

# United States Senate

WASHINGTON, DC 20510

April 25, 2013

The Honorable Seth D. Harris  
Acting Secretary of Labor  
U.S. Department of Labor  
200 Constitution Ave., NW  
Washington, DC 20210

Dear Acting Secretary Harris:

As ranking members of the Senate Finance and Health, Education, Labor, and Pensions Committees, we write to request information about the Department of Labor's activities in promoting labor unions and collective bargaining in foreign nations. At a time of high U.S. citizen unemployment and when prudent management requires a vastly reduced Federal budget, it is troubling to us that the Department appears to be spending millions of dollars of taxpayer funds to establish labor unions and promote collective bargaining in foreign countries.

Part of our charge is to conduct oversight on issues that impact our nation's trade agenda, labor policies and fiscal spending. In difficult fiscal times such as these, the budgets of all Federal agencies are under extreme scrutiny to ensure that Federal dollars are wisely spent to ensure maximum benefit to the American taxpayer. In this regard, we are particularly interested in expenditures by the Bureau of International Labor Affairs (ILAB), an operating component within the Department. Information about these expenditures will enable the Committees to better understand the role of ILAB, assess the level of resources that it requires to properly carry out its role, and provide important oversight information about how ILAB is promoting the interests of the United States.

Several recent announcements by the Department have brought into sharper focus the need of the Committees to better understand the nature of ILAB's expenditures. For example, ILAB stated in a news release dated October 13, 2011, that it had awarded \$1.5 million to Development Alternatives International, Inc. of Bethesda, Maryland to extend a project whose aim is to improve the ability of unions in Vietnam to represent employees and engage in collective bargaining, and to similarly assist the government of Vietnam to promote collective bargaining. In another news release dated December 27, 2012, ILAB announced that it had awarded \$1.5 million to *Escuela Nacional Sindical*, a Columbian labor organization, to "improve [Columbian]

workers' ability to protect and claim their rights." On the same day, ILAB also announced that it had awarded a \$2.2 million grant to "strengthen worker organizations in Haiti and Peru" by helping unions engage in collective bargaining with employers.

To assist the Committees in better understanding these activities, please provide our offices with the following information:

- (1) A list of each grant, cooperative agreement, contract, subsidy, or other contribution (hereinafter "award") made by ILAB in Fiscal Years 2011 and 2012 for the purpose (sole or among others) of improving labor rights in foreign countries.
- (2) The name/identity of each organization/entity that received an award identified in response to Request (1) above, together with a description of the nature/purpose of the organization (*e.g., labor union, United Nations Agency, etc.*)
- (3) The nature (*e.g., grant, cooperative agreement, etc.*) and the amount of each award identified in response to Request (1) above.
- (4) For each award identified in response to Request (1) above, the purpose(s) for which ILAB made the award, identifying with specificity whether any portion of the funding was for assisting foreign labor unions and/or foreign governments in establishing collective bargaining rights.
- (5) The criteria or basis that ILAB used to select each organization/entity identified in response to request (1) above as well as whether the awards were made competitively or non-competitively.
- (6) For each award identified in response to Request (1) above, how each recipient organization/entity expended the funds received from ILAB, identifying with specificity each item of expenditure.
- (7) Copies of all internal/external reports (interim and/or final) prepared by the awardees, DOL, or by others at DOL's request/direction (including audits by third-parties), that assess the performance of the organization/entity under each award identified in response to Request (1) above.

In addition to providing a narrative response to the above-mentioned enquiries, the information requested should be provided, where possible or practicable, in sortable electronic format, such as Excel.

Thank you for your immediate attention to this important matter. We would appreciate receiving your response no later than Friday, May 17, 2013. Should you have any questions regarding this

letter, please have your staff contact Kim Brandt, Chief Investigative Counsel (Minority) for the Finance Committee at (202) 224-4515 and Kyle Fortson, Labor Policy Director for the HELP Committee (Minority) at (202)-224-6770.

Sincerely,



Orrin G. Hatch  
Ranking Member  
Senate Committee on Finance



Lamar Alexander  
Ranking Member  
Senate Committee on Health, Education,  
Labor and Pensions