and not fold those costs into the legal costs of representation and day-to-day management of the organization. We would also require all settlement payments be flagged as such and not disguised as normal employee compensation or other typical expenditures.

**Trusteeship**

We concur with field agents’ recommendation to more clearly flag the reports of all labor entities under trusteeship. We also recommend long form organizations (those with more than $8M in annual revenue) be required to list on their long form any subordinate entities they currently have under trusteeship, and a brief summary of the rationale for every trusteeship should be included on reports submitted by both the trusteed entity and that of the entity that has imposed that trusteeship.

The only democratic control that members can hope to have over their labor organization is first expressed at the local level through the election of local leaders. When a trusteeship is imposed, members are effectively stripped of that democratic control until the election of new local officials takes place. Members, employers, and the public should be privy to the rationale behind a trusteeship, and prospective members should be able to look across an organization to the frequency and rationale for trusteeships by the parent organization in order to suppress abuse of the trusteeship process. If the goal is to better serve and protect members and prospective members, the current practice of disclosure by the trusteed entity on a Form LM-15 Trusteeship Report is insufficient unless those reports are made readily available to members and prospective members. We recommend that any LM-15 report be attached to the LM-2 reports of both the trusteed and trusteeing entities.

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\(^7\) [MINDY STURGE, Plaintiff, vs. SEIU-UNITED HEALTHCARE WORKERS WEST, MARCUS HATCHER, and DOES 1-10, Defendants Superior Court of California County of Alameda October 22, 2019](https://www.courtdocexpress.com/document/151476131)

\(^8\) [Local 100, United Labor Unions to Pay $30,000 to Settle EEOC Race Discrimination Lawsuit U.S. Equal Employment Opportunity Commission October 23, 2017](https://www.eeoc.gov/eeoc/press_releases/2017/local100_30k.htm)
Item 6—Designation Number

While the Department proposes no change to this item, we recommend multi-tiered labor organizations be required to assign unique numbers to local entities and make those local numbers widely known to members, prospective members, and the public. The SEIU in particular appear to be abandoning the practice of numbering their local entities. For example, these entities have not been reporting with a local number:

- Service Employees Local Union National Fast Food Workers Union ($9.3M in receipts, 2019)
- Service Employees Local Union United Service Workers West ($29.8M, 2019)
- Service Employees Local Union Healthcare IL IN ($42M, 2019)
- Service Employees Local Union SEIU Healthcare Pennsylvania ($17.9M, 2019)
- Service Employees Local Union Committee of Interns and Residents ($15.3M, 2019)

At the same time, four large, distinct SEIU entities file under the local number “1199” with annual receipts in 2019 of $253.4M, $22.7M, $17.1M, and $15M. As labor organizations like SEIU move away from a local numbering system, or effectively abuse the numbering system in a manner that invites confusion, it becomes far more challenging for members and the public to navigate the existing Office of Labor-Management Standards (OLMS) online database.

New EIN Requirement for Vendors

We concur with the Department on the importance of requiring Employer Identification Numbers (EIN) for vendors that received payments that trigger itemized disclosure ($5000 or more) on new Schedules 24 through 30. This requirement would also serve to discourage unscrupulous payments made to relatives and associates of the organization’s officials or settlement payments disguised as payments to vendors. Labor organizations should be required to follow the same $600 rule for business-to-business expenditures as is currently required of business entities. Similarly, we would recommend all donations declared under Schedule 17—Contributions, Gifts & Grants require the EIN assigned to that tax-exempt organization for any donation over $600 in a given year. We further recommend that charitable contributions above $600 to individuals, for example scholarships, come from a charitable trust (with an EIN) set up for that purpose and not the operating funds of the labor organization itself.

Item 10—Trust or Other Fund

The Department proposes and we recommend the long form ask whether, during the reporting period, an officer or employee who was paid $10,000 or more by the reporting organization also received $10,000 or more as an officer or employee of another labor organization in gross salaries, allowances, and other disbursements during the reporting
period. If the answer is “Yes,” the labor organization would provide additional information in Item 75—Additional Information.

Dues-paying members of labor organizations that meet the long form reporting threshold of $8M in annual revenue may readily assume that the highest paid officials of their local union are serving their direct interests fulltime in their capacity as, for example, president or chief operating officer of their local. To best evaluate the performance of those officials, members should be able to readily see if what they assume to be fulltime officials are in fact dividing their time and attention with paid obligations to other labor organizations, such as funds, joint boards, trusteeships, and executive boards. This is not to say the holding of multiple positions should be limited or even suspect, only that union members cannot fairly evaluate the appropriateness of any given official’s salary if they cannot also readily see how that official’s time and attention may be divided and concurrently compensated.

**Item 11—Political Action Committee (PAC) Funds, Subsidiary Organizations, and Strike Funds**

The Department proposes a new Item 11(c), in which the union would be required to report if it has a separate strike fund. If the answer is “Yes,” the union must provide, in Item 75—Additional Information, the amount of funds in the strike fund as of the close of the reporting period.

We agree with the Department that this knowledge would help union members when considering strategies for dealing with employers; that it is critical for members to know if their strike fund is not as healthy as advertised; and that a reporting obligation is a powerful deterrent to embezzlement. We would add that prospective members should also be privy to this information when deciding on the ability of a union to follow through on its promises.

We disagree that publication of a strike funds balance would in any substantive way benefit employers with respect to negotiations. Strike pay from even the most well-financed strike funds is typically a fraction of strikers’ normal earnings and typically well below a living wage. For example, the UAW strike fund is thought to be around $760M, and yet it pays out just $275 per week to its striking members (just recently raised from $250 per week). This is around a third of the average pay for a represented auto worker and even a cut in pay for a represented worker earning the Federal minimum wage. The employee loss is even more pronounced when considering employer provided benefits. As such, in current practice the size of a union’s strike fund has little impact on strikers’ resolve; it is the small size of the weekly stipends that wears on their morale, not some looming sense of a strike fund running out of money. As such, there are numerous factors far more impactful on an employer’s course of action in negotiations than the size of a union’s strike fund, if it is ever a consideration at all.

**Item 18—Changes in Constitution and Bylaws**
The Department proposes to re-designate the current Item 18 as Item 18(a) and proposes a new Item 18(b). This item would require labor organizations to provide the date of their current constitution and bylaws. This would aid the Department, when conducting investigations of union elections and when supervising rerun elections, to ensure that the most current and correct provisions are applied. It would also aid union members in their efforts to follow the most current and accurate union procedures.

We would further recommend that labor organizations be required to clearly highlight all changes made to the actual language of their constitution or bylaws in copies filed with the LM-2. This would provide members with the opportunity to review those changes without relying on the labor organization’s summations of those changes, which may not stand the test of time in application, or tediously going line-by-line through both documents.

**Item 21—Dues and Fees**
While the Department proposes no change to this item, we see this as one of the most poorly reported items on the LM-2 form and the single most important entry to prospective members. Presumably every labor organization has a clear formula for calculating dues. The existing minimum/maximum table tells a prospective member nothing about how their dues will be determined, while the majority of labor organizations have such formulas embedded somewhere in their constitution or bylaws. We recommend the current table be replaced with a simple box where a labor organization must spell out how dues are calculated, along with the dollar amount or calculus for any initiation fees.

**Item 47—From Members for Disbursement on Their Behalf**
While the Department proposes no substantive change to this item other than renumbering, we recommend labor organizations be required to detail the nature of this passthrough in the current field Item 69—Additional Information Summary. Specifically, we recommend labor organizations be required to explain the purpose behind these transactions (e.g., scholarships, hardship funds, special collections), how the funds are collected (e.g., voluntary contribution, automatic paycheck deduction), and how and by whom the distribution of these funds is managed.

**Cash Disbursements Item 50—Representational Activities**
The Department proposes to divide Item 50—Representational Activities into two items. Item 50 would be renumbered Item 51 and renamed Item 51—Contract Negotiation and Administration. There would be a new Item 52—Organizing. Schedule 15 would be divided in two and designated Schedule 24—Contract Negotiation and Administration and Schedule 25—Organizing. We strongly recommend adoption of this change.
As the National Labor Relations Board ruled last year, a union violates its duty of fair representation if it charges agency fees that include expenses other than those necessary to perform its statutory representative functions. As such, we see the need for clear-cut rules for reporting of these expenses that will effectively limit agency fees to necessary costs without expansive interpretation of those costs by the reporting labor organization.

Setting aside compensation of officials and employees, the necessary costs of negotiating and administering a contract are clear-cut. These indisputable costs are: attorney fees for negotiations and contract enforcement; payments to arbitrators, negotiators, and translators; research costs; the cost of printing and distributing contracts; the cost of training stewards in grievance handling; the costs of meetings and committees dedicated to contract issues; and travel costs directly related to bargaining and contract enforcement. Members, prospective members, and Beck objectors should be able to readily see a labor organization’s annual spending only on this set of items, without inclusion of the largely arbitrary and often questionable costs of internal and new organizing that often dwarf the indisputable costs of the representational function.

Labor organizations have made the argument that internal organizing strengthens the union’s position at the bargaining table. However, no bright line can be drawn between the costs of organizing unit members around contract issues and the costs of internal organizing for other purposes. As such, Beck objectors should not be expected to support the cost of mixed purpose meetings and trainings, social gatherings, travel to conventions and conferences, novelties, advertising, or newsletters that may or may not address contract enforcement (and are often members-only) when inclusion of these items can grossly over-inflate an organization’s Item 50 total. The “fair share” obligation should also not include the costs of new organizing.

Our review of six 2019 LM-2 filings suggests that some of the country’s largest union locals grossly over-report representational spending. We have reviewed filings from six locals chosen because they are the largest locals to meet the following criteria:

1) They are all entities of the nation’s largest labor organizations that provide full-service representation at the local level;
2) They operate largely or exclusively in the private sector;
3) They reported agency fee payers in 2019; and
4) They are a sampling from several areas of the country.

These six reviewed locals are: International Brotherhood of Teamsters (IBT) Local 63 in Rialto, California, and Local 89 in Louisville, Kentucky; United Food and Commercial Workers Local 21 in Seattle, Washington, and Local 881 in Des Plaines, Illinois; SEIU

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9 NLRB Sets Standards Affecting Beck Objectors, Union Lobbying Expenses Are Not Chargeable Office of Public Affairs National Labor Relations Board March 1, 2019
Local 32BJ in the New York City region and SEIU Local 1 in Chicago, Illinois. These locals range in size from 16,000 to 160,000 members and from $7.4M to $103.6M in dues collected in 2019.

Based on examination of these six LM-2 reports, we find:

1. There is no apparent consensus as to what constitutes a representational expense. For example, UFCW Local 21 reported nearly $2.5M in representational expenses that are clearly overhead. This $2.5M accounts for nearly half the local’s declared spending in the category, after employee and official compensation. These overhead costs include line items like lawn maintenance, janitorial services, insurance payments, equipment rental, and utilities. Similarly, UFCW 881 reported $257,924 in rent on its headquarters as a representational expense.

2. While the costs of representing existing members is relatively clear-cut, the inclusion of organizing expenses appear to invite broad interpretation. If we combine the reported representational spending of all six locals, over half went towards advertising, novelties, social events, and consultants who support administrative functions, such as IT, media outreach, and investment management.

3. Some of the representational line items were truly curious:
   a. SEIU Local 32BJ reported spending $281,848 on temp workers, $113,058 on American Express gift cards for members, $494,557 on Image Pointe promotional items, $20,000 on a “storyteller” consultant, $57,000 for a “jurisdictional agreement” with another union, and $12,000 to an individual as a “settlement.”
   b. SEIU Local 1 reported over $470,000 in travel-related expenses, including hotels in Virginia, New Jersey, Atlanta, Maryland, and Connecticut but none in the Midwestern cities serviced by this local.
   c. UFCW Local 881 reported a $14,500 donation to Jobs with Justice, $5,064 to a “business management consultant,” $5,923 in workers’ compensation insurance, $5,517 for a “cannabis publication subscription,” and $7,450 for an inspirational speaker at its stewards conference.
   d. In addition to the $2.5M reported on office expenses, UFCW Local 21 reported $284,671 for pins, badges, and “better jobs” tote bags as well as $8,000 to a storytelling consultant.
e. IBT Local 63 reported $75,191 in consulting fees to “Randel Korgan”. However, no consultancy using that name was found, and a Randy E. Korgan is reported as a staff organizer.

f. Only IBT Local 89 limited its representational line items to what appear to be true representational expenses, with the exception of $6,051 paid to the Paris Las Vegas hotel.

4. Were members of these locals able to readily see how little these locals spend on legal counsel and arbitration, they might well demand more from their dues dollars, particularly if a local has been tight-fisted about taking grievances to arbitration. Three of the six locals spent nothing on arbitration in 2019. Four of the six locals spent less than 11% of their reported representational spending, after compensation, on legal counsel. IBT Local 63 (41%) and UFCW Local 881 (22%) spent relatively more. In fairness, SEIU Local 32BJ has a large internal legal department and several staff negotiators, and SEIU Local 1 reports one staff attorney.

In evaluating spending on negotiating and enforcing a contract, the outcome of that spending is relatively simple to assess – either a contract was reached or it was not. Contract gains were made or not. Grievances were settled to the satisfaction of the bargaining unit or not. There is no comparable objective way for members to evaluate the efficacy of dues dollars spent in real time on what are often quite costly organizing events, junkets, and media campaigns (let alone inspirational speakers and tote bags). As pocketbook issues are of greatest importance to the majority of members and prospective members, they deserve to see how dues money spent translates into their financial gain.

**Sale of Investments and Fixed Assets (Item 43 and new Item 44, Schedule 3 and new Schedule 4)**

Statement B of the current Form LM-2 covering Receipts and Disbursements requires labor organizations to report all cash receipts during the reporting year from sale of investments or fixed assets. This is currently reported on Item 43 and supported by Schedule 3. The Department proposes to change Item 43 to cover only Sale of Investments, while adopting a new Item 44—Sale of Fixed Assets. The Department proposes the new items be supported by reworded Schedule 3—Sale of Investments and a new Schedule 4—Sale of Fixed Assets.

Additionally, the Department proposes that Schedules 3 and 4 include further detail identifying the name and address of the purchaser, description of the investment or fixed asset, date of sale, cost of sale, book value, gross sales price, and the amount received. These disclosures provide members the information they need to know that sales are transacted at fair market value and at arm’s length. It deters individuals from
self-dealing by purchasing assets from the union at below-market prices. We firmly agree with these proposed changes.

As the Department noted, the current rule often obscures the fair market value and cash received in exchange for the sale of investments or fixed assets. This is an area where it is relatively easy to hide self-dealing and unjust enrichment at the expense of union members. If members can see the names of who made a purchase and the discount the union gave (or profit it received), they can easily evaluate whether a transaction was conducted at a fair market price and above board. This is very important information for members to know, because it may often be a sign of other financial impropriety. Furthermore, the reporting of this information also deters corrupt union officials from engaging in self-dealing.

**Schedule 10—Other Liabilities**
While the Department proposes no substantive change to Schedule 10, we recommend labor organizations be required to report the balance of legal settlement costs and termination agreements with former employees as Other Liabilities.

**Schedule 11—All Officers and Disbursements to Officers**
We concur with the Department’s proposal to eliminate functional reporting of union officer time. In our estimation functional reporting is not only arbitrary in practice but can be misleading when carried over to Statement B. In practice, only a fraction of paid positions are clear cut in their function, and accurate tracking in multi-function positions is burdensome, if not impossible.

For example, when a union business agent visits a worksite to attend a grievance meeting, solicit charitable contributions, encourage members to vote, or resolve a bookkeeping issue with the employer, how is that workday – or even most worksite conversations with members – divided between functions with any accuracy? The same is true for time spent planning and attending multi-functional union events (e.g., a national convention where attendees hear from political candidates, are informed on organizing campaigns and contract talks, listen to appeals for charitable support, and approve changes to the union’s constitution). In practice, functional reporting tells members and prospective members very little about how any given official or employee serves the membership, beyond what should be already obvious based on job title.

**Item 51—Political Activities and Lobbying**
The Department proposes to divide Item 51—Political Activities and Lobbying into two items. Item 51 would be renumbered Item 53 and renamed Item 53—Political Activities. There would be a new Item 54—Lobbying. The schedule, currently Schedule 16—Political Activities and Lobbying, would be split. It would be supported by a new Schedule 26—Political Activities and a new Schedule 27—Lobbying. In doing so, the Department proposes to break the Political Activities and Lobbying Schedule into two
schedules. On Schedule 26, labor organizations would report disbursements for political activities. On Schedule 27, the labor organization would report lobbying disbursements.

**Item 52—Contributions, Gifts, and Grants**
The Department proposes no substantive change to this item. This item would be renumbered Item 55—Contributions, Gifts, and Grants. The item would be supported by a renumbered Schedule 28—Contributions, Gifts, and Grants, without substantive change. We recommend all receipts of more than $600 a year have the EIN of a registered charitable organization and that contributions to individuals be passed through a granting entity, such as a scholarship or hardship fund.

**Conclusion**
For the reasons stated above, CDW strongly supports the Department’s Proposed Rule to update and improve union financial disclosures under the Labor Management Reporting and Disclosure Act. The Proposed Rule is a significant improvement over the changes made in 2009 and provides important financial transparency and accountability that is critical to union members, the employer community and the general public.

Sincerely,

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