

Chess

MORRISON OUT: UPHEAVAL IN USCF

Widespread rumblings of discontent over policy decisions within the United States Chess Federation since the "Fischer boom" culminated in the ouster of every member of the USCF Policy Board standing for election at the USCF annual meeting in Phoenix, Aug. 11. Almost immediately thereafter, Executive Director Martin Morrison informed the new board that he and other top administrative personnel (except "Chess Life & Review" editor Burt Hochberg) at USCF headquarters are quitting their posts at the end of September.

Newly installed USCF President Gary Sperling of New York reacted to the leadership crisis in a letter dated Aug. 23, which is reproduced here in its entirety.

To Delegates and Friends of the USCF:

Four events of importance to the USCF — a transition to new leadership, two serious financial developments, and a staffing emergency — have all come to pass within the past two weeks. Six of eight members of a new USCF Policy Board, myself included, took office just ten days ago; all eight of us are moving rapidly to cope with the new problems. At this first opportunity, I'd like to report to you what's happened and what we're doing about it.

First, for those of you who haven't heard the election results already, let me summarize them by listing the winners and their margins:

President, Gary Sperling of New York (216-87); Vice President, Tim Redman of Illinois (237-67); Secretary, Myron Lieberman of Arizona (156-148); Treasurer, George Cunningham of Maine (256-35); At-Large (3 yrs.), Sue Benoit of New Jersey (189-109); At-Large (1 yr.), Jerry Hanken of Southern California (Unopposed).

These six are joined on the new Policy Board by George Koltanowski, our immediate past president, and Tony Cottell, whose at-large term on the board continues for two more years. I'm sure I speak for all the election winners in expressing deep gratitude for the confidence in us which has been demonstrated.

The ink was hardly dry on these election results when the first of three pieces of unexpected news was reported to us. USCF's independent auditors informed us, in an opinion accompanying their financial statements for the year ended June 30, that these statements "do not present fairly the financial position" of the USCF, since no liability or reserve had been shown for our continuing obligations to our Sustaining and Life Members. By their calculation, USCF's operations for 1977-78 showed not the net income of approximately \$13,000 otherwise shown, but instead (in accord with generally accepted accounting principles) a net loss of at least \$37,000. USCF's potential long-term liability was said by our auditors to be as high as \$320,000 — as against a current fund balance of \$203,000 consisting mostly of book and equipment inventory.

The long-term problem seems to be one of sound operation, not accounting technicalities. On my recommendation, the Delegates present at the Phoenix Annual Meeting approved formation of a committee (consisting of outgoing Treasurer Norm Peacor as Chairman, George Cunningham, Tony Cottell and former USCF President Fred Cramer) to review immediately this situation and to report to the new Policy Board for prompt action.

Shortly after we took office, we received a second jolt. The budget left behind by the outgoing Policy Board was found to be far awry. Instead of the projected \$5,000 net income, further analysis (in cooperation with the staff) revealed a projected deficit of approximately \$80,000. The lion's share of this total arose from an error relating to book and equipment sales. Although the proposed budget projected a modest sales **increase** (\$23,000) from the actual figures for the fiscal year ended June 30, it also projected a **decrease** (\$30,000) in the cost of the goods we expect to sell. When the actual cost figure for the past fiscal year was properly extrapolated into the new year, the projected cost was found to be \$48,000 too low.

Naturally, the news was painful. No new team of officers, especially one arriving with the high ambitions this one had, wants to begin its tenure with budget cuts. Yet, when efforts by the Board and the staff to correct the figures proved to no avail, we had no choice but to bite the proverbial bullet.

After over a day of discussion, a package of revenue devices and expenditure reductions was approved. Consistent with campaign pledges, priority was given to restoring the Annual Rating List to next December's "Chess Life & Review." Modest funds were found for increased promotion of the game and for financing a playoff match to determine the third Interzonal participant. A USCF 40th Anniversary fundraising drive was authorized. Offsetting all this was a series of cutbacks in the budgets for staff salaries and editorial fees (in each case partially reducing previously budgeted **increases**), FIDE representation and even our two Olympiad teams (private funding for the latter is now being pursued).

Most of the new Board returned home with their heads spinning from these financial surprises — only to discover a new crisis! On the Saturday following our meeting (several PB members weren't even back home yet), the five senior members of our New Windsor staff — Executive Director Martin Morrison, Services Director Doris Thackrey, Postal Chess Director Jack Battell, Administrative Director Margaret Schwab and EDP Director Eric Bone — jointly wrote to us indicating their "increased concern with a growing tendency in the Federation toward divisiveness and hostility." They indicated that "the degree of job security and benefits . . . has become increasingly unsatisfactory." Therefore they announced jointly that they "have made a final decision to resign (their) positions with the Federation, effective no later than September 29, 1978." Although Martin Morrison enclosed a note to me indicating that the group "emphathizes with you and the Policy Board in assuming the helm during a difficult period," the group's coordination and timing are unfortunate.

I am calling an emergency meeting of the Policy Board to establish open search procedures for the new senior staff. For the interim, anyone interested in staff service should promptly forward a resume to me (Gary H. Sperling, 16 West 16th St., New York, N.Y. 10011), for consideration by the full Policy Board.

I had served as our organization's President for only a week when all this came to pass. I'm sure many of us on the new Policy Board must feel as if we're being "baptized by fire."

However, there are bright sides to all this. We are finally facing up to life-membership liability questions long in dispute. The budget imbalance was caught in time to allow appropriate — although painful — corrections. While we are saddened by the loss of five key employees, we can seize this chance to effect long-considered internal reorganization, such as the addition of a "qualified publicity person" as recommended at this year's Annual Membership Meeting.

With your help, your understanding and your guidance, the USCF will take its cue from the city in which we last met — Phoenix — and rise from current difficulties to far greater success. The ultimate strength of the USCF is not contained in its balance sheet, nor even in its key persons, but rather in its many members and friends. We will solve our problems, and in the process become better than ever.

Cordially,
Gary H. Sperling,
USCF President