§ 720. Findings and policy. The rights of employees to organize and to bargain collectively through labor organizations of their own choosing have been affirmatively protected by the constitution and statutes of this state and by parallel federal laws. Encouraged by these laws, a substantial proportion of the employees in this state have become members of, and contribute financially to, labor organizations for the purpose of bargaining collectively with their employers concerning wages and other conditions of employment. To the officers and agents of their labor organizations, these employees have entrusted their funds and the power to act in their behalf in achieving the purposes of their labor organizations.

Experience has shown instances where officers and agents of some labor organizations have abused their positions of fiduciary responsibility.

Experience has also shown instances in which some employers, employer organizations and labor relations consultants have participated in or induced such abuses of fiduciary responsibility by officers and agents of such labor organizations.

Responsible leaders of the labor movement have recognized that union officers and agents have a fiduciary duty to serve the members of the union honestly and faithfully, and these leaders have taken courageous action against those who have violated their trust. Experience, however, has shown that labor's efforts to correct abuses from within need to be aided and supplemented by legislation.

Such abuses have had a harmful effect on the general welfare, health and safety of employees and the public. Accordingly, it is hereby declared to be the public policy of the state of New York that officers and agents of a labor organization shall be held to a fiduciary obligation in handling the labor organization's assets; that such officers and agents shall not acquire financial interests which interfere or tend to interfere with the faithful performance of their responsibility to the labor organization; and that such officers and agents shall account fully to the members of such labor organization for all assets and financial transactions. It is hereby further declared to

be the public policy of the state of New York that employers, employer organizations, labor relations consultants and other persons shall not participate in or induce violations of such fiduciary obligation by officers and agents of labor organizations.