

THOMAS H. MARSHALL  
JAMES R. "DICK" WAERS  
MICHAEL J. STAPP\*  
ROBERT J. HENRY\*\*  
CHARLES R. SCHWARTZ\*\*\*\*  
SCOTT L. BROWN\*\*\*  
LAUREN M. FLETCHER  
MICHAEL E. AMASH  
NATHAN S. TERRY  
ROBERT E. FITZGERALD, III†  
MICHELLE R. LEVINE  
CARRIE C.M. REID  
LORI D. ELROD  
NATHAN J. HILL  
LAURA E. PHELPS\*\*\*\*  
WILLIAM J. FERGUSON  
CORY E. RIDENOUR††  
JASON R. McCLITIS†††  
FREDERICK ZARATE††††

\* ADMITTED IN KS, MO, NE and IA  
\*\* ADMITTED IN KS, MO, NE, IA and D.C.  
\*\*\* ADMITTED IN KS, MO, and IA  
\*\*\*\* ADMITTED IN KS  
† ADMITTED IN KS, MO, and IL  
†† ADMITTED IN PA  
††† ADMITTED IN MO  
†††† ADMITTED IN NY  
ALL OTHERS ADMITTED IN KS and MO

LAW OFFICES  
**BLAKE & UHLIG, P.A.**  
475 NEW BROTHERHOOD BLDG.  
753 STATE AVENUE  
KANSAS CITY, KANSAS 66101  
913/321-8884  
913/321-2396 TELEFAX



MISSOURI OFFICE  
2500 HOLMES  
KANSAS CITY, MO 64108  
816/472-8883

NEBRASKA OFFICE  
4151 SOUTH 9<sup>TH</sup> STREET  
OMAHA, NE 68127  
402/991-6801

---

JOHN J. BLAKE (1928-2006)  
ROBERT L. UHLIG (1929-1981)  
RICHARD B. THOMPSON (1952-1981)  
ROBERT L. DAMERON (1951-2001)

---

Retired  
JOSEPH W. MORELAND (2012)

0053.6157

May 3, 2012

*Via United Parcel Service*

Judy L. Thomas  
The Kansas City Star  
1729 Grand Blvd.  
Kansas City, MO 64108

Dear Ms. Thomas:

This letter is in response to your email inquiry of April 19, 2012. Contrary to the apparent innuendo of your email, the International Brotherhood of Boilermakers operates in strict accordance with all applicable laws and governing documents. The Boilermaker family of organizations, together valued at over \$10 billion, has proudly represented the interests of hundreds of thousands of working men and women for over 130 years.

President Jones was recently unanimously re-elected by approximately 600 delegates in an open democratic election process, clearly demonstrating membership support for him. Those delegates themselves were elected by a democratic vote of their fellow members. Those same delegates overwhelmingly voted to adjust his salary, and thereby that of all International Officers, which undergo convention review every five years. Contrary to your assertions, his salary falls somewhere in the middle of comparable union presidents and extraordinarily less than a comparatively valued corporation who's typical compensation packages are in the multi-millions of dollars.

With respect to President Jones' residence, it must be noted that Boilermaker Officers live and work throughout the United States and Canada. President Jones spends the majority of his time traveling to represent the various interests of the Boilermakers' family of organizations and the members they serve. With the advent of modern electronic communication capabilities, all officers and staff are freed from the limitation of office landline telephone communication allowing for increased mobility and personal representation of our members. All Officers and

staff travel in strict accordance with the Boilermakers' Constitution and the travel policy approved by the delegates. Likewise, the business expenses of all Officers and staff are in accordance with the Boilermakers' Constitution.

During the years 2003-2006, President Jones and the International Executive Council (IEC) reduced ongoing annual organizational expenses by over \$7 million. Between 2006 and 2011, President Jones and the IEC reduced ongoing annual expenses by an additional \$3 million, including the permanent elimination of three International officers and their offices. Shortly after the 2011 International convention, President Jones and the IEC reduced ongoing annual expenses, once again, by approximately \$3 million, with additional reductions still under consideration.

In addition, those Boilermaker officers who also serve as Boilermaker National Fund (BNF) trustees recently participated in a unanimous vote of the BNF Health & Welfare Program Board of Trustees to take action that will now save the fund between \$30-\$40 million annually. This annual savings not only helps the fund, it helps to defray expected cost increases to participating members' Health & Welfare contributions by at least a dollar per hour worked.

The relationships among the various entities mentioned in your email are governed in strict accordance with Conflict of Interest policies and are constantly vetted to scrupulously avoid any conflicts of interest. The law requires that some BNF Trustees come from the Boilermakers and that some come from contributing employers. President Jones is not a Trustee of any of those Funds. The Boilermaker organization views Mr. Barnhill's assertions as the product of a self-serving imagination. You should direct all questions concerning Mr. Barnhill's allegations to BNF.

The majority of Bank Directors are respected business and community leaders. These directors recently re-elected, by unanimous vote, all bank officers. Each serving officer represents the best interests of the Bank, its stockholders and its customers. Chairman Jones's leadership contribution to this institution is evident in the board's continuing demonstration of confidence in him, his vision and his labor business outreach initiative.

All Boilermaker employees are hired based on their respective skills and experience as well as their desire to serve the best interests of the Boilermaker organization. The policy of the Boilermakers is to not publicly comment on specific employees or organizational consultants. Further, I note that the Boilermaker trade, like most unions and businesses, tends to be familial, not unlike The McClatchy Company that owns The Kansas City Star.

As most successful organizations recognize, sporting and entertainment activities and venues are important tools for relationship building with business partners and fellow organizations and are used in this organization's efforts to insure and expand the work opportunities of its members.

Judy L. Thomas  
May 3, 2012  
Page 3 of 3

The Boilermakers, like most unions and businesses, conduct training and business meetings in various locations throughout the United States and Canada. Meeting locations are selected in strict accordance with the provisions of the Boilermakers' Constitution. Business meetings conducted in countries other than the United States & Canada are in conjunction with world labor organizations whose important work is critical to the representation of Boilermaker members in a global economy with multinational employers.

The Boilermakers, like most unions and businesses, also periodically have staff trained to better serve the organization and its membership. Such training is provided in accordance with the provisions of the Boilermakers' Constitution and longstanding organizational policy and practice. Educational venues include programs long conducted at Harvard University, University of Wisconsin, National Labor College, among other such institutions, as well as technical training venues for IT services and communications media so vital to the effective operation of any organization or business.

The history of the International Brotherhood of Boilermakers clearly demonstrates that they operate in strict accordance with all applicable laws and governing documents. They operate in much the same manner as most other labor organizations. And the impact of the Boilermaker contribution to North American society since the development of the steam engine is nothing short of remarkable.

I enclose a set of films created by the Boilermakers History Preservation Department for display at the Boilermakers' 2011 convention, and for distribution to Boilermaker members, that chronicle those contributions of the Boilermaker trade and organization. As I'm sure you will see, the Boilermakers are rightly proud of their extraordinary history.

Yours truly,



Michael J. Stapp  
General Counsel to the  
International Brotherhood of Boilermakers,  
Iron Ship Builders, Blacksmiths, Forgers  
and Helpers

MJS/nmd