

Captain Pam Torell
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April 26, 2019

Captain Mike Burr
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Sent via email and hand delivered

Regarding: Response to BOD 'Motion to Direct' APA Secretary-Treasurer on April 18, 2019

Preface:

On the afternoon of Thursday, April 18th, the APA Board of Directors (BOD) directed, by motion, "... to direct the Secretary-Treasurer to inform the Board of Directors in writing, no later than close of business April 26th, her expressed concerns regarding the finances of the association. This will be delivered to the Chairman of the Financial Audit Committee." (This was the language provided to the membership in the APA News Digest on the evening of April 18, 2019.)

Note: In conjunction with the aforementioned, Board Resolution R2016-11 was cited as having been complied with. However, R2016-11 specifically states, in part: "At the end of each day in which the Board is in session, **the membership shall be provided** a synopsis of the business of the day, **to include the final version of, and details of recorded votes on approved resolutions and motions** as well as main motions and resolutions which are defeated, postponed, referred, and laid on the table." (Emphasis added; See R2016-11, available on the APA web site). Unfortunately, however, there is a difference between "making available" for members to go look for information and "shall be provided" where the information is directly provided to the member with no action required on the member's part. It is clear by the direct language contained in Board Resolution R2016-11 that information "**shall be provided**" and not just "made available" for members to have to seek out. In this case, APA required action by members to seek information out (and if the provided News Digest link did not work correctly, members would then have to know where to find this information). Therefore, once again, APA policy has not been properly complied with.

Of potentially more ominous concern regarding this non-compliance, it is possible this was not just an administrative oversight and instead may have been deliberate. By forcing members to click on a link, APA is able to track who clicks on that link, when they click on that link, and how many times that link is used. Any interested APA official (like, say, somebody who is currently running for office and may have a heightened interest in this particular issue) could easily get a list of every member who has clicked on that link. So beyond the violation of the expressed language contained in Board Resolution R2016-11, there are other considerations at hand here that could lead to (or maybe already have led to) further inappropriate conduct.

FAC History and Current Actions:

Although the suspense time on the motion is not enough time to fully research history, upon information and belief, the Financial Audit Committee (FAC) was enacted by Allied Pilots Association (APA) policy in the aftermath of the most recent Department of Labor (DOL) Compliance Audit of the APA more than two decades ago. Whether enacted due to alleged APA administrative deficiencies (admitted or denied by APA), it appears clear that the FAC was enacted to provide additional "check and balance" toward the welfare of APA budgeting, financial accounting, and fiscal responsibilities.

What has instead occurred relative to this issue of Presidential spending and conduct irregularities is that the FAC (the Chairman in particular) has arguably operated as a political protector of the President (in the midst of a National Officer election where the President is seeking re-election) rather than an unbiased administrative "check and balance" for the welfare of APA budgeting, financial accounting, and fiscal responsibilities. The FAC Chairman continually tries to spin, redirect, and even accuse me and others of whatever he can fabricate in order to stall out or refrain from researching the many issues I will list below regarding Presidential spending and conduct irregularities. And in the process, as I will note at the end of this document, in addition to the unrelenting misconduct and harassment I have endured from this President, I have also endured intimidation tactics, fabricated allegations, and just plain reprehensible conduct from the FAC Chairman. To say that I have lost confidence in APA's FAC "check and balance" would be an understatement.

Bullet list of Presidential Spending concerns:

What follows are Presidential expenditure and conduct concerns listed in bullet form. In many cases the President's spending and conduct irregularities appear to be biased toward personal acquaintances, favored staff and committee members, or just fulfillment of personal wants. Additional concern is that the President deliberately did, and other times unsuccessfully attempted to, sidestep proper bidding or vetting processes. In some instances, these concerns are combined. And in many instances, the President's actions are in direct violation of APA policy and/or inappropriate strong-arming tactics. My core concern should be obvious: that the President is improperly authorizing APA resources and spending of the membership's money.

Although I am again being asked to cite my concerns herein, in each instance below, Domicile Officers, the BOD in total, and/or FAC were made aware of these concerns in a timely manner. In some cases, some action was taken. At no time has the President been admonished, reprimanded, or even counseled about his lack of compliance to APA policy or questionable spending and conduct habits. And so, as the list implies, the President's behavior has continued unabated.

Presidential conduct and spending concerns in bullet format:

- \$5,000 donation to local DFW community high school sports team (at the request of a committee member in the President's favor).
 - Brought to the attention of Domicile Officers, the BOD in total, and/or FAC;
 - Resultant action: Policy Manual was amended to include Board approval;
 - No meaningful BOD or FAC or other action taken with the President.

- \$3,000 donation to a personal school project (for an individual in the President's favor).
 - Brought to the attention of Domicile Officers, the BOD in total, and/or FAC;
 - Resultant action: Policy Manual was amended to include Board approval;
 - No meaningful BOD or FAC or other action taken with the President.

- \$18,000 one-year contract (\$1,500/month), executed solely by the President, for an APA Staff Chaplain (a very unusual and unprecedented APA expense).
 - Brought to the attention of Domicile Officers, the BOD in total, and/or FAC;
 - Resultant action: Policy Manual was amended to include Board approval;
 - No meaningful BOD or FAC or other action taken with the President.

- \$60,569.81 to an Irish newspaper company (headquartered in Dublin, same location as President's second residence).
 - Brought to the attention of Domicile Officers, the BOD in total, and/or FAC;
 - No meaningful BOD or FAC or other action taken with the President.

- \$14,118.15 for pilot food charges and strike fund for a non-AAL pilot group. One receipt was originally for a "romantic evening." After being challenged (by me), this receipt was revised to being for a "meeting room" (no practical way of researching what it was really for). This entire expense was charged to APA National Family Awareness, where that committee Chairman was not involved in, or believed to have any advance knowledge of, any of these activities.
 - Brought to the attention of Domicile Officers, the BOD in total, and/or FAC;
 - No meaningful BOD or FAC or other action taken with the President.

- \$137,400 paid union leave (PU) for a committee member in the President's favor, which was raised as question due to being more PU than this member's committee chairman.
 - Brought to the attention of Domicile Officers, the BOD in total, and/or FAC;
 - No meaningful BOD or FAC or other action taken with the President.

- Economic Financial & Analysis (EF&A) contract signed without BOD or Legal department advance consultation.
 - Brought to the attention of Domicile Officers, the BOD in total, and/or FAC;
 - No meaningful BOD or FAC or other action taken with the President.

- President signed longtime personal friend's employment/compensation contract (General Counsel) without BOD advance knowledge or consultation.
 - Brought to the attention of Domicile Officers, the BOD in total, and/or FAC;
 - No meaningful BOD or FAC or other action taken with the President.

- New edict per this President – entire APA Legal Department now under sole direction of President’s longtime personal friend (General Counsel). Following this unilateral promotion, General Counsel was issued an APA-expensed car.
 - Brought to the attention of Domicile Officers, the BOD in total, and/or FAC;
 - No meaningful BOD or FAC or other action taken with the President.

- President granting staff bonus without performance reviews or other explanation (limited to President’s favored staff).
 - Brought to the attention of Domicile Officers, the BOD in total, and/or FAC;
 - No meaningful BOD or FAC or other action taken with the President.

- President attended conference in Ireland (location of his second residence) with longtime personal friend (General Counsel) in tow, all at APA expense. BOD unaware of costly attendance until after the fact.
 - Brought to the attention of Domicile Officers, the BOD in total, and/or FAC;
 - In the wake of bringing this to the BOD’s attention, questions remain open about the purpose of the meeting and/or need for General Counsel’s attendance;
 - No meaningful BOD or FAC or other action taken with the President.

- \$20,196.52 Authorization For Expenditure (AFE) #3079, President’s trip to Australia. This trip turned out to be much more personal than business. Once this impropriety became known, the President and his operatives persecuted me relentlessly. The President did reimburse APA, but has aggressively harassed me as retribution ever since. The BOD basically treated the situation like it never happened once the reimbursement occurred.
 - AFE not approved prior to credit card charges, violating Policy Manual;
 - AFE only signed by one National Officer, the President, but required two National Officers by APA policy when greater than \$5,000;
 - Brought to the attention of Domicile Officers, the BOD in total, and/or FAC;
 - Resultant action: BOD voted to amend Policy Manual; any travel over \$5,000 must be approved by the BOD.
 - No meaningful BOD or FAC or other action taken with the President.

- The President formed the “APA Retired Pilots ad hoc committee” (allowed by APA policy) and appointed a family member to the committee. As such, the President’s family member is receiving APA compensation directly at the discretion of the President.
 - Brought to the attention of Domicile Officers, the BOD in total, and/or FAC;
 - No meaningful BOD or FAC or other action taken with the President.

- New member kitbag project – President requested that the Secretary-Treasurer give a competitor’s prototype kitbag to his personal friend for a competing bid.
 - I instead coordinated with the National Membership Committee Chairman;
 - I proceeded to secure additional bids and ignored the President’s improper conduct;
 - I endured more harassment as retribution for this act from the President;
 - This is the one issue I do not recall bringing to anybody’s attention.

- Travel agency service bidding – business card supplied by President as only viable APA bidder option. No other bidders permitted per the President.
 - Brought to the attention of Domicile Officers, the BOD in total, and/or FAC;
 - BOD passed legislation to stop using this travel agency due to poor service;
 - Because it was known that there was looming dissatisfaction with this travel agency, I have long wondered about possible other Presidential misconduct associated with this event.

- President hired unilaterally from a favored source (friend) with the expressed intent of disallowing that any other interviewees be considered.
 - Brought to the attention of Domicile Officers, the BOD in total, and/or FAC;
 - Part of a much larger story involving other questionable Presidential conduct that the BOD and FAC are well aware of;
 - No meaningful BOD or FAC or other action taken with the President.

- President's APA housing paid monthly by APA to friend/committee member in the President's favor.
 - Brought to the attention of Domicile Officers, the BOD in total, and/or FAC;
 - No meaningful BOD or FAC or other action taken with the President.

- President issued ultimatum that a committee member be issued an APA credit card by the end of a business day (not in accordance with APA policy) or he will terminate a specific person.
 - Brought to the attention of Domicile Officers, the BOD in total, and/or FAC;
 - No meaningful BOD or FAC or other action taken with the President.

- President demanded that APA Flight Loss Pay (PU) be administered to accommodate a personal matter (involving a member in the President's favor).
 - President aware of adjacent alleged PU abuses, but proceeded undeterred;
 - Brought to the attention of Domicile Officers, the BOD in total, and/or FAC;
 - No meaningful BOD or FAC or other action taken with the President.

- A President's friend had difficulty in training, and in the process of sorting things out, the President demanded that his friend be given Flight Loss Pay (PU). That PU was granted at the President's direction.
 - The BOD has allowed unilateral PU authority by the President;
 - The BOD and FAC know the risks of allowing one person to approve large expenses;
 - The BOD and FAC know of many other expenditure issues with this President and yet allowed his continued unilateral PU authority;
 - I worked with the prior President throughout his term and this President for nearly a year on the PU approval process until this President continually overrode my appraisal of suspected improper PU usage or even abuse. It is my understanding that this President merely delegates PU usage to committee chairmen without any check and balance prior to PU being granted (as it is currently administered, improper PU usage or abuse can only be dealt with *after* it has already occurred, if it is dealt with at all).

- President required committee members to join the APA Political Action Fund and make donations or their Flight Loss Pay (PU) would not be approved.
 - Brought to the attention of Domicile Officers, the BOD in total, and/or FAC;
 - No meaningful BOD or FAC other action taken with the President.

- Legal consultant contract executed by the President without informing the Secretary-Treasurer (alleged consultant in Ireland, approximately \$4800/mo for one year, funds wired to Ireland).
 - Brought to the attention of Domicile Officers, the BOD in total, and/or FAC;
 - President routinely circumvents Secretary-Treasurer for APA financial contracts;
 - No meaningful BOD or FAC or other action taken with the President.

- \$1,522.30 expensed on the President's credit card for tickets to an air show in Ireland. No further information supplied to this expense. After several email exchanges between me and the President and FAC Chairman, the President emailed the Director of Accounting only and stated *"We gave those tickets to AA Pilots on their Dublin layover. I did not attend. This could be a family awareness charge."*
 - Brought to the attention of Domicile Officers, the BOD in total, and/or FAC;
 - No meaningful BOD or FAC other action taken with the President.

- Fiscal year budgeting: The President decided last year that one particular committee was to be afforded a more than tenfold increase in APA budget. The President recently decreed that he desires to again increase this committee's budget another 40% with no further explanation other than personal desire. This will bring this particular committee budget from just over \$30,000 annually to nearly \$600,000 annually.
 - Last year's tenfold budget increase for this committee was ultimately approved by the BOD as part of the overall APA budget;
 - This year's proposed 40% increase is yet to be discussed;
 - I believe this is highly unusual and ripe for analysis.

- The Secretary-Treasurer was omitted from all expense processing related to recent APA legal action against an APA member. As was briefed to the BOD and FAC on multiple occasions, I was forced to search for and secure expense documents from the Accounting department *after* the approvals had been granted.
 - Brought to the attention of Domicile Officers, the BOD in total, and/or FAC;
 - No meaningful BOD or FAC or other action taken with the President.

- At the direction of the President, much of APA's expenditures to General Counsel et al. were deliberately concealed to the Secretary-Treasurer. Recently, the Secretary-Treasurer was advised that these expenditures were available if she had only known the right places to research.
 - Brought to the attention of Domicile Officers, the BOD in total, and/or FAC;
 - The BOD and FAC were well aware of this, as several direct discussions have occurred on this very topic;
 - The FAC Chairman has chosen to be an impediment rather than a resource;
 - No meaningful BOD or FAC or other action taken with the President.

Additional Concerns – Indirectly Finance Related:

The following concerns may not all be directly related to finances but are significant with respect to my “concern” of overall Presidential decision-making as it would affect the financial health of the APA. I brought some of these issues to the union leadership’s attention, while others came known to the union leadership from other sources. The result, little or substantial as it might be portrayed now, has not been effective in dissuading the President’s errant spending and conduct.

- For approximately one year, the President presented telephone bills absent payment details for APA reimbursement (I was advised that the President wanted it conveyed to me directly that I didn’t need to see actual payment receipts). I advised the BOD and FAC. Although it took over a year to correct, the union leadership did finally intervene and correct this improper conduct. The President remains in compliance to date.
- Unilateral Presidential decision affecting APA Holding Company: The President unilaterally decided to terminate a renter’s lease and renovate that space for APA use without informing the Secretary-Treasurer. This incurred substantial costs and long-term lost rental income, again, without any notification to the Secretary-Treasurer.
- President had FY2019 proposed budget removed for membership viewing for the singular reason of unilaterally dubbing it “*too confusing.*”
- At the President’s direction, ALL Authorization For Expenditure (AFE) processing has been halted to (or concealed from) the Secretary-Treasurer subsequent to her asking that the statement “For union business only” be added.
- The President, until recently, had use of APA AMEX and Chase credit cards, yet continued to charge to other union credit cards or expenditure sources. The Secretary-Treasurer maintains that this was a willful act intended to make it difficult to monitor the President’s expenditures, or perhaps conceal inappropriate expenditures.
- President removed select reports from membership monthly financials. There would be no viable reason to do this other than to willfully conceal from the membership.
- Credit card expenses charged by the President, absent required detailed receipts, prompted my request for an approved credit card policy in which the Secretary-Treasurer would finalize in concert with the FAC approval.
- In consideration of the above bullet, the President’s spending behavior, in part or even whole, did result in new APA credit card policy due to numerous charges unaccompanied by receipts.

- In the midst of a National Officer election where the President is a candidate for office and his expenditures have been of known membership interest due to various leadership and other broadcasts of concern during his term of office (even a cursory review of membership posts on Challenge & Response reveals hundreds if not thousands of posts on this very subject), subsequent to arguably reasonable requests to view the President's expenditures (a member protected right contained in the federal law known as the Labor-Management Reporting and Disclosure Act or LMRDA), the APA Legal Department suddenly issued its own very loosely defined "just cause" threshold that any member must meet prior to reviewing APA financial records. Further clouding this event is that one member making this request had made known that he did not favor this incumbent President in his bid for re-election, and so what should be no surprise, this member was ultimately never granted any access to APA records. Three members to date have requested access to original receipts and two of the three have been granted supposed access to APA financial records, but they were restricted to reviewing selected summaries and generalities rather than actual receipts. APA's act in creating shields to frustrate member access to review Presidential expenditures, particularly in the midst of an election in progress, should be a concern to everybody.
- At a time when the President should have been recusing himself from making policies in any way connected to the National Officer election for which he is currently a candidate, he instead forged ahead by unilaterally implementing additional policies intended to buttress the APA Legal Department's "just cause" implementation as it relates to member requests to view APA records. Accordingly, a second new rule (unilaterally implemented by the President) was that any viewing of financial records by a member must have the following APA Officers and staff in attendance: President, Vice President, Secretary-Treasurer, two APA attorneys, and the Director of Finance and Accounting. Additionally, the President decreed that all appointments will be made at least two weeks in advance and subject of the availability of all members of the aforementioned group, and all meetings will be held in a specific room at APA Headquarters (presumably this room's availability would be a factor as well). Not only does this edict redirect APA resources from their normal duties, but it also institutes a chilling effect on APA members. It would be hard to deny that such a mandate was intended to make it incredibly difficult to schedule any meeting (the member's availability and ability to come to APA Headquarters in DFW on a specific day at a specific time when all three National Officers, two APA attorneys, and the Director of Finance and Accounting would be available to meet in a specific room if it was available, was all surely not without its obvious design).
- Absent any citation of APA rule or policy allowed by the Constitution & Bylaws, and no doubt because I had become quite the thorn in the President's side over his conduct, expenditures, and lack of policy compliance, the President unilaterally implemented a new rule for the APA staff: As of January 2019 (interestingly, official commencement of the National Officer election, for which the President is a candidate), **all email blasts from the Secretary-Treasurer will be pre-approved by the President before sending.** I was only informed of this haphazardly days after it had been quietly implemented, given a reason without explanation that something I put in an financial report was apparently confidential (as deemed by the President). This policy remains in effect in spite of it being unconstitutional.

- In concert with the above paragraph, presumably at the President's direction, the APA National Communications and Professional Standards committees created and sent out a financial health report to the membership without any Secretary-Treasurer prior knowledge, input, review, or approval. Clearly the President seeks to unconstitutionally assume the role of Secretary-Treasurer, and in so doing, blasted inaccurate information to the membership. When taken in context with much of the aforementioned, this is yet another abuse of Presidential authority.
- Inexplicably, on numerous occasions, usually over the weekends, the Secretary-Treasurer email account was "locked" so that emails could not be sent or received. While I'm sure that I'll never know why, it is entirely plausible that somebody else was monitoring, manipulating, or even granted access to the APA Secretary-Treasurer email account.
- For reasons not entirely known, the President requested removal of a security camera in APA Executive Office area. After further research, this did not occur, almost certainly due to my intervention. Security cameras have proven invaluable at APA Headquarters for many years and only exist to protect APA resources and liability. Absent exceptional qualifying reason, no security camera currently at APA Headquarters need be removed.

Conclusion:

This list was compiled on a rather short suspense while I was simultaneously obligated to my normal duties and, while it certainly makes up the bulk of my concerns regarding Presidential conduct, expenditures, and spending related decisions, it may not be a complete list.

To the extent that I am perceived by the membership as having any culpability in not directly informing them about these financial improprieties, let it be known that I have done my best to act in good faith, in the membership's best interests, at all times. This is to say that I repeatedly tried to resolve and correct issues utilizing the proper chain of command by repeatedly keeping the Board of Directors (BOD) informed of these Presidential conduct and expenditure irregularities in spite of constantly being deflected, demeaned, and even harassed as I did. And when the BOD forced me to work with the Financial Audit Committee (FAC) regarding these concerns over Presidential conduct and expenditure irregularities (in particular, the FAC Chairman), the harassment against me was further aggravated.

The most recent Presidential act of ultimate defiance is that he has been allowed to unilaterally restrict my email blast capability to the membership subject to his personal review. Through fabricated allegations, spite, and heavy doses of harassment (all of which will surely be turned up to a deafening shrill after this letter reaches the membership), in addition to his other habitual conduct and spending problems, this President has reached well beyond his lawful authority, as contained in APA's Constitution & Bylaws, to **block** my ability to communicate with the membership **and** keep me as uninformed of APA business as possible. Beyond the inappropriate conduct, this conduct is clearly not in the membership's best interests.

Personal Note:

I continually believed, as this unrelenting issue of Presidential conduct and spending grew more dire, that the union leadership would have enough of it and put a stop to it. Rather than earnestly looking into the issues at hand (nearly all of the aforementioned is well known to the BOD and FAC, and some is known to the membership as well), the BOD has instead directed me to once again cite my concerns, leaving the membership with the illusion that they (the BOD) know little to nothing about the aforementioned Presidential irregularities. As you can see by my compiled list, this simply is not true.

As the leadership allows my rightful email blast capability to the membership to be wrongfully stripped away by the President, it is has been difficult to sit idly and witness the continued communication campaign to the membership of partial-information, selective information, misinformation, omissions, complicity with improper behavior, misguided bias intended to protect or conceal improper behavior, cover ups, behavior to induce chilling effects, use of APA resources to advance election prospects, and generally complicit concealment altogether. I've never seen anything like this in my years at APA or anywhere else, and since the BOD has formally (by motion, as notified to the membership) directed me to put my concerns in writing, that is how this document came to be.

Most Respectfully submitted in the hopes of brighter days for our union of 55+ years, and its over 15,000 members,

A handwritten signature in black ink, appearing to read "Pam Torell". The signature is fluid and cursive, with a large initial "P" and "T".

Captain Pam Torell, APA Secretary-Treasurer (2013-2019)