Testimony of Nathan J. McGrath, President & General Counsel, The Fairness Center, to the United States House of Representatives Committee on Education and Workforce Subcommittee on Health, Employment, Labor, and Pensions

Hearing Title: Ensuring Union Leaders Represent Members, Not Agendas
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Chairman Allen, Ranking Member DeSaulnier, and the Honorable Members of the Subcommittee:

Thank you for the opportunity to testify before you today. My name is Nathan McGrath, and I'm the President and General Counsel of the Fairness Center. My firm has represented many employees in issues related to their union and its officials and relevant to the topics of interest to this Subcommittee today. My testimony will briefly discuss the Labor-Management Reporting and Disclosure Act, why union reporting and accountability measures are important to employees, and some examples of our clients, whose stories demonstrate the need for the transparency and accountability provided by the LMRDA and certain reform legislation that has been recently introduced.

I approach today's testimony from a practitioner's point of view, having represented employees hurt by union officials for the better part of my legal career. I view the LMRDA from the perspective of my potential and past clients, as enhancing transparency so that union members can hold their officials accountable when they violate union members' rights and the law. The LMRDA simply recognizes the potential that, as in any organization, those with power (here, union officials) may be at risk of prioritizing their own interests over the best interests of those they represent. Those union members who pay dues out of their hard-earned money deserve to have their money spent on legitimate union activity that benefits workers, and the LMRDA is one tool to provide accountability to employees who don't hold the power.

LMRDA Background

Congress passed the bipartisan LMRDA in 1959. After months of hearings and investigations, Congress found that it was in the public interest to, among other things, protect the

rights of employees when it came to their exclusive representative and collective bargaining, and ensure "that labor organizations . . . and their officials adhere to the highest standards of responsibility and ethical conduct in administering the affairs of their organizations . . . ." 29 U.S.C. § 401(a). Congress noted that "there [had] been a number of instances of breach of trust, corruption, disregard of the rights of individual employees, and other failures to observe high standards of responsibility and ethical conduct which require further and supplementary legislation that will afford necessary protection of the rights and interests of employees and the public generally as they relate to the activities of labor organizations . . . and their officers and representatives." 29 U.S.C. § 401(b).

Basis of Union Power & Importance to Employees

It is critically important to my clients and their colleagues to be able to know what the union that represents them is doing with their money, to ensure fair and democratic elections of union officers and representatives, and to ensure transparency, so that union officials are not acting corruptly or in their own interests. Simply put, the LMRDA is to ensure that union officials do what they are supposed to do—put employees' interests first and create confidence for employees that their unions are law abiding.

Whether in the private, public, or federal sectors, any employee whose role is included within a collective bargaining unit and exclusively represented by a labor union loses a great deal of autonomy and freedom. The union, acting as the exclusive representative, holds the proverbial keys to the kingdom. In that scenario, an employee may have no right to speak to their employer on matters considered to be "subjects of collective bargaining." As noted in the National Labor Relations Act, this often includes subjects such as wages, working hours, and the very broad "terms and conditions of employment." *See* 29 U.S.C. § 158(d). However, if an employee no longer wants to be represented by the union, does not like the agreement the union came to with the employer on

pay, finds the union's agenda to be in conflict with their own beliefs or morals, or disagrees with how the union is spending the dues money it collects from its members, what then can an employee do? Unlike with other associations that one can choose to belong to or leave when they wish, employees cannot choose different representation. They cannot tell the union to sit out this round of negotiations while they speak for themselves. This is because the law allows for the union to be selected for employees as their exclusive representative for the collective bargaining and enforcement of "rates of pay, wages, hours of employment, or other conditions of employment." 29 U.S.C. § 159(a). When an employee begins working for an employer and that role is in a collective bargaining unit represented by a union, that employee's choice is to either have the union speak for them or to leave their job. This is the case even if an employee chooses not to be a union member.

Illustrative Stories from Our Representation of Employees

In preparing for today's hearing, I reflected on how many of our clients we have met because they had been unable to effectively access or rely on the types of remedies and avenues under discussion today. Many of our clients came to us after trying to address issues in the union through existing processes, asking union leadership for information related to the union, or by raising issues to leadership, without success. In these situations, union officials ignored requests or made it difficult for our clients to exercise their rights, with no apparent accountability for not following even their own internal process or rule.

As a result, our firm's litigators have had a front row seat to witness what matters to our clients, who are individual employees over whom a union holds significant power. We hear, day after day, that individual employees highly value rights that allow them to seek transparency and accountability from union leadership; that it can be incredibly difficult to actually invoke those rights; and that many of our clients who would have preferred to remain union members often end

up resigning from their union out of frustration or in protest when their attempts to seek answers are stymied.

Our clients often simply wanted to make their union better, and in the process of trying to do so, have run headlong into union officials who openly flout the law and their responsibilities to the employees they represent. And those employees often do not have tools or enforcement mechanisms available to them to combat rogue union officials—or do not know how to employ them if they do.

In one instance, our clients' union officials misled them about contract negotiations. During those negotiations, union officials presented a multi-year agreement to the members that included lower salary increases, retained a defined-benefit pension plan, and did not include certain employment terms the union members had considered a high priority for the next contract. Employees reluctantly ratified it after union officials told them it was the best they would be able to get, making them believe it was the only final offer available. Days later, our clients discovered that a final offer they would have preferred had been offered by the employer but deliberately concealed by union officials—one that included higher salary increases, the retirement benefit they had considered their top priority, and a more flexible retirement plan. The union's actions violated its own "Bill of Rights for Union Members," which guarantees full participation in contract decisions. A judge in their case ruled that the union had breached its duty of fair representation to our clients in that instance. *Kiddo v. AFSCME, Loc. 2206, et al.*, No. 13144-2018, at 8 (Erie Cnty. Ct. C.P. Jan. 13, 2021). As here, union officials can control critical employment outcomes by withholding information and manipulating contract negotiations, even against the union's own rules and the interests of its own members.

Union officials' use of membership dues for their own benefit and gain is, unfortunately, a problem our clients have repeatedly confronted. One client was a local union representing

firefighters, which was trying to disassociate from the statewide union. During our representation, we discovered that state union officials were using members' dues as an apparent slush fund: funding exotic vacations (paying for girlfriends and others to come along), sport and concert outings, first class travel, and other spending that a judge called "questionable." *IAFF, Loc. 825 v. Uniformed Pro. Firefighters Ass'n*, No. X07HHDCV186101218S, 2018 WL 7107491, at *2 (Conn. Super. Ct. Hartford Dec. 10, 2018). The state union's treasurer even admitted in court that he had knowingly filed false PAC reports with Connecticut's election commission. Our client's litigation is what finally brought this all to light, because it forced the statewide union to turn over many thousands of pages of discovery and required its officials to stand for dozens of depositions.

Because an employee's union holds such great power over their workplaces, it is unsurprising that employees would seek to be involved in the union's activities. But what is surprising is how often union officials push employees out of involvement for daring to ask for documents or other information, for questioning the uses of money—even illegal ones—or for pushing the union to hold bad actors accountable.

One example of this is a case involving a correctional officers union, where our clients discovered that their local union treasurer was illegally writing checks to himself. Not only were his actions illegal, but they also broke internal union rules that were meant to prevent, or at least catch, that type of inappropriate activity. While the first known problems involved the local, the case revealed problems at the state affiliate as well, exposing that union member dues had been used to buy a $12,000 Rolex watch, fund golf trips for union officers to PGA tour level courses, and pay for thousands of dollars in bar tabs, just to name a few things. Our clients first sought answers internally, thinking that their involvement would be welcomed. After all, they were some of the original members of the union who had supported certifying the union in their workplace. But after they were given the runaround and no answers as to the information they were seeking, they came to

us, and we had to file a lawsuit for them to expose the activity that was taking place behind the scenes. *Yedlosky v. Pa. State Corrs. Officers Ass'n, et al.,* No. 401 C.D. 2024, 2025 WL 46403 (Pa. Cmwlth. Jan. 8, 2025).

Incredibly, a frequent issue for which our clients have retained our services is assistance getting documents from their own unions, or that their unions necessarily have access to or helped to create in the first place but still refuse to provide. One of our clients has spent over two years trying to get documents from his union and employer, which even a federal judge has ruled that he should receive. *Tower v. U.S. Customs & Border Prot.*, No. 23-cv-204, 2024 WL 3967322, at *9 (D.D.C. Aug. 28, 2024). Other clients have asked to review the books of their unions and have been given small windows of time on limited dates with the requirement that they travel at their own cost to a remote location in order to review documents—and that's only when they even get a response to their request. We have seen that these situations are often repeated, from information on retirement plans and benefits or other financials, to things as simple as access to collective bargaining agreements, memoranda of understanding, and the union's own constitution and bylaws. These union members are often viewed as troublemakers and ostracized merely for wanting to see governing documents that bind the union. This is not confined to just rank-and-file members, either. We have even represented former union officials who have also had problems accessing key information they have sought.

Ultimately, these examples show why it is necessary for employees to have substantive and workable ways to ascertain critical information about the unions that represent them and hold so much power and influence over their livelihoods and well-being. Thank you for the opportunity to share these stories with you and for considering issues of importance to employees in unionized workplaces.