

117TH CONGRESS  
1ST SESSION

# H. R. 3640

To ensure labor organization transparency and accountability.

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IN THE HOUSE OF REPRESENTATIVES

MAY 28, 2021

Mrs. STEEL (for herself and Mr. WALBERG) introduced the following bill;  
which was referred to the Committee on Education and Labor

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## A BILL

To ensure labor organization transparency and  
accountability.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Union Transparency  
5 and Accountability Act”.

6 **SEC. 2. DISCLOSURE REQUIREMENTS.**

7 Section 208 of the Labor-Management Reporting and  
8 Disclosure Act of 1959 (29 U.S.C. 438) is amended—

9 (1) by striking “The Secretary” and inserting  
10 “(a) The Secretary”; and

11 (2) by adding at the end the following:

1       “(b) Notwithstanding subsection (a) and for each fis-  
2 cal year, a labor organization that would be required to  
3 file form LM-2 under part 403 of title 29, Code of Fed-  
4 eral Regulations, (as such part was in effect on October  
5 12, 2009) shall be required to annually file with the Sec-  
6 retary—

7               “(1) form LM-2, as published in the appendix  
8 to the final rule issued by the Secretary of Labor en-  
9 titled ‘Labor Organization Annual Financial Re-  
10 ports’ (74 Fed. Reg. 3678 (January 21, 2009)); or

11               “(2) a successor form that includes all of the  
12 information required in such form LM-2 (as such  
13 form was published on January 21, 2009).

14       “(c) Notwithstanding subsection (a) and for each fis-  
15 cal year, a labor organization that would be required to  
16 file form T-1 under part 403 of title 29, Code of Federal  
17 Regulations (as such part was in effect on November 30,  
18 2010) shall file with the Secretary, as the report con-  
19 cerning trusts in which a labor organization is inter-  
20 ested—

21               “(1) form T-1, as published in the appendix to  
22 the final rule issued by the Secretary entitled ‘Labor  
23 Organization Annual Financial Reports for Trusts  
24 in Which a Labor Organization Is Interested, Form  
25 T-1’ (73 Fed. Reg. 57412 (October 2, 2008)); or

1           “(2) a successor form that includes all of the  
2           information required in such form T–1 (as such  
3           form was published on October 2, 2008).

4           “(d) Notwithstanding subsection (a) and for each fis-  
5           cal year, an officer or employee of a labor organization  
6           who would be required to file form LM–30 under part 404  
7           of title 29, Code of Federal Regulations (as such part was  
8           in effect on October 25, 2011) shall be required to file  
9           with the Secretary—

10           “(1) form LM–30, as published in the appendix  
11           to the final rule issued by the Secretary entitled  
12           ‘Labor Organization Officer and Employee Report,  
13           Form LM–30’ (72 Fed. Reg. 36106 (July 2, 2007));  
14           or

15           “(2) a successor form that includes all of the  
16           information required in such form LM–30 (as such  
17           form was published on July 2, 2007).”.

18 **SEC. 3. CIVIL FINES RELATING TO DISCLOSURE VIOLA-**  
19 **TIONS.**

20           (a) CIVIL FINES FOR FAILURE TO PROVIDE INFOR-  
21           MATION TO MEMBERS.—Section 201 of the Labor-Man-  
22           agement Reporting and Disclosure Act of 1959 (29 U.S.C.  
23           431) is amended—

24           (1) by redesignating subsection (c) as sub-  
25           section (c)(1); and

1           (2) by inserting after such subsection (c)(1) the  
2           following:

3           “(2) Any labor organization that fails to meet the re-  
4           quirements of paragraph (1) with respect to a member,  
5           by refusing to make available the information required to  
6           be contained in a report required to be submitted under  
7           this title, and any books, records, and accounts necessary  
8           to verify such report (unless such failure or refusal results  
9           from matters reasonably beyond the control of the labor  
10          organization), may in the court’s discretion, and in addi-  
11          tion to any other relief provided by law and determined  
12          proper by the court, be liable to such member for an  
13          amount that is not more than \$250 for each day after  
14          the date of such failure or refusal (except that such  
15          amount shall be adjusted for inflation in the same manner  
16          as the Secretary adjusts the amount of a civil fine under  
17          section 211(c)). For purposes of this paragraph, each vio-  
18          lation with respect to any single member shall be treated  
19          as a separate violation.”.

20          (b) CIVIL ENFORCEMENT FOR FAILURE TO FILE A  
21          TIMELY REPORT.—Section 210 of the Labor-Management  
22          Reporting and Disclosure Act of 1959 (29 U.S.C. 440)  
23          is amended to read as follows:

1 **“SEC. 210. CIVIL ENFORCEMENT.**

2       “(a) IN GENERAL.—Whenever it shall appear that  
3 any person has violated or is about to violate any of the  
4 provisions of this title, or section 301(a), the Secretary  
5 may bring a civil action for such relief, including an in-  
6 junction or the enforcement of a civil fine imposed under  
7 section 211, as may be appropriate. Any such action may  
8 be brought in the district court of the United States where  
9 the violation occurred or in the United States District  
10 Court for the District of Columbia.

11       “(b) JUDICIAL REVIEW FOR ENFORCEMENT OF  
12 CIVIL FINES.—

13               “(1) STANDARD OF REVIEW.—Upon a com-  
14 plaint filed by the Secretary seeking the enforcement  
15 of a civil fine, the appropriate district court shall im-  
16 pose the civil fine that has been determined to be  
17 appropriate by the Secretary—

18                       “(A) if the person, labor organization, or  
19 employer against whom the civil fine is sought  
20 has been provided written notice and an oppor-  
21 tunity to be heard before the Secretary or a  
22 designee of such Secretary, in accordance with  
23 procedures established by the Secretary under  
24 section 211(g)(1); and

25                       “(B) unless the Secretary’s determination  
26 is shown to be arbitrary and capricious.

1           “(2) SCOPE OF REVIEW.—The appropriate  
2           court shall not consider any objection or argument  
3           that was not raised in the proceedings before the  
4           Secretary.

5           “(c) APPROPRIATENESS OF INJUNCTIVE RELIEF.—  
6           Upon a complaint filed by the Secretary seeking relief  
7           under this section demonstrating that a person, labor or-  
8           ganization, or employer has failed to file timely and com-  
9           plete reports required by this title or section 301(a), or  
10          has filed reports that are substantially incomplete or inac-  
11          curate, or that information required to be reported may  
12          be lost or destroyed absent such relief, the district court  
13          shall issue an order enjoining continued violation of this  
14          title or section 301(a). Injunctive relief may be awarded  
15          in addition to any other additional civil or criminal remedy  
16          and whether or not the Secretary seeks enforcement of a  
17          civil fine.”.

18          (c) AUTHORITY TO IMPOSE CIVIL FINES.—Title II  
19          of the Labor-Management Reporting and Disclosure Act  
20          of 1959 (29 U.S.C. 431 et seq.) is amended—

21                 (1) by redesignating section 211 as section 212;

22                 and

23                 (2) by inserting after section 210 the following:

1 **“SEC. 211. CIVIL FINES.**

2       “(a) NOTICE; CORRECTION PERIOD.—Upon finding  
3 a violation of subsection (a) or (b) of section 201 or sec-  
4 tion 202, 203, 207, 212, or 301(a), the Secretary shall,  
5 in accordance with standards and procedures established  
6 by the Secretary under subsection (g), provide the person,  
7 labor organization, or employer responsible for such viola-  
8 tion—

9               “(1) written notice of the violation; and

10              “(2) a period of time to correct the violation  
11 that is not more than 30 days after the date that  
12 the Secretary provides such written notice.

13       “(b) FINES ASSESSED.—Subject to the other provi-  
14 sions of this section, if the Secretary determines that a  
15 person, labor organization, or employer has violated sub-  
16 section (a) or (b) of section 201 or section 202, 203, 207,  
17 212, or 301(a) and has not corrected the violation within  
18 the period described in subsection (a)(2), the Secretary  
19 may assess a civil fine against the person, labor organiza-  
20 tion, or employer responsible for such violation.

21       “(c) AMOUNT OF CIVIL FINE.—

22              “(1) MAXIMUM AMOUNT.—A civil fine under  
23 this section shall be for an amount that is not more  
24 than \$250 for each day after the date of the viola-  
25 tion, and not more than \$45,000 in the aggregate,  
26 except that such amounts shall be adjusted in ac-

1 cordance with the inflation adjustment procedures  
2 prescribed in the Federal Civil Penalties Inflation  
3 Adjustment Act of 1990 (28 U.S.C. 2461 note; Pub-  
4 lic Law 101–410).

5 “(2) FACTORS IN DETERMINING AMOUNT.—In  
6 determining the amount of a civil fine under this  
7 section, the Secretary may consider—

8 “(A) the gravity of the offense;

9 “(B) any history of prior offenses (includ-  
10 ing offenses occurring before the date of enact-  
11 ment of this section) of the person, labor orga-  
12 nization, or employer responsible for such viola-  
13 tion;

14 “(C) the ability of such person, labor orga-  
15 nization, or employer to pay the civil fine with-  
16 out material impairment of the ability to carry  
17 out representational functions or honor other fi-  
18 nancial obligations;

19 “(D) any injury to uninvolved members of  
20 the labor organization or to the public;

21 “(E) any benefits to such person, labor or-  
22 ganization, or employer resulting from such vio-  
23 lation;

24 “(F) the ability of the civil fine to deter fu-  
25 ture such violations; and



1           “(G) any other factors that the Secretary  
2           may determine to be appropriate to further the  
3           purposes of this Act.

4           “(d) LIMITATION.—A person, labor organization, or  
5           employer shall not be required to pay a civil fine under  
6           this section for a violation of subsection (a) or (b) of sec-  
7           tion 201 or section 202, 203, 207, 212, or 301(a) for  
8           which a material cause was reasonably beyond the control  
9           of such person, labor organization, or employer.

10          “(e) INCOMPLETE REPORTS.—A report rejected by  
11          the Secretary as incomplete shall be considered not filed  
12          for purposes of determining the existence of a violation  
13          of subsection (a) or (b) of section 201 or section 202, 203,  
14          207, 212, or 301(a), and a civil fine may be assessed for  
15          such violation.

16          “(f) EFFECT ON CRIMINAL SANCTIONS.—The impo-  
17          sition of a civil fine under this section shall not affect the  
18          availability of criminal sanctions against any person, labor  
19          organization, or employer who knowingly or willfully vio-  
20          lates a provision of this Act.

21          “(g) STANDARDS AND PROCEDURES.—

22                 “(1) IN GENERAL.—The Secretary shall estab-  
23                 lish, pursuant to sections 208 and 606, standards  
24                 and procedures governing the imposition of a civil  
25                 fine under this section that include providing the

1 person, labor organization, or employer responsible  
2 for an alleged violation of subsection (a) or (b) of  
3 section 201 or section 202, 203, 207, 212, or 301(a)  
4 with—

5 “(A) written notice of such violation; and

6 “(B) an opportunity for a hearing before  
7 the Secretary or a designee of such Secretary.

8 “(2) JUDICIAL REVIEW.—

9 “(A) IN GENERAL.—After exhausting all  
10 administrative remedies established by the Sec-  
11 retary under paragraph (1), a person, labor or-  
12 ganization, or employer against whom the Sec-  
13 retary has imposed a civil fine under this sec-  
14 tion may obtain a review of such fine in the  
15 United States District Court where the viola-  
16 tion occurred or in the United States District  
17 Court for the District of Columbia, by filing in  
18 such court, within 30 days of the entry of a  
19 final order imposing the civil fine, a written pe-  
20 tition that the Secretary’s order or determina-  
21 tion be modified or be set aside in whole or in  
22 part.

23 “(B) STANDARD OF REVIEW.—Upon peti-  
24 tion for review of a civil fine under this section,  
25 the appropriate district court shall impose the

1 civil fine determined to be appropriate by the  
2 Secretary—

3 “(i) if the person, labor organization,  
4 or employer against whom the civil fine is  
5 sought has been provided written notice  
6 and an opportunity to be heard, in accord-  
7 ance with the procedures established by the  
8 Secretary under paragraph (1); and

9 “(ii) unless the Secretary’s determina-  
10 tion is shown to be arbitrary and capri-  
11 cious.

12 “(C) SCOPE OF REVIEW.—In reviewing a  
13 civil fine under this section, the appropriate dis-  
14 trict court shall not consider any objection or  
15 argument that was not raised in the pro-  
16 ceedings before the Secretary.

17 “(h) SETTLEMENT BY SECRETARY.—The Secretary  
18 may compromise, modify, or remit any civil fine that may  
19 be, or has been, imposed under this section.”.

20 (d) TECHNICAL AND CONFORMING AMENDMENTS.—  
21 The Labor-Management Reporting and Disclosure Act of  
22 1959 (29 U.S.C. 401 et seq.) is further amended—

23 (1) in section 205 (29 U.S.C. 435), by striking  
24 “211” each place it appears and inserting “212”;

1           (2) in section 207(b) (29 U.S.C. 437(b)), by  
2           striking “211” each place it appears and inserting  
3           “212”; and

4           (3) in section 301(b) (29 U.S.C. 461(b)), by  
5           striking “and 210” and inserting “210, and 211”.

6 **SEC. 4. WHISTLEBLOWER PROTECTIONS FOR LABOR ORGA-**  
7 **NIZATION EMPLOYEES.**

8           Title II of the Labor-Management Reporting and  
9           Disclosure Act of 1959 (29 U.S.C. 431 et seq.) is amended  
10          by inserting after section 211 the following:

11 **“SEC. 211A. WHISTLEBLOWER PROTECTION FOR LABOR OR-**  
12 **GANIZATION EMPLOYEES.**

13          “(a) WHISTLEBLOWER PROTECTION.—It shall be un-  
14          lawful for any labor organization to discharge or in any  
15          other manner discriminate against any employee because  
16          such employee has filed any complaint or instituted or  
17          caused to be instituted any proceeding under or related  
18          to this Act, or has testified or is about to testify in any  
19          such proceeding.

20          “(b) ENFORCEMENT AND REMEDIES.—Any person  
21          whose rights secured by the provisions of this title have  
22          been infringed by any violation of this title may bring a  
23          civil action in the appropriate district court of the United  
24          States for such relief as may be appropriate, including an  
25          injunction. A civil action under this subsection against a

1 labor organization shall be brought in the district court  
2 of the United States for the district where the alleged vio-  
3 lation occurred or where the principal office of such labor  
4 organization is located.”.

○