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April 7, 2009

Submitted via Electronic Mail

Denise M. Boucher
 Director
 Office of Policy, Reports and Disclosure
 Office of Labor-Management Standards
 U.S. Department of Labor
 200 Constitution Ave, NW, Room N-5609
 Washington, DC 20210

**Re: RIN 1215-AB62: Labor Organization Financial Reports; Notice of Proposed
 Extension of Effective Date and Applicability Date**

Dear Ms. Boucher:

We write in strong support of the final rule revising and improving the LM-2 form used to disclose financial information annually by our nation's largest labor organizations (the "LM-2 rule"). We urge that the Department of Labor ("DOL" or the "Department") implement the LM-2 rule swiftly and without further delay or postponement.

Strong financial disclosure requirements are necessary to root out and combat union-related corruption, in accordance with the Department's statutory obligation under the Labor Management Reporting and Disclosure Act (LMRDA). The importance and benefit of ensuring that labor organizations' financial transactions are transparent cannot be overstated.

The Department's final LM-2 rule revises the existing version of the primary LM-2 disclosure form, with the goal of achieving greater financial transparency at a time when union corruption shows no sign of decline. Indeed, according to the most recent annual report of the Office of Labor Management Statistics, the agency within DOL responsible for oversight of union financial reporting requirements under the LMRDA, LM-2 filings have resulted in over 900 convictions and over \$91.5 million in recovered union funds and restitution since 2001.

In fiscal year 2008 alone, the Department obtained 103 criminal convictions and recovered over \$3 million in union member wages. Clearly, there is still a need for LM-2 filings to be as detailed as possible. Union members—and the public in general—are better served through a more rigorous disclosure process. The LM-2 rule achieves just that.

President Obama has characterized his Administration as the “beginning of a new era of openness in our country,” and has also stated that transparency and the rule of law will be the touchstones of his presidency. More broadly, the Administration has deliberately emphasized the importance of public disclosure and financial accountability in the business sector, most notably on Wall Street. Particularly in light of the funding which will flow through organized labor as a result of the recently-enacted American Recovery and Reinvestment Act, the need to ensure union financial transparency has become even greater. As with the public’s demand for transparency in banks and other corporate entities, there is an equally compelling need for the public to have the same benefit of transparency when it comes to the expenditures of labor organizations.

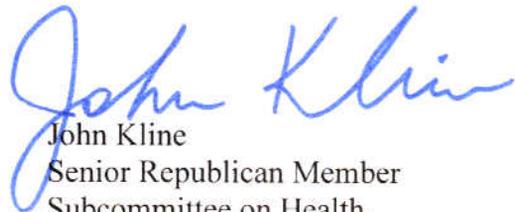
The Department has proposed that the LM-2 rule’s effective date be postponed until October, citing a need to “complete the notice and comment process required for rescinding a rule.” We understand the proposed delay was triggered by a memorandum issued on Inauguration Day by the White House Chief of Staff, requesting that regulatory agencies review any rulemakings that had not yet been published (the rule, although signed on January 8, 2009, was not published until January 21, 2009). Although the Administration claims that this delay will ensure regulatory integrity, we are concerned that the continued delay of the LM-2 rule—a rule which has completed several public notice-and-comment solicitations—suggests less “regulatory integrity” and more of political favoritism to a select constituency.

We would submit that the extensive regulatory record of the LM-2 rule provides ample justification for the revisions the Department has made to the LM-2. By the Administration’s own standards for transparency and regulatory review, it is clear that there is no basis for delaying or rescinding the rule. We urge the Department to reject any such attempt, and to implement the LM-2 rule without further delay.

Respectfully submitted,



Howard P. “Buck” McKeon
Senior Republican Member
Committee on Education and Labor



John Kline
Senior Republican Member
Subcommittee on Health,
Employment, Labor, and Pensions

cc: The Honorable Hilda Solis, Secretary of Labor