NATIONAL RIGHT TO WORK LEGAL DEFENSE FOUNDATION, INC.

NATIONAL RIGHT TO WORK COMMITTEE

June 26, 2008

Ms. Kay H. Oshel
Director of the Office of Policy, Reports and Disclosure
Office of Labor-Management Standards
United States Department of Labor
200 Constitution Avenue, N.W., Room N-5609
Washington, D.C. 20210

Re: Comments on the Proposed Regulations Concerning Labor Organization Annual Financial Reports, Vol. 73, No. 92, Federal Register 27346 (May 12, 2008)

Dear Ms. Oshel:

On May 12, 2008, the Department of Labor's Office of Labor-Management Standards, Employment Standards Administration, proposed rules concerning revisions to the current LM-2 reports.

Please accept these comments on behalf of the National Right to Work Committee ("Committee") and the National Right to Work Legal Defense and Education Foundation, Inc. ("Foundation").

I. National Right to Work is an expert on union disclosure and related matters.

The Committee is a coalition of 2.2 million American citizens united by one belief: No one should be forced to pay tribute to a union to get or keep a job. These citizens agree that federal labor law should not promote coercive union power – and support the protection and enactment of additional state Right to Work laws until the federal sanction for compulsory unionism is eliminated.

The Foundation is a nonprofit, charitable organization that provides free legal assistance to individual employees who, as a consequence of compulsory unionism, suffer violations of their Right to Work; freedoms of association, speech, and religion; right to due process of law; and other fundamental liberties and rights guaranteed by the Constitution and laws of the United States and of the states. Since its founding in 1968, the Foundation has provided legal assistance in all of the United States Supreme Court's cases involving employees' right to refrain from joining or supporting a labor organization as a condition of employment. Davenport v. Washington Education Ass'n, 127 S. Ct. 2372 (2007); Air Line Pilots Ass'n v. Miller, 523 U.S. 866 (1998); Lehnert v. Ferris Faculty Ass'n, 500 U.S. 507 (1991); Communications Workers v. Beck, 487 U.S.

735 (1988); Chicago Teachers Union, Local 1 v. Hudson, 475 U.S. 292 (1986); Ellis v. Railway Clerks, 466 U.S. 435 (1984); Abood v. Detroit Bd. of Educ., 431 U.S. 209 (1977). Many cases supported by the Foundation's litigation program directly concern the adequacy of the financial disclosure that unions provide to employees. E.g., Hudson, supra; Penrod v. NLRB, 203 F.3d 41 (D.C. Cir. 2000); Ferriso v. NLRB, 125 F.3d 865 (D.C. Cir. 1997); Masiello v. US Airways, 113 F. Supp.2d 870 (WDNC 2000); Tierney v. City of Toledo, 824 F.2d 1497 (1987), further proceedings, 917 F.2d 927 (6th Cir. 1990); Wessel v. City of Albuquerque, 299 F.3d 1186 (2002), further proceedings, 463 F.3d 1138 (10th Cir. 2006); Cummings v. Connell, 316 F.3d 886 (9th Cir. 2003); Locke v. Karass, 498 F.3d 49 (1st Cir. 2007), cert. granted, Case No. 07-610, 128 S.Ct. 1224 (Feb. 19, 2008).

Through the litigation of these cases, the Foundation and its Staff Attorneys have developed a wealth of expertise in reviewing union books and records, and in ferreting out the waste, fraud and corruption that are common in these largely unregulated organizations, which are propped up with numerous government-granted special privileges. See Bromley v. Michigan Educ. Association-NEA, 82 F.3d 686, 696 (6th Cir. 1996) (commenting on the "wealth of relevant experience" the Foundation-provided expert witness brought to the case); Miller v. Air Line Pilots Ass'n, 108 F.3d 1415, 1424 (D.C. Cir. 1997) (Foundation-provided expert raised a genuine issue of material fact about the union's financial records).

II. Union corruption is rampant.

Even a cursory review of the Department's website of criminal enforcement actions, **http://www.dol.gov/esa/regs/compliance/olms/enforc_actions.htm,** shows pervasive embezzlement and fraud in labor unions and union pension funds. A large part of this corruption is the result of the lack of accountability inherent in government-imposed compulsory unionism. This problem is exacerbated by the fact that employees are regularly kept "in the dark" about their union's expenditures, Hudson, 475 U. S. at 306, and have little realistic way of forcing accurate disclosure. Moreover, those employees who uncover union corruption or oppose union dictates often face threats and coercion by the very union bosses whose corruption is exposed. Murphy v. International Union of Operating Engineers, Local 18, 774 F.2d 114 (6th Cir. 1985) (employees' opposition to union leadership and formation of a dissident group subjected them to intimidation and violence and deprived them of job referrals).

Indeed, union officials have gotten "rich, fat and happy" off the current system of government-granted special privileges, compulsory union dues, and minimal disclosure and regulation, precisely because they know that the average employee–who has slight contact with the union other than to pay his $800 (on average) forced dues bill–lacks the persistence or financial ability to hire accountants and lawyers to monitor the union's activities and finances. For most employees, it is simply easier to go along quietly and pay the dues, a situation in which corrupt union officials thrive because employees cannot engage in effective oversight.

The Department of Labor made very modest headway through its previous revisions of the LM-2 reporting. But far more must be done, especially when union officials control billions of dollars of employees' money. For these reasons, the current Department of Labor proposals to further revise the LM-2 reports are one small, but generally positive, step in that direction. Only by forcing unions to fully disclose the money that they pay to union officials and others is there even a glimmer of a chance that employees will be able to adequately monitor and control the unions that purport to represent them. Thus, the Committee and the Foundation generally support efforts to strengthen LM-2 disclosure requirements.

III. Union officials consistently misuse and squander employees' money.

Union officials have long used the compelled dues extracted from employees as personal "slush funds." The Department of Labor's website overflows with reports of such corruption, embezzlement and abuse. See "Recent Criminal Enforcement Actions," **http://www.dol.gov/esa/regs/compliance/olms/enforce_2008.htm** (last viewed June 3, 2008). This corruption results from the extraordinary governmentally-granted special privileges enjoyed by union officials, but is further nurtured by the lax oversight of these under-regulated entities.

For this reason, we wholeheartedly support the proposal to revise Schedules 11 and 12 to include the value of benefits paid to and for union officials. Employees compelled to pay dues and fees are entitled to know the value of the total compensation and benefits paid to union officials, including the value of their travel reimbursements. This is particularly true because so many union officials conduct their "business" at gold-plated locales such as golf resorts in Las Vegas and south Florida. For example, the Steelworkers union is holding its national convention not at its headquarters in Pittsburgh,

but at Paris-Bally's Conference Center, Las Vegas, Nevada, from June 30 through July 3, 2008. **http://www.usw.org/usw/program/content/4556.php** . Employees surely have an interest in finding out how much of their compelled dues is supporting such wining, dining, and junketeering. Unions in 2007 spent untold hundreds of thousands of dollars, perhaps millions, related to golf outings and tournaments, as well as other frivolities. **http://www.unionfacts.com/unions/disbursementSearch.cfm**. Employees compelled to pay union dues as a condition of their employment surely have an interest in learning how their money is being wasted in this manner. (For further examples of this abuse, we attach to these comments a 2006 article from the *Detroit Free Press* outlining this abusive spending by just one union. See Attachment 1, "UAW Pays For Fun, Perks," by Jennifer Dixon, *Detroit Free Press*.)

Moreover, employees are entitled to full disclosure about the other benefits and perks received by union officials, including things like life and health insurance, health club and golf club memberships, and other fringe benefits. Employees are currently kept in the dark about such fringe benefit payments.

For these reasons, detailed financial reporting is needed. The current Department of Labor proposals are one small, but generally positive, step in that direction. Only by forcing unions to disclose their finances more transparently, and by requiring them to post those financial reports on the internet, is there even a glimmer of a chance that employees will be able to adequately monitor and control the unions that purport to represent them.

Indeed, the Department of Labor should go much further than what has been proposed. In addition to the specific proposals under review, the Committee and the Foundation urge the inclusion of several stricter disclosure requirements for labor unions that enjoy the federally sanctioned privilege of forced unionism. These additional requirements are necessary to ensure employees forced to pay union dues know where their money is actually going.

IV. The existing disclosure must be strengthened.

Additional proposals to strengthen the disclosure on the LM-2 forms are as follows:

a) Independent audits: Each reporting union should be required to have its books and records audited by an independent certified public accountant, and post those audits on the internet along with the various LM reports. The Secretary clearly has the power to mandate such independent audits under 29 U.S.C. § 438, upon which the proposed regulations specifically rely. That statute states (emphasis added):

> The Secretary shall have authority to issue, amend, and rescind rules and regulations **prescribing the form** and publication of reports required to be filed under this subchapter **and such other reasonable rules and regulations** (including rules prescribing reports concerning trusts in which a labor organization is interested) **as he may find necessary to prevent the circumvention or evasion of such reporting requirements**.

This statute provides all the authority needed by the Secretary to require independent audits. "Prescribing the form" should not be taken to mean "designing the piece of paper on which the LM-2s are filed." Especially in light of the proven corruption, requiring all unions to have independent audits is surely a "**reasonable rule [ ] and regulation[ ] . . . necessary to prevent the circumvention or evasion of such reporting requirements.**" To our knowledge, no court cases limit the Secretary's authority to order such audits. Notwithstanding the criminal activity admitted by officers of the Thomas Havey & Company CPA firm during the recent Ironworkers scandal, most CPAs will be loathe to lie and cheat when conducting independent audits. Full audits posted on the internet will help all employees to oversee and monitor their unions, and will be especially important in the many situations in which unions receive only "qualified" audit opinions letters.

b) Employer lists: As part of LM-2 Schedule 13 on "membership status," each reporting union should be required to provide a list of all employers with whom it has current collective bargaining relationships, the duration of each current collective bargaining agreement, and the approximate number of employees in the bargaining unit covered by each collective bargaining agreement. Such information would be of great

assistance to the majority of employees who are represented by "amalgamated" local unions (those which represent employees in more than one company or industry). Employees will be better able to gauge their union's financial and representational strength if they know how many other contracts the union has, with whom, and how many other dues paying employees are also paying into that union. Unions are not currently required to publicly disclose this information in any form, and employees seeking this information are usually stymied. Indeed, employees trying to perform oversight on their unions are often hampered by the fact that they do not know where or how to contact other members and employees because those individuals work for other employers in different bargaining units. Expanding the information required to be disclosed on Schedule 13 will allow employees to more easily find and communicate with other individuals represented by the same union, but who happen to work for different employers.

c) **Lower the reporting threshold**: Both the current and proposed regulations set the reporting threshold at $5,000. This threshold is much too high. Congressional candidates, even minor ones with little funds, must report each campaign contribution and expenditure of $200 or more, and unions are already required to report PAC expenses of $200 or more to the FEC. See, e.g., 2 U.S.C. § 434(b)(3)(A).

Thus, the Committee and the Foundation believe that any union expenditure of $200 or more should be separately reported. The current and proposed regulations allow union officials to hide and steal up to $5,000 per transaction and not have to report separately that expenditure or transaction. The Department of Labor's website of criminal enforcement actions, **http://www.dol.gov/esa/regs/compliance/olms/enforc_actions.htm,** shows that many instances of embezzlement and theft are for amounts under $5,000. Much of this thievery is hidden when the reporting threshold is set at $5,000 per expenditure. This threshold is simply too high to give meaningful information to individual employees interested in monitoring a union's spending.

It is not burdensome for unions to have to report to employees every expenditure of $200 or more. Unions (and their banks and credit card companies) already maintain detailed records of all of these transactions. Because the unions (or their designees) are already maintaining this information, only the slightest additional effort is required for a

union to disclose these transactions to the membership. Indeed, all that will be required for full disclosure is for a union to hit a few different keystrokes on its computers, and print out the transaction ledgers or create a PDF document. This is not burdensome in the least, because the information already exists. Given this fact, the inevitable union claim of "burdensomeness" rings hollow. There is simply no excuse to allow unions to shield from disclosure the very information that they already compile as a matter of business necessity. Reporting thresholds greater than $200 fail to give meaningful information to employees interested in fully monitoring the union's spending of their money.

d) Clarify the functional categories of reporting: Schedule 11 (All Officers and Disbursements to Officers) and Schedule 12 (Disbursements to Employees) need to be revised to require union officials and union employees to record and calculate with precision the time they spend on various functional activities (bargaining, lobbying, organizing, politics, etc.) Simply allowing union officials and upper-level employees to "estimate" time and round it off to the nearest 10% will generate little meaningful information for members and forced dues payors.

In the modern world, virtually all professionals are required to keep daily contemporaneous timesheets of their activities. Lawyers, accountants and even non-professional employees who send out billings to clients are required to record and account for their time. Union officials, who exercise the special privilege to tax members and other workers, should not be exempt from this requirement.

In most unions, salaries and benefits are the largest expenditure item. Most "overhead" expenditures (telephone, rent, utilities) are allocated based upon the underlying salary and benefit expenditures. For example, if an employee is trying to determine how much of the rent and telephone expenditures are allocable to political activity or organizing other bargaining units, and how much are allocable to collective bargaining, the only way that he can reasonably make that determination is based upon how much officer and paid union staff time was spent on politics or bargaining. See, e.g., Popejoy v. New Mexico Bd. of Bar Comm'rs, 887 F. Supp. 1422, 1433 (D.N.M. 1995); Lehnert v. Ferris Faculty Ass'n, 643 F. Supp. 1306, 1312 (W.D. Mich. 1986); Bromley v. Michigan Educ. Ass'n, 82 F.3d 686, 696 (6th Cir. 1996). Thus, it is vitally important for union officials and union employees to reliably account for their time on a functional basis, not in vague estimates and generalities rounded to the nearest 10%. Only if the LM

reports require contemporaneous time reporting will employees be assured of what the union's paid officers and staff are doing with their time, and thus the employees' money.

e) Separate "organizing" expenses from "representational" expenses: Similarly, the current LM-2 allows union officials, staff, and other paid operatives to report their time "organizing" new bargaining units under the column reserved for "representational activities." This blurs the line between organizing and representation, although the Supreme Court and most lower courts hold that "organizing" is not a representational activity, but rather is akin to politics and social advocacy. Ellis v. Railway Clerks, 466 U.S. 435, 451-53 (1984) (organizing expenditures are not "representational" under the Railway Labor Act); Beck v. CWA, 776 F.2d 1187, 1211-12 (1985), aff'd en banc, 800 F.2d 1280 (4th Cir. 1986) (organizing expenditures are not "representational" under the NLRA); Bromley v. Michigan Educ. Ass'n, 82 F.3d 686, 696 (6th Cir. 1996) (organizing expenditures are not "representational" under a public sector statute); Lucid v. City of San Francisco, 136 L.R.R.M. 2877, 2879-80 (N.D. Cal. 1991) (same); Browne v. Wisconsin Employment Rel. Comm'n, 169 Wis.2d 79, 110-11, 485 N.W.2d 376, 388-89 (1992) (same); Cumero v. Public Employment Rel. Bd., 262 Cal. Rptr. 46, 61-63, 778 P.2d 174, 189-91 (Cal. 1989) (same); Albro v. Indianapolis Educ. Ass'n, 585 N.E.2d 666, 673 (Ind. App. 1992), aff'd sub nom. Fort Wayne Educ. Ass'n v. Aldrich, 594 N.E.2d 781 (Ind. 1992) (same); and Breaux v. Agricultural Labor Rel. Bd., 265 Cal. Rptr. 904, 917 (Cal. Ct. App. 1990) (organizing expenditures are not "representational" under an agricultural labor relations statute). Moreover, the National Labor Relations Board holds that organizing is not "representational" under the NLRA unless the union proves "a nexus between the actual organizing activities [it] undertook and a benefit to [objecting nonmembers'] bargaining unit. Teamsters Local 75, 349 N.L.R.B. No. 14 (2007). For this reason, union officials and union employees should be required to report separately the time that they spend "organizing" new bargaining units, rather than lumping this activity into the "representational" category in a misleading manner.

Many unions allocate 20, 30 or even 40% of their expenses to organizing new workers into union ranks. The vast majority of these unions already segregate these expenditures when supplying nonmembers with disclosure under Chicago Teachers Union, Local 1 v. Hudson, 475 U.S. 292 (1986), and Ellis v. Railway Clerks, 466 U.S. 435 (1984), so it will not be a burden for them to report these figures separately on the LM-2s.

Finally, as noted above, the threshold reporting requirement should be set at $200 for all categories. To set the thresholds higher simply encourages corruption, and does not properly assist employees trying to gain some insight into, and oversight of, the union that purports to represent their interests.

f) End the so-called "confidentiality" exemption: The current regulations deem "confidential" a host of information under the theory that unions should not have to disclose, inter alia, information about organizing strategies, contract negotiation strategies and information subject to other confidentiality agreements. These disclosure loopholes make it impossible for employees to learn about a wide array of union conduct and expenditures. These loopholes should be closed.

In the civil law context, union officials have no "confidentiality" exemption from discovery or disclosure. Indeed, courts regularly decline invitations to create new blanket privileges for union activity, because privileges "are not lightly created nor expansively construed, for they are in derogation of the search for truth." United States v. Nixon, 418 U.S. 683, 710 (1974); see also United States v. Porter, 986 F.2d 1014, 1019 (6th Cir. 1993)

For example, no "privilege" exists when unions seek to shield internal strategy from discovery in proceedings before the National Labor Relations Board ("NLRB"). In fact, because the NLRA and the LMRDA supposedly exist solely to protect employee rights, the policies underlying these Acts strongly favor the production of relevant information to employees, not the withholding of such information. See Lechmere Inc. v. NLRB, 502 U.S. 527, 532 (1992) ("the NLRA confers rights only on *employees*, not on unions or their nonemployee organizers"). Thus, there is "no substantial authority for the notion that a bargaining party's strategy records enjoy some special, categorical insulation from discovery in an unfair labor practice prosecution where the party's strategy is a relevant subject." Taylor Lumber & Treating, Inc., 326 NLRB 1298, 1300 (1998).

Similarly, the rules of evidence provide no blanket protection of union "negotiation and organizing" strategies. The NLRA contains numerous provisions restricting many common union organizing tactics, see e.g., 29 U.S.C. §§ 158 (a)(2), (b)(1)(A), (b)(4), (b)(7), union negotiating tactics, see e.g., 29 U.S.C. §§158(b)(3), and

(d), and the legality of certain contractual provisions sought by unions, see 29 U.S.C. §§158(a)(3) and (e). Thus, when the NLRB adjudicates whether a union's organizing tactics are coercive, or whether the union has negotiated in bad faith, it of necessity investigates the union's bargaining strategies and organizing tactics, and such things are not shielded from discovery or disclosure.

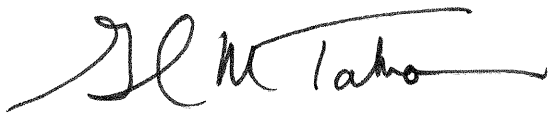
Moreover, characterizing some union activity as "negotiating" or "organizing" does not make it inherently "favored" by the NLRA and thereby exempt from disclosure. See e.g., Duane Reade, Inc., 338 N.L.R.B. No. 140 (2003) (NLRB inquiry into union violations of the NLRA for receiving illegal employer assistance with organizing); Merk v. Jewel Food Stores, 945 F.2d 889, 895 (7th Cir. 1991) (secret deal between employer and union held to be "in derogation of national labor policy"); Aguinaga v. United Food & Commercial Workers, 993 F.2d 1463 (10th Cir. 1993) (same). To say that all of these underhanded union actions, characterized as "negotiating or organizing," are so "favored" as to permanently shield them from discovery or disclosure is absurd.

Union organizing or negotiating tactics can be unlawful under 29 U.S.C. § 302 as well. Section 302 is itself an integral component of federal labor law, enacted by Congress specifically to govern the conduct of unions and corrupt union officials. See Arroyo v. United States, 359 U.S. 419, 425-26 (1959). The provision expressly governs agreements that unions negotiate with employers, and has been applied to employer payments made to affect union organizing. See, e.g., United States v. Pecora, 798 F.2d 614 (3d Cir. 1986); Reinforcing Iron Workers Local Union 426 v. Bechtel Power Corp., 634 F.2d 258 (6th Cir. 1981) (provision in collective bargaining agreement requiring employer to contribute to industry steward fund unlawful under §302).

In short, the "confidentiality" loophole should be ended, and all financial information should be publicly disclosed and made available to employees.

Conclusion: The Committee and the Foundation believe that the Department's proposal is a small but positive step in curbing some of the abuses of compulsory unionism, and, with the suggestions and comments noted herein, support the proposal.

Sincerely,



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Attachment

UAW Pays For Fun, Perks by Jennifer Dixon
The Detroit Free Press
June 23, 2006

While their union membership shrank by 15% last year, United Auto Workers officials spent hundreds of thousands of dollars on meetings at splashy resorts from Palm Springs to Cape Cod, and paid tens of thousands more for bowling and shooting tournaments, baseball and golf.

More than $22,000 alone went for souvenir key chains.

The spending is outlined in U.S. Labor Department forms that, for the first time, require unions to provide greater details about how they spend members' money.

But the filings still require only bare-bones summaries — leaving some union critics to wonder what, exactly, was purchased and who got what.

"They're too vague," said engineer Allen Nielsen, a UAW member from Norwalk, Ohio. "They're big numbers, but it doesn't tell me what I need to know."

UAW spokesman Paul Krell said the Detroit-based union's spending was appropriate and reasonable for such a large organization, which represents workers nationally in trades beyond the auto industry.

"These dollar amounts are large dollar amounts, but this is a large organization," he said. "It does cost money to represent the members."

Last year, the UAW held meetings at resort or casino hotels in Palm Springs, Las Vegas, Reno and Atlantic City, Cape May on the New Jersey shore and Hyannis on Cape Cod. They spent $318,000, funded through dues, on briefcases and pens passed out at conferences. They spent tens of thousands of dollars on such mementos as embroidered polo shirts, luggage tags and trinkets.

They dropped another $5,150 on a retirement video for Detroit-area official Ken Terry.

The expenses comprise but a sliver of the union's $307-million budget in 2005. And despite its dwindling ranks, the UAW appears to remain financially robust. But critics say the UAW's insistence on holding gatherings at golf and spa resorts, while so many members face job uncertainty, sends the wrong message to the rank and file.

William Hanline, who works at a Delphi plant in Athens, Ala., said he's disgusted that some UAW leaders are living large in lean times.

"They have no concern for anyone but themselves," said Hanline, a frequent critic of UAW leadership. "They've been hanging around the auto executives too much. They sure have picked up their habits."

Krell said the union must travel to meet with locals from around the nation and often relies on resort towns because they have the facilities to handle large groups.

Las Vegas, he said, is well known as a convention center.

The meeting in Cape May, he said, drew 120 officials from New Jersey, New York and

Pennsylvania, while the conference in Hyannis, the seaside resort that's home to the Kennedy family compound, drew more than 100 local leaders from New England and the New York City area.

Krell, who declined to furnish union invoices, said the UAW shops for the best deals.

Still, Krell acknowledged that the union would hold most of its national meetings in Michigan in the future.

Industry experts say the UAW is only now beginning to grasp that rounds of golf, casino and beachfront resorts and other long-standing travel perks no longer make sense.

"The UAW has been around for decades and certain practices get institutionalized," said Nelson Lichtenstein, a biographer of former UAW leader Walter Reuther and director of the Center for the Study of Work, Labor and Democracy at the University of California, Santa Barbara.

"And when there is a crisis, it's difficult to change the direction of the ocean liner overnight," he said. "UAW spending on the usual perks seems especially unseemly today and indicates they aren't being sufficiently attentive" to the economic times.

David Cole, chairman of the Center for Automotive Research in Ann Arbor, a nonprofit that studies the auto industry, said the UAW's national leadership has traditionally managed resources well while also enjoying a good time. And splashy conventions are one of the grandest perks that leaders get.

"Those days are just about over," Cole said.

"It's kind of typical for organizations — fiddling while Rome is burning. But they don't realize it till they're down to the eleventh hour, and that's what I think is happening with the UAW. With the decline in membership and the tremendous stress on the industry, they really have the message they are in a different world than what they thought they were in a year ago."

Another industry observer was more forgiving.

Gerald Meyers, a professor of management at the University of Michigan and former chief executive at American Motors Corp., said unions sometimes have to spend money to spread goodwill. So "there is a lot of schmoozing and gallivanting around, holding constituencies together and keeping their people happy," he said.

Meyers also noted that, despite hard times, the UAW remains financially strong.

"Were they in financial difficulty this would be highly inappropriate," Meyers said. "But they're not. They're collecting dues continuously, they have a large income, they've been able to salt away almost $1 billion."

Meyers conceded, however, that the union's war chest could be decimated if strikes occur at Delphi Corp. and spread to General Motors Corp. or other automakers and suppliers.

Union assets remain robust

Without a doubt, the UAW remains flush. In 2005, the union reported $1.2 billion in assets and only $3.9 million in debts. But it took in $307 million last year, down from $326 million in 2004. The drop is largely a result of the UAW's loss of more than 97,000 members from 2004 to 2005,

to a total of 557,099, because of plant closings, buyouts and the union's inability to organize at plants opened by foreign automakers.

The 2005 expenses mark the first year the UAW and many other unions were required to report spending in such detail, the result of the U.S. Department of Labor's requirements for fuller disclosure. These unions are now required to itemize expenditures above $5,000.

Even so, the UAW's reporting offers only sporadic insight into what it purchased at conferences and how many union officials benefited.

For example, the union lists $64,986 spent on "lodging" at the Lodge of Four Seasons Golf Resort & Spa Shiki in Lake Ozark, Mo., with no mention of how many officials attended and what they received. A staff meeting for union leaders in western and southwestern states at a golf resort in Branson, Mo., cost the union $63,473 — of which $6,324 paid for golf.

Krell said the union has been cutting expenses for years. Over the past four years, it reduced its professional and clerical staff by 20% through attrition and closed 14 subregional offices. He said the union now holds its national policy and legislative conference in Washington, D.C., every two years, rather than annually.

Other spending, such as $40,000-plus for bowling tournaments and towels, was offset by registration fees, Krell said — and the pull of history.

"Bowling tournaments," Krell explained, "have a long tradition in the UAW. In fact, in the 1940s and 1950s, Walter Reuther used the economic leverage of UAW bowling tournaments to push for the desegregation of bowling alleys."

Nielsen, the Ohio UAW engineer, said union leaders should be more frugal when they spend members' money.

Instead, he said, "it's going to the casinos and golf courses. It's eat, drink and party.