

# PUBLIC SUBMISSION

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**Docket:** LMSO-2021-0001  
NPRM to Rescind Form T-1

**Comment On:** LMSO-2021-0001-0001  
Rescission of Labor Organization Annual Financial Report for Trusts in Which a Labor Organization is Interested, Form T-1

**Document:** LMSO-2021-0001-DRAFT-0009  
Comment from Natalie, Frank

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## General Comment

See attached file(s)

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## Attachments

20210726\_USDOL\_T1Forms\_Natalie

July 26, 2021

U.S. Department of Labor  
Office of Labor-Management Standards  
200 Constitution Avenue NW, Room N-5609  
Washington, DC 20210  
(202) 693-0123

Re: RIN 1245-AA12

To Whom It May Concern:

Of course, the proposed rescission of the 2020 “T-1” reporting is purely political. Also, I suspect the top union brass supports this proposal as well. Most representatives don’t like to be held accountable or questioned by rank-and-file members, especially when it pertains to the union’s finances. Regardless, transparency and details about the financial business transacted by officials on behalf of the organization are very important to dues-paying members.

Representatives are not always truthful about the need or nature of the local’s spending practices. Members deserve and desire a way to confirm information their leaders report. As a trade union member who keeps close tabs on my organizations’s financial dealings, this 33 year member opposes vacating the T-1 reporting requirements. And consider it a disadvantage in combating corruption and a hinderance to self governance.

This activist will forgo any comment on the lengthy legal theory and philosophy informed in this proposed withdrawal, but will instead provide authentic examples illustrating a genuine need for T-1s.

Dating back to 1995, my local established a “betterment fund” trust (BF) per the labor contract that stipulates the transfer of \$.40 per hour worked to the BF. For context, employees would otherwise receive the \$.40 in their hourly earnings in the absents of this agreement. These payments are pretax therefor hold their full face value. The levies collected from the employee-members as agreed upon by the parties get equally divided between the union and the Contractors’ Association and managed separately.

The union’s latest annual LM-2 report (YE 6/30/2020) shows that the BF received approximately \$497,916 in revenues. The union’s latest 990 report (2018) provides financial information in aggregate values under general categories related to the BF. For example, the fund paid out \$174,187 in “donations” and “advertising” with no additional information available like donated to who, why, and for what kind of advertising? The Business Manager appoints the five trustees, all retirees, who manage the fund and approve expenditures. The members have no voice or vote in where the monies goes or given any details on where and who the monies go to.

As for the Contractors' Association, their latest available 990 (2019) shows only limited information about spending, with \$710.030 in net assets. Again, very little detailed information exists to inform members of where the monies go, and for what aim.

In their mission statement, the Contractors' Association claims they use the revenues from the BF for the "development and betterment of the mechanical contracting industry." On the union side, the organization's mission statement posits the "betterment and improvement of the mechanical trades...." Neither the Contractors' Association nor the union provides the rank-and-file with any informed reports, written or oral, on the progress or results of their endeavors that purportedly seeks to develop, better, and improve the industry on behalf of the membership.

In another example, members pay millions in dues to fund the union's Market Recovery Program (MRP), which is supposed to help recover and increase the union's market share thus create good paying middle-class jobs. The latest accessible (2018) 990 form shows the union received \$1,179,000 in MRP revenue and paid out \$1,121,000 in "market recovery payment" expenses.

The local's latest LM-2 (YE, 6/30/2020) lists \$1,314,000 in MRP payouts to several union contractors. In reality, the Business Manager gifts individual contractors random amounts without membership approval and with essentially no detailed reports offered to the membership for analysis. Many members refer to the MRP as nothing more than a slush fund—reasonably so.

As stated above, this union member attempts to keep track of the union's financial affairs, but even though several forms are available online for review or via FOIA requests, often, the information between forms do not always jibe, correlate, or even make sense. It is like putting together a complex puzzle, but it is better than nothing. The T-1s would help rank-and-file members to put the pieces of that financial puzzle together. This additional filing could expose misinformation, improprieties, deceit, and, at worst, corruption. It would also provide the rank-and-file the ability to better understand their organization's financial affairs and take part in making suggestions or submitting proposals that might sustain and build their union's future.

In closing, it is preposterous that the T-1 filings are too costly for the unions to absorb as suggested in the proposal. To offset these costs, perhaps union officials could forgo some of their golf outings, dinners at high-end restaurants, and traveling to expensive destination throughout the US. Please!

Frank Natalie  
Union Member

Submitted via Federal eRulemaking Portal