

## **Incompetent or Corrupt or Both?**

### **Part 4**

Parts [1](#), [2](#) and [3](#) in the series “Incompetent or Corrupt or Both?” recounted the history of the Coca-Cola contract with USM for the period 1996 through 2005. Now, let’s review the Coca-Cola contract with USM for the period 2006 through 2015. What kind of deal did USM administrators strike with Coca-Cola? Did high schools entering into contracts with Coca Cola continue to receive greater revenues, than USM? Or did USM turn things around and make as much as other colleges and universities?

On December 15, 2005, Shelby Thames, President of USM, signed an exclusive “Sponsorship Agreement” with Hattiesburg Coca-Cola Bottling Company (Sponsor). Mr. Thames agreed that “...only [Hattiesburg Coca-Cola Bottling] Company Beverages can be sold, dispensed, or served on [USM] Campus, and no Beverages competitive with any [Coca-Cola] Company Beverage may be sold, dispensed or served on Campus. All Beverages sold, dispensed, or served on Campus must be bought from [the Hattiesburg Coca-Cola] Bottler.” He further obligated USM to “... use its reasonable, good faith efforts to maximize the sale and distribution of [Hattiesburg Coca-Cola Bottling] Company Beverages on Campus...No Competitive Products will be sold, dispensed, served, or sampled anywhere on Campus...[USM] must not grant any form of trademark visibility or promotional or advertising rights to Competitive Products...USM shall ensure that no permanent or temporary advertising, signage, or trademark visibility for Competitive Products is displayed on Campus.”

What benefits did Coca-Cola pay to USM for this monopoly?

Coca-Cola contracted to pay USM \$300,000 in 2006, \$100,000 for each year, 2007, 2008, and 2009, and \$150,000 for each year 2010 through 2015. The total is \$1,500,000. A lot of money? No. As with USM’s contract with Coca-Cola a decade earlier, it’s a pittance in the scheme of these kinds of contracts. In comparison with other educational institutions, including high schools—yes, high schools, it’s amazing just how much of a pittance \$1,500,000 is.

Let’s cut to the chase. We won’t even compare USM’s Coke contract with the tens of millions other individual universities have exchanged for Coca-Cola campus monopolies. Let’s go straight to what a high school contracted with Coca-Cola almost two decades ago. Yes, almost two decades ago. A high school! Almost two decades ago, two Texas high schools in the Keller school district got \$4,000,000 in cash and contributions plus commissions.

Let’s review. USM is getting \$1,500,000 plus commissions over a ten year period while almost two decades earlier two high schools received \$4,000,000 plus commissions over their ten year contract with Coke. We don’t have to make more valid comparison with the tens of millions other universities are paid under Coke contracts to know that there is something badly wrong with this deal. Is it corruption and/or incompetence of USM administrators? We do know that students and everyone else who buys a soft drink on campus bears the brunt of the deal.