Incompetent or Corrupt or Both?

Part 2

The 1996-2005 Coca Cola Contract

In Part 2, we visit historical details of USM's 1996-2005 Coke contract.

In January 1996, when the contract was signed by Vice President of Business and Finance Jim Henderson, Aubrey Lucas was USM's President. He and other administrators not only granted Coca-Cola a campus-wide monopoly but also granted them significant and exclusive promotional rights, using USM logos and symbols, with the imprimatur—seal of approval—of USM. USM, in effect, was vouching for Coca-Cola products over others.

The benefits? What did USM get? Coca-Cola "pays a royalty on each item of merchandise." A percentage commission of each Coke Product sold on Campus ranged from 30 to 40 percent. Of course, students, faculty and guests paid every time they bought a Coke product on Campus. Obviously students paid the lion's share of the total collected by Coca-Cola and USM. In other words, the Coca-Cola Company and USM shared the revenues. Where does USM's share of revenues go? We don't know. We can only ask questions.

Do you believe students will ultimately benefit? That's the public relations spin that USM administrators promulgate. But bear in mind that the revenues are "unrestricted." USM administrators can use unrestricted revenues in any way they choose. It is, to quote former CoB Dean Harold Doty, a "booze account." Were the revenues used to shore up funds needed to avoid firing faculty? Not when President Saunders was collecting the revenues. What kind of choices do administrators make when they spend unrestricted funds? Think: airplane, N777AQ, to fly them and IHL members and their families to sporting events.

Part 3, will continue with other benefits that Coca-Cola paid USM for imposing a monopoly on its students.