

§ 452.137

remedied, he is directed to bring within 60 days after the complaint has been filed a civil action against the labor organization in a Federal district court. In any such action brought by the Secretary the statute provides that if, upon a preponderance of the evidence after a trial upon the merits, the court finds (1) that an election has not been held within the time prescribed by the election provisions of the Act or (2) that a violation of these provisions "may have affected the outcome of an election", the court shall declare the election, if any, to be void and direct the conduct of an election under the supervision of the Secretary, and, so far as is lawful and practicable, in conformity with the constitution and bylaws of the labor organization.

(b) Violations of the election provisions of the Act which occurred in the conduct of elections held within the prescribed time are not grounds for setting aside an election unless they "may have affected the outcome." The Secretary, therefore, will not institute court proceedings upon the basis of a complaint alleging such violations unless he finds probable cause to believe that they "may have affected the outcome of an election."

(b-1) The Supreme Court, in *Hodgson v. Local Union 6799, Steelworkers Union of America*, 403 U.S. 333, 91 S.Ct. 1841 (1971), ruled that the Secretary of Labor may not include in his complaint a violation which was known to the protesting member but was not raised in the member's protest to the union.

Complaints filed by the Department of Labor will accordingly be limited by that decision to the matters which may fairly be deemed to be within the scope of the member's internal protest and those which investigation discloses he could not have been aware of.

(c) Elections challenged by a member are presumed valid pending a final decision. The statute provides that until such time, the affairs of the labor organization shall be conducted by the elected officers or in such other manner as the union constitution and bylaws provide. However, after suit is filed by the Secretary the court has power to take appropriate action to

29 CFR Ch. IV (7-1-13 Edition)

preserve the labor organization's assets.

[38 FR 18324, July 3, 1973, as amended at 39 FR 37360, Oct. 21, 1974]

Subpart K—Dates and Scope of Application

§ 452.137 Effective dates.

(a) Section 404 states when the election provisions of the Act become applicable.⁵⁸ In the case of labor organizations whose constitution and bylaws can be lawfully modified or amended by action of the organization's "constitutional officers or governing body," the election provisions become applicable 90 days after the enactment of the statute (December 14, 1959). Where the modification of the constitution and bylaws of a local labor organization requires action by the membership at a general meeting or by referendum, the general membership would be a "governing body" within the meaning of this provision. In the cases where any necessary modification of the constitution and bylaws can be made only by a constitutional convention of the labor organization, the election provisions become applicable not later than the next constitutional convention after the enactment of the statute, or one year after the enactment of the statute, whichever is sooner.

(b) The statute does not require the calling of a special constitutional convention to make such modifications. However, if no convention is held within the one-year period, the executive board or similar governing body that has the power to act for the labor organization between conventions is empowered by the statute to make such interim constitutional changes as are necessary to carry out the provisions of title IV of the Act. Any election held thereafter would have to comply with the requirements of the Act.

§ 452.138 Application of other laws.

(a) Section 403⁵⁹ provides that no labor organization shall be required by law to conduct elections of officers with greater frequency or in a different

⁵⁸ Act, sec. 404.

⁵⁹ Act, sec. 403.

Ofc. of Labor-Management Standards, Labor

§ 453.1

form or manner than is required by its own constitution or bylaws, except as otherwise provided by the election provisions of the Act.

(b) The remedy⁶⁰ provided in the Act for challenging an election already conducted is exclusive.⁶¹ However, existing rights and remedies to enforce the constitutions and bylaws of such organizations before an election has been held are unaffected by the election provisions. Section 603⁶² which applies to the entire Act, states that except where explicitly provided to the contrary, nothing in the Act shall take away any right or bar any remedy of any union member under other Federal law or law of any State.

[38 FR 18324, July 9, 1973, as amended at 50 FR 31311, Aug. 1, 1985]

PART 453—GENERAL STATEMENT CONCERNING THE BONDING REQUIREMENTS OF THE LABOR-MANAGEMENT REPORTING AND DISCLOSURE ACT OF 1959

INTRODUCTION

Sec.

453.1 Scope and significance of this part.

CRITERIA FOR DETERMINING WHO MUST BE BONDED

453.2 Provisions of the statute.

453.3 Labor organizations within the coverage of section 502(a).

453.4 Trusts (in which a labor organization is interested) within the coverage of section 502(a).

453.5 Officers, agents, shop stewards, or other representatives or employees of a labor organization.

453.6 Officers, agents, shop stewards or other representatives or employees of a trust in which a labor organization is interested.

453.7 "Funds or other property" of a labor organization or of a trust in which a labor organization is interested.

453.8 Personnel who "handle" funds or other property.

453.9 "Handling" of funds or other property by personnel functioning as a governing body.

SCOPE OF THE BOND

453.10 The statutory provision.

453.11 The nature of the "duties" to which the bonding requirement relates.

453.12 Meaning of fraud or dishonesty.

AMOUNT OF BONDS

453.13 The statutory provision.

453.14 The meaning of "funds".

453.15 The meaning of funds handled "during the preceding fiscal year".

453.16 Funds handled by more than one person.

453.17 Term of the bond.

FORM OF BONDS

453.18 Bonds "individual or schedule in form."

453.19 The designation of the "insured" on bonds.

QUALIFIED AGENTS, BROKERS, AND SURETY COMPANIES FOR THE PLACING OF BONDS

453.20 Corporate sureties holding grants of authority from the Secretary of the Treasury.

453.21 Interests held in agents, brokers, and surety companies.

MISCELLANEOUS PROVISIONS

453.22 Prohibition of certain activities by unbonded persons.

453.23 Persons becoming subject to bonding requirements during fiscal year.

453.24 Payment of bonding costs.

453.25 Effective date of the bonding requirement.

453.26 Powers of the Secretary of Labor to exempt.

AUTHORITY: Sec. 502, 73 Stat. 536; 79 Stat. 888 (29 U.S.C. 502); Secretary's Order No. 03-2012, 77 FR 69376, November 16, 2012.

SOURCE: 28 FR 14394, Dec. 27, 1963, unless otherwise noted.

INTRODUCTION

§ 453.1 Scope and significance of this part.

(a) *Functions of the Department of Labor.* This part discusses the meaning and scope of section 502 of the Labor-Management Reporting and Disclosure Act of 1959¹ (hereinafter referred to as

⁶⁰ Act, sec. 402.

⁶¹ Act, sec. 403. See Daily Cong. Rec. 86th Cong., 1st sess., p. 9115, June 8, 1959, pp. 13017 and 13090, July 27, 1959. H. Rept. No. 741, p. 17; S. Rept. No. 187, pp. 21-22, 101, 104. Hearings, House Comm. on Education and Labor, 86th Cong., 1st sess., pt. 1, p. 1611. See also *Furniture Store Drivers Local 82 v. Crowley*, 104 S.Ct. 2557 (1984).

⁶² Act, sec. 603.

¹ 73 Stat. 536; 29 U.S.C. 502.