



**AMERICAN
PSYCHOLOGICAL
ASSOCIATION**

August 30, 2018

Dear Colleagues:

2018 APA Board of Directors

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Thank you for your letter which was dated May 3, 2018, but came to the full Board's attention on August 6, 2018, just as APA's Council of Representatives and annual Convention meetings were beginning. As you may be aware, we provided detailed information about expenses related to the Independent Review, by payee, to interested members of the Council of Representatives at that August 8 and 10, 2018, meeting.

I am pleased to report that there are no considerable, ongoing costs arising out of the Independent Review. For your information, the annual expenses the Association has incurred as a consequence of the Independent Review, net of insurance reimbursements, are as follows:

TOTALS BY YEAR INCURRED	
2015	\$7,724,000
2016	\$124,514
2017	\$31,242
2018 YTD	\$7,200
TOTAL	\$7,886,956

These totals include amounts paid to Sidley Austin, to other legal and public relations firms who provided advice to the Association in connection with the impacts of the Independent Review and the Association's efforts to collect insurance coverage to reimburse it for related claims; to a firm which provided governance consulting advice; for transcription services; and to former employees who received severance and other payments. Essentially, this accounts for amounts paid in all of the categories identified in your letter, to the extent related expenses have been incurred in those categories.

The specific amounts paid to individual payees are confidential, so cannot be disclosed in this letter. However, since at this point, APA's insurers provide coverage for nearly all of the defense costs associated with the defamation claims that have been asserted against the Association and those are the only continuing costs, current annual expenses are quite minimal, as noted above.

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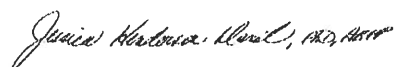
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I hope that you are also aware that the Association has now completed 17 of 19 items identified by the Independent Review as needing attention in order to improve governance operations, transparency to members, and overall ethical operations. More details about these efforts can be found in the attached document and on the Association's webpages. The Association has worked hard to learn from the Independent Review, undertake reforms and move forward, though the outstanding lawsuit that you reference remains a notable unresolved issue.

Thank you for your inquiry and for your interest in these matters. Please let us know if this provides you with the information that you require.

Sincerely,

A handwritten signature in cursive script that reads "Jessica Henderson Daniel, PhD, ABPP".

Jessica Henderson Daniel, PhD, ABPP
President