

## National Association Near Bankruptcy After Three Years of Fiscal Mismanagement and Coverup

### The ATA is headed towards bankruptcy.

--Spending in 1993 was \$213,592 over budget. ATA spent not only revenues that came in above budget, but an additional \$141,231!

--In the *Chronicle*, Treasurer **Seth Reames** has mentioned a "shortfall" of \$42,123 for 1993. It was covered by dipping into this year's membership dues and taking out a loan against this year's income!

--According to the auditor, ATA's net worth at the end of 1993 was just \$1,414! This is in comparison to over \$150,000 just three years ago!

--**Reames** also told you that ATA had \$100,000 in the bank. He did not mention that over half of it was Division money (collecting interest for ATA), some was restricted for awards, and most of the remaining came in from early registration for the 1994 conference. With five months left in this fiscal year, our dues money had already been spent!

**What's being done?** Charges for services to members are being increased drastically in order to subsidize spending elsewhere. Note:

--**Conference registration** rates have been raised for the second time in three years. Yet the Conference showed an \$8,000 profit last year (in spite of the first loss on exhibits in ATA history!)

--**Practice test/accreditation fees** have risen 2/3, from \$90 to \$150: the recommended \$25 practice test is now an obligatory \$50 one, with no more rebate, the \$75 exam is now \$100, and the free orientation workshop costs \$50 and is mandatory in order to take the exam at the Conference - all of this even though, according to the September *Chronicle*, that program took in \$25,000 more than what was spent last year. Three years ago you could join the ATA, register for the Conference and take the exam for \$175. This year it will cost \$387.50!

--**Conference proceedings**, normally \$20 for members after the conference, are now 50, hardly a service, since that's what the publisher charges the public!

Where has the money been going?

1) **HEADQUARTERS**. In 1993 ATA headquarters costs ran \$150,000 over budget. In 1994, according to one ATA officer, **88% of our dues money goes to headquarters!**

--**The size of the staff** has mushroomed to seven, almost quadrupling in three years, although membership has increased by just 20% in the same period. This year membership growth has come to a standstill!

--**Salaries** are out of control. The new Executive Director gets \$47,000 (he had asked for \$45,000), and Mr. Gillis, just before he left his job, gave all full-time staff sizeable unbudgeted salary increases, without prior Board approval.

--Staff has been receiving **benefits** that few free-lance translators can afford, including generous medical insurance, IRAs, and parking places (costing some \$450 a month, according to a 1994 financial report), although the office is next to a subway station.

--**Equipment** costs are far over budget. Examples are the 1993 lease/purchase of a photocopier for \$20,000 and the 1994 unbudgeted purchase, announced to the Board after the fact, of 486 computers to replace the 386s that had just been purchased during the **Willson/Pellet** regime. The Board wasn't even told what the new computers had cost or what had happened to the "old" ones!

--To top it all, **the office is about to be moved** to larger, more luxurious, and much more expensive facilities! Current rent of \$1,750 a month (after the rebate for the three-year lease), is for an office near D.C., National Airport, businesses and hotels. The new office, with a five-year lease, costs \$3,300 a month, or \$40,000 a year! And it is in a much less desirable location. All of this without a word to the members.

**Why doesn't the Board do something to control costs?** Certainly the current Board knows that headquarters operations are extremely high. When Reames presented the financial page on headquarters prepared by the bookkeeper for the July 1994 meeting, he warned them, saying, "*Here's the really scary part!*"

Yet, Board members who have questioned costs in the past three years have been criticized or ignored. Being quiet has proven to be much easier than making waves with the administration. For example:

--The Board voted to end Mr. Rugenstein's employment, lower the \$50,000 salary, and eliminate the title of Executive Director. **Willson** threatened to resign if they did not rescind that decision. They capitulated.

--Subsequently, the Board voted unanimously to eliminate Mr. Gillis' position, hire a lower-level office manager, and eliminate one staff position. Yet, **Willson** and his successor, **Edith Losa**, ignored that decision. No staff positions have been eliminated, the new manager is an "Executive Director," and **Losa** has upgraded the part-time bookkeeper to full-time.

--Whenever three or four Board members did speak up and vote against his spending policies, Willson would accuse them of being in a conspiracy.

--And if anyone dared to ask for clear and accurate financial reports or to raise questions about the financial records, **Pellet's** response was always to take offense and threaten to resign because of the "unwarranted attacks." (The first such case was when Bonnie Carson, former Treasurer, noted \$63,000 unaccounted for!) And, of course, no answers were ever forthcoming. In fact, when one concerned Board

member went to headquarters to examine the financial database, staff said that **Pellet** had stripped all 1992 records from the office computers!

The new Treasurer is just as sensitive. When giving his first report to the Board, Reames warned them that if anyone had any criticism, he would never provide them with another written report!

2) **CHRONICLE AND OTHER PERKS FOR THE EDITOR.** The *Chronicle* is now costing more than ever before in the Association's history.

--The *Chronicle*, now called a "magazine," costs some \$14,000 a month.

--Unprecedented charges include \$1,500 a month for typesetting, a huge honorarium for the Editor, and even \$400 a month for a newly-created post of Assistant Editor!

--The Editor's company controls the entire process and no competitive bidding is allowed, even for printing the *Chronicle*!

What has been done to offset these charges? Very little, in fact. The Editor did increase advertising rates, turning the job of advertising manager over to her typesetter on a commission basis, but the result has been a sharp drop in the number of advertisers. She also increased subscription rates to \$75 for Canadians and Mexicans (the same price as membership, which includes a subscription!) and to \$90 for others outside of the U.S., which is more than the cost of joining the ATA!

The Editor is also reaping a financial bonanza from other ATA contracts. ATA will be paying the Editor close to 50 000 for typesetting and production of other ATA publications! The Editor's proposal was approved by the Board with no competitive bidding. To make matters worse, when headquarters is moved, all publications, not to mention stationery, will have to be reprinted!

And just who is the Editor? The owner of a company that is a corporate member of ATA, the Editor was designated by Willson just before the end of his term, in violation of the *Chronicle Charter*, which states that the new president hires the editor. He then appointed himself to the Editorial Board, which he still controls! Just before her appointment was announced, **Lee Curtis** joined ATA as an Associate Member. **Willson** then pressured the Active Membership Review Committee Chair to upgrade her to Active status, even though she had not belonged to ATA even one year, as required, and without insisting that she demonstrate her relevant translating experience!

3) **NEW ATTORNEY.** Our dues money has paid a new ATA attorney \$290 an hour to defend individuals charged with unethical conduct. Losa decided to fire the long-time ATA attorney just 24 hours after he informed her that it would be inappropriate to counsel her regarding the ethics charges filed against her, since his responsibility was to represent the Association, not some members over others. Losa has also authorized at least \$5,000 for the new attorney to rewrite the Bylaws!

## Ethical Crisis

The disastrous financial state of the Association, due to the fiscal irresponsibility of those in charge for the past three years, is alarming enough. However, along with that has come a failure to keep the members informed, unprecedented colleague-bashing initiated by **Willson** and continued by current president **Losa**, and censorship of the *Chronicle*.

1. **MEMBERS KEPT UNINFORMED.** As president, **Willson** failed to tell members about anything happening in the ATA. In fact, between March and October 1992 he didn't publish even one sentence of information to members! In 1993 his only message to the membership before the election campaign was on zipcodes and barcodes!

Ironically, he stated in his last article as president that the *Chronicle* has not been "a vehicle to inform members at large about the detail of issues that are addressed by the ATA Board of Directors... Truth is much has been withheld from members that they have had a right to know. I do claim that information has been withheld, that members have remained uninformed..."

Truer words were never spoken. While he and his team were running up the biggest debt in ATA history, **Willson** kept silent. **Losa** is doing the same.

2. **COLLEAGUES ATTACKED.** The above was bad enough, but **Willson became the first ATA president to initiate and encourage public denigration of colleagues, not just to prevent their election to the ATA Board, but to ruin their reputations!**

--Last year, Carson, Hammond, and Yule ran for office out of concern for headquarters and the finances of the Association, as they made clear in their candidates' statements. The result was a smear campaign to divert members' attention and prevent the candidates from gaining access to the books and exposing their spending and accounting habits.

--First, Willson sent out a "Bill of Particulars," with a cover letter on ATA stationery, in which he attacked Hammond and other ATA members. He was forced to withdraw it after being informed by the ATA attorney that it was libelous.

--Then he apparently joined forces with **John Bukacek** in an "Open Letter," which was signed, inter alia, by **Losa** and **Pellet**. In it, they made claims about Hammond and urged members not to vote for her for Treasurer. They mailed the letter to the entire voting membership. **Willson** also tried to publish it in the *Chronicle*, "for all members to see," but when two attorneys consulted by ATA, in response to a letter from an attorney representing Hammond, said it was libelous, the *Chronicles* were taken off the loading docks and the letter removed, at no small cost to ATA!

--**Willson** also used the *Chronicle* as a forum for attacks, often through innuendoes, on colleagues. Such conduct on the part of an ATA president was unprecedented and totally unprofessional.

--Their mudslinging worked. None of those who ran on the platform of fiscal responsibility and accountability were elected. Members still have not had a real financial accounting since the day the **Willson/Pellet** team took office. And we may never get a true accounting of the thousands that were spent in the two years of their administration.

--As a result of the negative campaign and all that went with it, William Bertsche filed a petition for expulsion against the six Board members involved. He submitted his document to the new ATA president, who was also one of those charged, at the Board meeting in Philadelphia. Losa refused to accept it, but was reminded that she was obligated to do so. In reprisal, **Willson** and **Losa** canceled an award ceremony scheduled for that evening, at which time Bertsche was to receive honorary membership in the ATA, as the Board had decided by a unanimous vote at its previous meeting in July. The Board was not consulted and its vote has never been rescinded. Yet news of Dr. Bertsche's honorary membership continues to be withheld from the members!

Losa has continued the colleague-bashing. Her very first "President's Message" echoed Willson's unpresidential tone in the preceding two issues. Criticizing colleagues, she even warned a past president and Gode Medalist that he lived in a glass house!

2. **SUPPRESSION OF INFORMATION.** The Editor systematically refuses to publish submissions by certain members. Just a couple of examples:

--You were not allowed to see a report written for you about Anchorage, your first choice site for 1999, according to the 1992 survey. After discussion of that survey, the Board had authorized a site inspection of Anchorage, at no cost to ATA. When Zorrilla, a member of the Board and the site inspection team, submitted her report to the *Chronicle*, Curtis refused to publish it, in any form, at any time.

--Numerous letters to the *Chronicle* have been rejected or ignored, such as the letter of resignation from the ATA sent by Muriel Vasconcellos, former MT Committee Chair (a budgeted committee that Losa unilaterally abolished).

On the other hand, among the few ATA members invited to publish regularly are signers of Willson's Bill of Particulars or of the Open Letter, such as **Tony Roder, Kurt Gingold, John Bukacek, Al Bork, Ralph Costa, Bill Cramer, Ted Crump, Julie Johnson, Mercedes Pellet, Mike Stacy, Alex Gross**, and of course, **Leslie Willson and Edith Losa**. And two of them, Willson and Stacy, remain on the Editorial Board! These are the people who cried for Freedom of the Press!

It might be added that the same clique of signers is being rewarded with key appointments, such as: **Alex Gross**, Public Relations; **Al Bork**, Dictionary Review; **Tony Roder**, election chair; and **Jan Clayberg**, ironically, given her participation in last year's negative campaign,

chairs the Nominating Committee! And **Gingold** is running for reelection to the Board!

### **Ethics Committee All But Abolished**

The recommendations of the Ethics Committee, a committee composed in its majority of past presidents of the ATA, have been ignored and the Committee has found itself the target of attack by those the Committee has found to have engaged in unethical conduct, beginning with the ATA president.

--In February 1994 the Board discussed the Ethics Committee findings and report on the Bertsche petition. Finding that the six Board members had violated the Election Guidelines and had acted improperly, as Bertsche had claimed, it recommended censure.

--The Board discussed the Committee recommendations in an open session in the presence of some local ATA members, and a parliamentarian **Losa** had hired for the occasion, to the surprise of the Board. The Board, comprised for the most part of those who were elected in last year's negative campaign or those who participated in it, not surprisingly voted against censure, through a voice vote and in the presence of three of those accused -- **Losa, Gingold, and Stacy**, all of whom voted!

--This contrasts with the Ethics Committee, where the parties involved, Bertsche, Hammond and Gingold (defendant), neither voted or participated in the discussions.

--When a vote on publication of the report ended in a tie, Peter Krawutschke, chairing the meeting, cast the decisive vote, -- against publication in the *Chronicle*.

--When ATA chapters CATI and MICATA published a factual account of the meeting, offering the report on request, LOSA chastised them and demanded a retraction.

--Subsequently, Hammond filed a petition for expulsion against the signers of the Open Letter, demanding that they document the allegations they had claimed to be fact. She also asked that **Losa** substantiate her remark in the February *Chronicle* that Hammond was engaging in "unauthorized interference" with the Association and that all those who had signed the Open Letter could fully document each allegation.

-- In the course of the Committee investigation, Losa not only failed to submit any relevant documentation whatsoever, but she still insists "there will be no apology."

--The Ethics Committee report on the Hammond petition found that not even one of the allegations in the Open Letter had been verified. In fact, the Committee was even shown that **Pellet**, who responded for **Willson, Losa**, and herself, had tampered with documents and lied to the Committee!

--Once again, it found unanimously that those charged had acted improperly and recommended publication of its findings.

--The Board discussed the Ethics Committee findings and recommendations at its July 1994 meeting. Unlike the discussion of the findings and recommendations on Bertsche

petition, this discussion, several hours in length, was held behind closed doors.

--Prior to that July Board, eight Board members had agreed to vote for publication if Hammond would withdraw the request for expulsion;

--Recalling how close the vote had been on publishing the report on the Bertsche petition, and taking them at their word, Hammond withdrew the request;

--When the vote was taken, all Board members but three (Bertsche, Carson, Zorrilla) voted against publication of the report, renegeing on their promise.

--You read in the *Chronicle* that the ATA attorney had recommended publication of the statement that no punishment was recommended by the Ethics Committee. (Didn't you wonder what the ATA attorney was doing involved in this matter?) Actually, the Committee was not asked to recommend any, since Hammond had withdrawn her expulsion request in an "act of faith" agreement! ,

--Once again, **Losa, Gingold, and Stacy**, charged in the Hammond petition, stayed in the Board room for all discussion of the Committee recommendations. Gingold, who dominated the discussion, admitted that the campaign had been a negative one and that the content of the Open Letter was untrue, but he refused to see himself censured in the *Chronicle*. Rather than leave the room for the vote, the three accused voted -- once again to reject the Committee recommendations, of course!

--And when editorial board member Stacy was asked if the *Chronicle* would publish letters regarding the matter, he said they had already decided that no such letters would be allowed!

--When the Committee recommended expulsion of Walter Hartmann and his company, the Board agreed. However, when Mr. Hartmann threatened a lawsuit, Losa in turn told the Board that she

would call a special Board meeting in Florida (at a cost of at least \$10,000, we might add) if they failed to agree to rescind their vote for expulsion by fax or mail. They complied. (This act was in violation of *Roberts Rules Of Order*, about to be written out of the Bylaws, which states that a "recision of a Board resolution of expulsion" is totally improper.)

--**Losa** has now announced in the September 1994 *Chronicle* that no more inquiries are to be sent to the Ethics Committee.

--The Chairman **Losa** appointed, Peter Wheeler, has resigned, telling **Losa** in his letter of resignation: "*I knew when I took on the post that it was going to be difficult. What I did not know was that it was going to prove so frustrating and, ultimately, pointless. It is evident to me that the ATA currently has no use for an ethics body at all.*"

The former chairman went on to say, "*In its present terrified need to have everything sanctified by the lawyers, it has completely lost sight of the distinction that ethics is about right and wrong, whereas the law and lawyers are only about licit and illicit ...I would have expected better from the governing Board of an association of professionals such as the ATA.*"

**BOTTOM LINE: A BLEAK FUTURE FOR ATA**

The ATA is verging on bankruptcy, yet the spending spree continues. Those who ask questions are slandered and libeled. Those who seek recourse have none: as of September there is no functioning Ethics Committee and the *Chronicle* is censored with an iron hand.

What can you do? The Board of Directors meets on October 13 to discuss the 1995 budget, likely to include a, dues increase, and the Annual Business Meeting is October 15. If you are going to the Conference, be there - and speak up!

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ALLPOINTS TRANSLATOR ALERT  
An urgent message from ATA members  
concerned about the alarming and precarious  
state of the ATA. Please read this and share  
it with colleagues.

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