



NEWS

AMERICANS FOR TAX REFORM

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Unions Members to Sweeney: Show Me the Money!

Labor union is suing to prevent disclosure of financial details to union members.

WASHINGTON — In an effort to prevent the Department of Labor from enforcing a new regulation that requires unions with receipts of more than \$250,000 a year to fill out expanded financial disclosure forms or LM-2s, the AFL-CIO announce they plan to sue the Department to block the new regulations. The new reporting requirements gives union members access to detailed information about how union leaders spend the union workers' dues money.

"It never ceases to amaze me that Labor Union leaders talk out of both sides of their mouth," said Grover Norquist, President of ATR. **"Apparently it is alright for unions to hide their financial information from dues paying members, however they were the strongest advocates for the transparency and reporting requirements of the Sarbanes-Oxley Act that apply to corporate America."**

The U.S. Department of Labor reports that in the last five years investigations of fraud and embezzlement by union officials resulted in close to 650 convictions. In addition, union bosses have also been accused of profiting at the expense of their unions and the pension funds under their control as directors of the Union Labor Life Insurance Company. Even though there is a current conviction rate of 11 officials per month for embezzlement and other forms of financial misconduct, unions remain one of the least-regulated institutions in America

The new reporting requirements give union members access to detailed information about how union leaders spend their dues money. Unions will be forced to publicly disclose what they spend on functions like organizing and collective bargaining, politics, gifts, and management. The newly enacted transparency reforms give union members high-quality information about their union's financial activity, and help federal regulators ensure union financial integrity.

"The transparency reforms are as, or even more, important than Beck rights, because under Beck, union leaders are still controlling the information given to members about political activities, and the decision as to what constitutes a political action," said Norquist. **"As the labor union scandals, such as the Washington Teachers Union and ULLICO, have shown, the old requirements were inadequate to curtail the inexcusable abuse of members' dues."**

Americans for Tax Reform is a non-partisan coalition of taxpayers and taxpayer groups who oppose all federal and state tax increases. For more information or to arrange an interview please contact Jonathan Collegio at (202) 785-0266 or by email at jcollegio@atr.org.

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