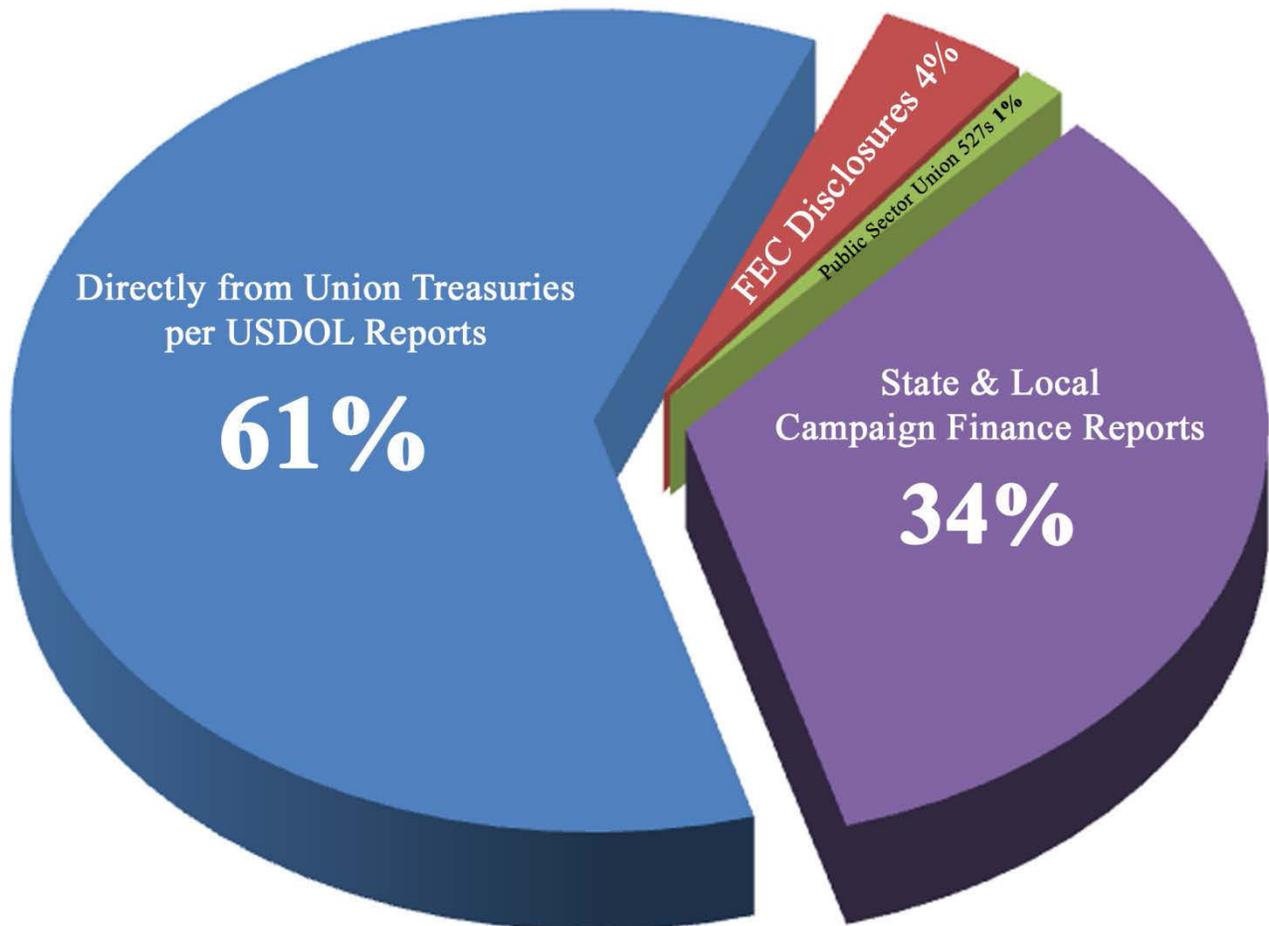


Big Labor Union Bosses Dig Deep Into Union Treasuries for Politics

\$1.7 Billion

2014 Election Cycle



Data	2013	2014	2013 – 2014 Election Cycle
Union Treasuries ¹	\$ 584,424,686	\$ 427,105,293	\$ 1,011,529,979
PAC & other FEC ²			\$ 70,550,855
Gov't Union 527s ³			\$ 20,977,824
State Reports ⁴	\$ 137,706,156	\$ 426,572,590	\$ 564,278,746
		Total	\$ 1,667,337,404

EXPLANATORY NOTE

¹The **\$1,011,529,979** (61% of the total) is derived from labor union officials' self-reporting on the U.S. Department of Labor's (USDOL) Union Financial Disclosure Form LM-2 (UnionReports.gov). These reports are signed by union presidents and union secretary-treasurers. Under the LMRDA, officers are subject to criminal penalties for willful failure to file a required report and for false reporting. False reporting includes making any false statement or misrepresentation of a material fact while knowing it to be false, or for knowingly failing to disclose a material fact in a required report or in the information required to be contained in it or in any information required to be submitted with it.ⁱ

NILRR used the self-reported "SCHEDULE 16 – POLITICAL ACTIVITIES AND LOBBYING" disbursement amounts for the filing years 2013 and 2014. It is worth noting that the source for a majority of the receipts reported in labor union LM-2 forms are from dues or fees collected from workers who would be fired for refusing to pay.

However, LM-2 reporting often contains underreporting by Labor organizations officers who often incorrectly report political expenditures in other categories on the form, such as "SCHEDULE 17 – CONTRIBUTIONS, GIFTS, AND GRANTS." (No Schedule 17 disbursements were included in this NILRR tally of labor political spending.) An example of such likely misreporting from the 2014 National Headquarters of the National Education Association (NEA) LM-2. The NEA reported following disbursements in SCHEDULE 17 – CONTRIBUTIONS, GIFTS, AND GRANTS:

2014 NEA Contributions, Gifts, and Grants	Amount
PROGRESSIVE STATES NETWORK	\$ 235,000
CENTER FOR POPULAR DEMOCRACY ACTION FUND	\$ 225,000
FAIR ELECTIONS LEGAL NETWORK	\$ 200,000
CENTER FOR AMERICAN PROGRESS	\$ 160,000
DEMOCRACY ALLIANCE	\$ 160,000
PROGRESS NOW	\$ 150,000
YOUTH ENGAGEMENT FUND	\$ 150,000
WISCONSIN JOBS NOW, INC.	\$ 125,000
CONGRESSIONAL BLACK CAUCUS FOUNDATION IN	\$ 120,400
SIXTEEN THIRTY FUND	\$ 100,000
PROGRESS MICHIGAN	\$ 67,000
PEOPLE FOR THE AMERICAN WAY	\$ 62,500
AMERICANS UNITED FOR CHANGE	\$ 50,000

"SCHEDULE 16 – POLITICAL ACTIVITIES AND LOBBYING: A political disbursement or contribution is one that is intended to influence the selection, nomination, election, or appointment of anyone to a Federal, state, or local executive, legislative or judicial public office, or office in a political organization, or the election of Presidential or Vice Presidential electors, and support for or opposition to ballot referenda. It does not matter whether the attempt succeeds. Include disbursements for communications with members (or agency fee paying nonmembers) and their families for registration, get-out-the-vote and voter education campaigns, the expenses of establishing, administering and soliciting contributions to union segregated political funds (or PACs), disbursements to political organizations as defined by the IRS in 26 U.S.C. 527, and other political

disbursements. Also report the labor organization's direct and indirect disbursements to all entities and individuals during the reporting period associated with dealing with the executive and legislative branches of the Federal, state, and local governments and with independent agencies and staffs to advance the passage or defeat of existing or potential laws or the promulgation or any other action with respect to rules or regulations (including litigation expenses). It does not matter whether the lobbying attempt succeeds.”ⁱⁱ

Each one of the disbursements listed above could satisfy the Schedule 16 definition and likely should have been included in Schedule 16 not Schedule 17 as reported by the NEA.

USDOL reports do require all unions to file reports. In fact, the fastest growth has been in unions that exclusively “represent” state and local government employees which are not covered by USDOL disclosure reports. Therefore, the USDOL numbers exclude most of the state and municipal employee unions.

²Since it is illegal to commingle federal Political Action Committee (PAC) funds, we use the entire **\$70,550,855** (4% of the total) from the OpenSecrets.org tally of labor union PAC expenditures during the 2014 Election Cycle (years 2013 and 2014 combined).

³Because IRS Section 527 funds may be included in the LM-2 figure reported above, NILRR staff used only **\$20,977,824** (1% of the total) from the OpenSecrets.org tally of labor union public sector 527 account expenditures during the 2014 Election cycle. However, this method may exclude large 527's like the one SEIU operates even though much of its funds likely came from public sector unions that do not file LM-2 reports. NILRR chose to possibly understate rather than overstate the total of 527 spending.

⁴In a similar manner, NILRR used only the **\$564,278,746** (34% of the total) tally of 2013 and 2014 government union political activity in state and local disclosures reports, as gathered by FollowTheMoney.org, to understate political spending and reduce duplication from DOL LM-2 reporting.

On balance, then, the aggregate **\$1.7 Billion** in political and lobbying expenditures by labor unions in the 2014 election cycle reported here is likely an understatement.

Nothing here is to be construed as an attempt to aid or hinder the passage of any bill before Congress or any state legislature.

To obtain more detailed information about how any or all of the above comparative economic data were derived, contact Don Loos at the National Institute for Labor Relations Research (NILRR.org): 703-321-9606.

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ⁱ Source: United States Department of Labor Form LM-2 instructions. (http://www.dol.gov/olms/regs/compliance/EFS/LM-2_Instructions_2010version_32015techrev.pdf)

ⁱⁱ Ibid.