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Fee to Former Superintendent Raises Issues

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Former Dallas ISD Superintendent Mike Moses accepted a \$6,000 consulting fee from a Coca-Cola-funded group at the same time the soft drink company held an exclusive vending contract with the school district.

Kari Bjorhus, a Coca-Cola spokeswoman in Atlanta, said Dr. Moses received what she called the "modest honorarium" for his membership on The Council for Corporate & School Partnerships. The organization's operating expenses are paid by Coca-Cola, she said.

Dr. Moses, whose resignation as DISD superintendent became effective Aug. 31, declined to be interviewed about his relationship with Coca-Cola. He referred questions to his attorney, Neil Adams.

Mr. Adams said Dr. Moses did not take the \$6,000 from Coca-Cola.

"He [Dr. Moses] has not been paid by Coca-Cola a dime," Mr. Adams said. "He was paid by the council."

Mr. Adams said Dr. Moses forwarded his \$6,000 payment to The Dallas Foundation's DISD Excellence in Education Fund, which donates money to innovative teachers and schools.

Mary Jalonick, executive director of The Dallas Foundation, said she received the \$6,000 from Dr. Moses earlier this year.

"Yes, I can confirm that," she said.

Ms. Bjorhus said Dr. Moses was invited to join The Council for Corporate & School Partnerships in February 2003. He agreed to serve a second year in 2004 and is scheduled to receive another \$6,000 payment later this year, she said.

A Web site for The Council for Corporate & School Partnerships says the organization conducts research and develops guiding principles for how companies and schools can best work together in mentoring programs and other cooperative ventures. The Center for Science in the Public Interest, a nonprofit advocacy group, has called the council "a front group" for Coke that can be called on to promote its corporate agenda.

The 14-member council includes former U.S. Secretary of Education Dick Riley of South Carolina and former Michigan Gov. John Engler as well as two Coca-Cola executives. The council meets once a year in Washington, D.C., or Atlanta, Ms. Bjorhus said. Members are reimbursed for expenses to attend the meeting. They also hold periodic conference calls to discuss public-private partnership issues, she said.

"The council operates independently, and its work reaches far beyond Coca-Cola," Ms. Bjorhus said.

The council was founded and is funded by Coca-Cola North America, which holds a 37 percent stake in Coca-Cola Enterprises.

5-year contract

North Texas Coca-Cola, a unit of Coca-Cola Enterprises, signed a five-year contract with DISD in 2000. The contract was negotiated and finalized before Dr. Moses became superintendent. It officially took effect on Jan. 1, 2001, during his first full month on the job.

The contract obligated Coke to pay DISD \$4.6 million for the exclusive right to sell soft drinks and other Coke products in district schools. In addition, the schools get a percentage of the gross receipts from vending machine sales.

In recent years, school districts across the nation have signed exclusive soft-drink contracts with Coca-Cola and other companies. High school principals say they depend on vending machine revenue to support classroom activities. Critics have said the contracts promote more soft drink consumption among children and make them fat.

Soft drink companies say the increase in childhood obesity is a complex problem and cannot be laid at their feet. They say sedentary lifestyles, genetics and other dietary habits also contribute to obesity.

Texas Agriculture Commissioner Susan Combs, whose agency regulates food and beverage distribution in public schools, said she believes Texas law should be changed to prohibit financial relationships between food or beverage companies and public school officials.

It's probably a good thing to promote good relations between business and schools, she said. But, she added, "Why would you need a \$6,000 fee to do that? Why not do it for free? I've always been worried about these conflict-of-interest issues."

Michael F. Jacobson, executive director of the Center for Science in the Public Interest, said he's not surprised that research conducted by The Council for Corporate & School Partnerships found that such partnerships add value to schools.

"Coke partners with schools the same way that foxes partner with henhouses," Mr. Jacobson said.

Consulting clauses

Mr. Adams, Dr. Moses' lawyer, also represents the Texas Association of School Administrators, or TASA, a statewide professional organization that represents the interests of school superintendents.

The Dallas Morning News has examined the employment contracts for superintendents in Texas' 30 largest school districts.

School boards in 23 of those 30 districts wrote consulting clauses into employment contracts, allowing their superintendents to earn outside income from college teaching, lecturing and consulting.

Mr. Adams said he wrote many of those contracts in his role as general counsel for TASA.

Dr. Moses' relationship with Coca-Cola's corporate-school partnership council is legal in Texas and was conducted according to the letter of his employment contract with DISD, Mr. Adams said.

The contract, which paid \$342,000 a year, allowed Dr. Moses to be absent from DISD up to 10 days a year for consulting activities and didn't require him to tell school board members who he was working for in his spare time.

Even so, Mr. Adams said DISD trustees knew about Dr. Moses' membership on the corporate-school partnership council.

Ken Zornes, president of the DISD board when Dr. Moses joined the council, was on vacation last week and unavailable for comment.

DISD trustee Hollis Brashear, who succeeded Mr. Zornes as board president, declined to comment on how much the board knew about Dr. Moses' consulting activities.

"I don't want to comment because he is no longer an employee," Mr. Brashear said.

Mr. Adams said Dr. Moses believed it was OK to have financial relationships with companies that do business with DISD and other school districts.

"Under certain circumstances, yes, on his own time," Mr. Adams said. "And in every case where there has been a conflict, he has recused himself from the situation."

Houston law firm

Last May, The Dallas Morning News reported that Dr. Moses was moonlighting for Bracewell & Patterson, a Houston law firm, at the time he signed up with DISD late in 2000. Under the law firm banner, he conducted superintendent searches for school districts. In January 2001, he recommended to DISD trustees that they hire Bracewell & Patterson as one of the district's outside law firms.

Bracewell & Patterson earned hundreds of thousands of dollars doing legal work for DISD during Dr. Moses' 3 1/2-year tenure. During that same period, he earned fees from Bracewell & Patterson for superintendent searches in other districts. He said the firm paid him \$10,000 to help find a new superintendent for Richardson ISD last spring.

After the arrangement was made public, DISD trustees said they had known about it and approved it because they trusted Dr. Moses to choose the best law firm for the district.

In June, Dr. Moses announced that he would sever his ties to Bracewell & Patterson after finishing a search for a new McKinney ISD superintendent. In July, however, he announced that he would resign his job at DISD. He said he was tired and needs to move on to new challenges.

"They [Dr. Moses and his wife, Debi] are still trying to decide what to do with their life after Sept. 1," Mr. Adams said.

Last year, articles of incorporation were filed with the Texas secretary of state for a company called School Executive Consulting Inc. Debi Moses is listed as owner and director, and Dr. Moses is a registered agent.

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