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University Dispenses Misinformation – Be Informed!

by Leon Shernoff

One page 6 of this newspaper, we have an article discussing the nuts and bolts of the two Options available on the ballot. But first, we wanted to address a whole slew of misinformation that the university is putting out on these issues.

Hungry 4 Lies

Leading the pack is an organization called Hungry For Change, a shell organization funded by the South East Chicago Commission, which in turn is funded by the university. Their colorful website, www.hungry4change.org, is filled with misleading statements and outright lies about the Co-op's ongoing ballot. Hungry For Change's flaks have also been posting fliers around the neighborhood, taking out ads in newspapers, and conducting a vicious emailing campaign.

Lying in the Maroon

Perhaps most outrageously, Hungry For Change ran a full-page in the Maroon, the official student newspaper of the University of Chicago, thus creating the sorry spectacle of an administration lying to its own students and faculty through a shell company in their own newspaper. Pious-sounding emails from Hank Webber, the university's vice president for community relations, maintain a public pose of simple concern for the community and respect for the community's wishes, but really the university administration is conducting a professional and hard-hitting campaign to manipulate community opinion, costing who knows how much of student money. They're conducting it on the bulletin boards on campus and in the pages of the Maroon.

"They planned this very well," said Bruce Brandfon. "I immediately called the Maroon to run my own full-page ad rebutting their position, and was told that that paper had been the last one of the season. So they shut the voice of the Co-op out of the debate."

Identity Harvesting by the University

In their frenzy to smear the Co-op, the university has even resorted to unethical means of information gathering. At the November 26th board meeting, university administrator Jo Reizner attended and tried to guilt-trip the Co-op with stories of how many shoppers were leaving the area to avoid shopping at the Co-op. She said that an unnamed supermarket at Roosevelt Road keeps track of its customers via an identity card, and has shared that information with the university, leading to the revelation that shoppers from the 60615 and 60637 area codes spend about $100,000 a week at this grocer. She proudly revealed this research at the meeting, apparently unconcerned with the massive privacy and confidentiality violations involved. It is also a stunning act of hypocrisy for the administration to post signs all over campus warning about identity theft, while it is engaged in this sort of practice itself.

"Hyde Park Businesses Not Sophisticated"

Reizner was immediately questioned whether their research had found out how many people come *in* to Hyde Park to shop at the Co-op. After all, the Co-op's membership is drawn from all over the south side and south loop. Reizner responded that Hyde Park businesses weren't sophisticated enough to keep track of their customers with this kind of identity card system, so there was no way to tell.

There is an exception, of course – the Hyde Park Co-op. But the Co-op doesn't share its information with outsiders. By the way, that $100,000 is about the amount of business the Co-op does on a Saturday. And at 22,500 Co-op customers per week, it amounts to just under $4.50 per Co-op customer. The issue is discussed in some detail in the transcript of the November 26th meeting, on page 10.

Fraudulent Research

The other big string in Reizner's bow was a study commissioned by the university from "a very eminent financial consulting firm" on the Co-op's financial situation. The study asserted that the Co-op's prospects "were nil," and that it was "past the tipping point."

Board member Michael Lowenthal then spoke up and said that he'd seen the report, and first of all it assumed that the Co-op's non-productive lease on 47th Street would continue indefinitely, whereas the whole point of the Co-op's Plan B is to finally shed that lease. Furthermore, he said, the report was done just after a string of one-time financial mishaps – the outage of the cash registers, two power outages after storms in the neighborhood, which led to loss of fresh products, and a robbery. The report likewise assumed that these sorts of disasters would continue on a regular basis, which would probably sink any business in the entire country. For more details on how Reizner's claims were rebutted at the meeting, see the transcript of the meeting that starts on page 10.

As an alumnus myself, I am outraged that the university's tuition, grant money, and alumni donations have been used to fund

- a professional smear campaign against a neighborhood organization

- personal information harvesting of local residents

- fraudulent 'research' that shills for the client by finding justifications for the client's pre-defined viewpoint

When I donate to one of my alma maters, it is with the idea that this money will be used for intellectual endeavors, not for running a shell organization to lie to the community in its own newspaper while the university maintains a public pose of neutrality.

Intimidating the Community

Nowhere is the university's commitment to intimidation more apparent than in its threat to pull its Option A from consideration unless the Co-op's members vote for it. The Options on the ballot will be spelled out in more detail later in the article. For now, let's just note that Option A is a vote for voluntary dissolution of the Co-op, in a way that would minimize community disruption. If the Co-op goes out of business "on its own" so to speak, the store could be shuttered for an indeterminate period of time, which would have a negative impact on the shopping center and the community. The university's "parachute for suicide" offer is intended to minimize this disruption.

Option B is a sound, coherent plan for pulling the co-op through the current situation by reorganizing under Chapter 11 – thereby shedding the 47th St lease. If the financing comes through, the Co-op will be able to proceed with it and simply continue operating. It will continue the same high-quality service and products recently achieved under new general manager Brandfon, and *there will be **no** disruption to the community whatsoever*.

However, the university has seized on the fear that the Option B plan might be approved by the Co-op's members, but funding for it might fall through.

Option A provides *no benefits whatsoever* to the Co-op's shareholders or employees – all the shareholder's stock would become worthless, and all the employees would lose their jobs. In other words, they have no reason to vote for it unless there is no other option, and their only motivation would be desire to avoid disruption to the community.

Why then would the university take that option away? Is it a desire to see the community and the Co-op members somehow punished for not accepting the university's plan? It is certainly a threat to punish them for not going along with the university.

Bruce Brandfon feels that nothing proves the hypocrisy of the university's so-called concern for the community than this threat to retaliate by withdrawing the plan. "The administration says it respects the community's wishes. If it respects the community, then why is it trying to coerce the community by means of threats?"

In his statement on page 5, Jim Withrow notes that the university didn't take this position until after the town hall meeting, when it became apparent that the community would not simply fall into its arms. After the November 26th board meeting, where the prospect of "getting stuck" between the two Options was discussed at length, the university moved its threat to withdraw Option A up to the top of the list of reasons not to vote for Option B. This can be seen in the Hungry For Change materials (though they may change their website once this article comes out). Apparently they could think of no better flaw in Option B than the threat of university retaliation against the whole community.

The University's Empty Properties

Although an empty property by the Co-op is somehow an evil that cannot be abided, the university takes a more tolerant view of its many shuttered properties around the area.

The university correctly notes that the Co-op is that flagship business of its shopping center – the place where people go as a primary destination, and then hang around to do some shopping at other nearby stores. They correctly state that if it is shuttered it will have a devastating effect on the whole shopping center and the surrounding businesses.

Why then has the movie theater, the flagship business at nearby Harper Court, sat vacant for ***five whole years***? What has this done to the businesses in Harper Court and the surrounding community? The university owns this movie theater, and has made no move to develop it. On the contrary, they have spent the whole summer forcing the merchant tenants out of the storefronts attached to the theater, along 53rd St, the prime retail strip of the neighborhood. These storefronts are all owned by the university. By now, none of them has been vacant for under a month.

University front man Hank Webber recently gave a talk for the 53rd St Action Committee. Although it bills itself as a grass-roots organization, the Committee is actually also funded by the South East Chicago Commission, and hence by the university. At this meeting, Mr. Webber announced that the university had just given up on its plans to have a non-profit arts organization move into the theater, because it couldn't find one that would agree to the $9 million rehab of the interior.

Is he joking? Most non-profits don't have $9 million to blow on a building, let alone a building that's owned by someone else! Can you imagine the reaction if the Co-op made a similar announcement? The mockery would be heard all over the country! This is the administration that thinks it has the god-given right to decide on all the development that can go on in Hyde Park. People like to mock the Co-op's poor business decisions. Maybe they should also turn their attention to the university.

Full Service

Mr. Brandfon is also outraged by the university's claims that it just wants a "full-service grocery store" for the community. "What in the blazes is that supposed to mean?" he asks. "You point to one thing in this store and show me how it's not a full-service grocery! I invite anybody to compare our store with the university's two finalists and see how we measure up.

"Would I like a nice walk-around glass case to put our imported cheeses in? Sure! But where am I going to put it, on the roof? This is a 32,000 square foot location. No matter who is in here, they just can't fit in all the goods that you can at a location like a full-sized Jewel or Dominick's, which is twice our size. What you *can* do is provide an excellent selection of the best quality of the most important merchandise, at a price that makes it unnecessary to shop elsewhere, and that is what we have done at the Co-op. All those people who have been staying away for years need to come in and see what it is they've been hating.

"It is shameful that the two biggest historical complaints about the Co-op have been poor quality and high prices. And here the university is trying to bring in Dominick's, whose meat and produce quality is questionable, or Treasure Island whose prices are on par with ours. Compare our ad inserts to theirs, and see how we match up. You will only find additional reasons to shop at the Co-op. This 'full-service grocery' nonsense is just one more example of how they use their 'concern for the community' as a mask to cover their real agenda."

A New Lie Every Day

So far, what have we seen from the university administration?

- Smearing the Co-op and its plans for reorganization through a shell organization

- Commissioning fraudulent 'research'

- Intimidating Hyde Park residents with threats of economic disaster

- Identity-harvesting of Hyde Park residents

- A whispering campaign through fliers, ads and email

Will there be more? Undoubtedly.

“There’s undoubtedly more campaigning going on right now,” notes general manager Bruce Brandfon. “We only know about what we can see. It would be foolish to assume that we’re seeing everything.”

Furthermore, the university’s full-time professionals have changed their campaign after each public hearing. After the town hall meeting, they introduced the threat of withdrawing Option A if the members voted for Option B. They started out with the claim that under Option A, all co-op employees would have the option of interviewing for a job with the new grocer. This is already a claim that they have no meaningful way of enforcing. Already at the November 26th board meeting, Jo Reizner was making wild extensions of that claim: “All the employees will have better jobs, at better salaries!” she said. How Treasure Island would do this when they’ve gone to great lengths to bust their union was unclear. “How well they are retained will depend on how well they interview” she later added.

Now the university administration has added new claims about the wonderful benefits of voting themselves out of their current jobs. “Employees will receive all accrued vacation and sick days” the latest wave of propaganda trumpets. What do they mean? Is this a cash compensation? Are they saying that the new retailer will hire them all on, with all of these days off already in place? Has anyone in the history of business ever done such a thing? And again, how will the university enforce this?

Any Co-op employee hired by the a new grocer would lose all seniority, even if they’ve worked here thirty years. Also, and perhaps the biggest blow of all, former Co-op employees would lose all health benefits. Usually when a person is laid off, they can continue their health coverage for a while under the COBRA program. However, COBRA is contingent on the former employer paying premiums. If the Co-op goes out of existance, all COBRA payments (including current ones) instantly cease.

Likewise, in a recent act of espionage, the university managed to get a letter written by its public relations firm inserted with the official Co-op ballots, masquerading it as the official letter coming from the board. Given such acts, it’s difficult to imagine what they’ll come up with next.

This is just one paper, and it has only this one issue coming out before the balloting ends. Doubtless the university administration will dispense new ‘information’ after this paper comes out. Be sure to read the rest of the material in this newspaper. Not all of it is directly related to the ballot, but all of it reflects on the Co-op’s viability, and service to the community.

Peace.