

## TRUSTEESHIP CHARGES AGAINST LOCAL 541 AND ITS OFFICERS

To: Nate Pike, Local President  
Earl Smith, Local Financial Secretary

From: International President Harry Lombardo

Pursuant to Article V, Sections 4 to 6 of the TWU Constitution, and the July \_\_, 2014 Resolution of the International Administrative Committee, approved by the International Executive Committee, under Article XVIII, Section 3 of the TWU Constitution, I hereby (1) provide notice of immediate appointment of an Administrator of TWU Local 541 and resulting and related suspension of officers of TWU Local 541 and the Local Executive Board members pending a decision of the International Executive Council after a hearing under the aforementioned sections of the Constitution, and (2) institute resulting proceedings against all officers and other Local Executive Board members of TWU Local 541 for failing to comply with the TWU Constitution and policies, conducting themselves and the affairs of the Local in a manner detrimental to the interests of TWU and/or the Local and their members, and engaging in conduct unbecoming a member by engaging in the actions set forth in the charges below.

### CHARGES

1. Local 541, its officers, and other Local Executive Board members of TWU Local 541 have engaged in and are continuing to engage in financial malpractice through various conduct listed below in Paragraphs 2 to 5 (and their subparagraphs). This conduct -- taken since at least June 2014, continuing through the present time, and threatening to continue in the future -- violates Article VIII, Section 9; Article 14, Sections 3 and 14; Article XVI, Section 5; Article XVI, Section 4; and, Article XIX, Sections 5(a), 5(h) and 5(n) of the TWU Constitution. *See also* TWU Policy Regarding Expenses; LMRDA 29 U.S.C. § 501, for paragraphs 2 to 4 (and subparagraphs) below and 29 U.S.C. 503(a), for paragraph 3 (and subparagraphs), below. These charges are based in part on an initial investigation.

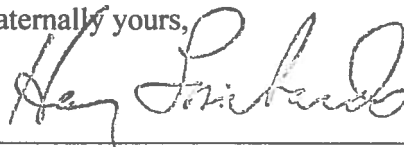
2. The Local 541 Executive Board approved providing each simulator engineer and pilots instructor within Local 541 with \$500.00. Cashier checks for this amount have been sent to each such employee in Local 541 pursuant to this Local Executive Board action.

a. There was no limit on how the money may be used. Nor is there any proper justification for providing this money to employees in this manner.

b. The Local Executive Board approved this excessively large expenditure even though it represents a large part of the Local treasury, leaving it with considerably less resources to effectively confront an ongoing raid by the National Association of Airline Professionals (NAAP) which is seeking to displace TWU as the bargaining representative for the American Airlines simulator engineers and pilots instructors. Local President James Fudge recently resigned from his position as Local 541 President and emerged as NAAP president.

- c. This conduct in paragraph 2 (and its subparagraphs) violates of Article VIII, Section 9; Article 14, Sections 3 and 14; Article XVI, Section 5; Article XVI, Section 4; and, Article XIX, Sections 5(a), 5(h) and 5(n) of the TWU Constitution.
3. The Local 541 has the law firm of Seham, Seham, Meltz and Peterson, LLP – a firm that represents AMFA, a union that has over the years and currently is seeking to displace TWU as the bargaining representative for the American mechanics. The Local 541 Executive Board approved payment of \$40,000 to the Seham firm – which has been provided – but no documentation supporting the payment (bills or retainer) have been provided.
- a. This improper payment and improper creation of a Local fund distinct from regular Local treasury funds (described in paragraph 4. and 4.a.) violates Article VIII, Section 9; Article 14, Sections 3 and 14; Article XVI, Section 5; Article XVI, Section 4; and, Article XIX, Sections 5(a), 5(h) and 5(n) of the TWU Constitution.
4. Unless halted immediately, further improper disbursements from the Local treasury will occur or are threatened to occur. The improper payments described in paragraphs 2 and 3 above demonstrate a recent wrongdoing that is designed to quickly drain the Local treasury of funds. This significant risk of ongoing risk members' dues money cannot be countenanced.
5. The raid by NAAP at American obviously represents an attack on TWU.
- a. By providing funds to American dispatchers and Section Chairs (*see* paragraphs 2. and 3. above), the Local 541 leadership (the officers and other Executive Board members) are seeking to build political support for themselves by using Local money.
- b. The Local 541 Executive Board have taken no measures to battle this raid and demonstrate their allegiance to TWU in the face of such a raid.
- c. This conduct in paragraph 4 (and its subparagraphs a. and b.) violates of Article VIII, Section 9; Article 14, Sections 3 and 14; Article XVI, Section 5; Article XVI, Section 4; Article XIX, Sections 5(a), 5(h) and 5(n) of the TWU Constitution, and the Oath of Office in the TWU Constitution for International and Local Officers.

Fraternaly yours,



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Harry Lombardo  
International President