

**E. J. BRACH:**

**A MISADVENTURE IN CANDY LAND II**

**THE SEQUEL**



*An Economic and  
Social Analysis by*

**The Midwest Center  
for Labor Research**

*for the Garfield Austin Interfaith Action Network and the  
International Brotherhood of Teamsters, Local 738*

*August, 1994*

## THE CRISIS AT BRACH'S ESCALATES

Since 1987, E.J. Brach employees, community residents, the confectionery industry and civic leaders have been watching the steady decline of this well-known American candy company. It was in 1987 that Brach's was purchased by Jacobs Suchard. Following the purchase of Jacobs Suchard by Phillip Morris in 1990, Klaus Jacobs formed a holding company, C.J. Van Houten and Zoon Holding A.G., to run Brach and other businesses. Since 1987, Brach's has lost nearly \$200 million, and sales volumes have dropped 39%. Additionally, more than 1,000 production jobs have been lost. Turnover at top management has resulted in nine different CEOs, and a revolving door of sales and marketing staff. Klaus Jacobs and his management team adopted a management style based on hostile labor/management relations and a refusal or inability to communicate and work with the concerned local community.

Today, the future remains uncertain as troubles mount at the beleaguered company and evidence points to a concerted plan to reduce production or possibly close the plant in two years.

✓ **Sales** A new business strategy was recently introduced with new products and new packaging to mixed results. Many in the industry feel that it may be too little, too late to stop deteriorating sales.

Market share continues to tumble dramatically. A survey published in Nielsen Sales Advisor (May 9, 1994) shows that Brach captured nine out of the ten spots on the list of "top established decliners" with no products on the list of gainers. These declines range from down 11.6% for Butterscotch Disks to down 28.6% for Assorted Gummi Bears.

These declines are even more dramatic given that Nielsen tracks the classes of trade that includes Brach's major market penetration: grocery, mass merchandisers and drug stores. Most competitors are in these as well as other categories such as convenience stores, gas stations, restaurants, movie theatres, etc. Thus, Brach is leading the decline on its own "home turf."

✓ **Management** As Brach CEO Kevin Martin struggles to keep the company afloat, he faces ongoing internal management crises. Recently the company discharged management and suspended hourly personnel. Allegations are that millions in company funds were embezzled. The state attorney general's office, the Internal Revenue Service, and the State Department of Labor are being called in to investigate the matter.

Meanwhile management persists in a strategy to "chill" the voices of former managers by pursuing what appears to be frivolous legal suits and legal intimidation.

Management by fear seems to be the pattern.

✓ **Production** In the past year, the company has moved 12 of the seasonal production lines to facilities in Iowa, Wisconsin and Illinois, according to plant personnel.

Packaging machinery used to make unusual shaped boxes, such as the Valentine hearts have been palletted for shipment to Andes Candy in Delavan, Wisconsin. With 120 workers attached to the box lines and Valentine chocolate production on layoff, indications are that the company is slowly, but decisively reducing overall production at the West

Side facility. The Andes Candy facility, also owned by Klaus Jacobs, seems to be the destination for the large segment of Brach's seasonal chocolate production.

Other indicators include charges by plant maintenance staff that they were offered cash by supervisors if they would agree to skid and package machinery housed in a Bedford Park warehouse for shipment to other facilities.

Plant personnel are alarmed that more than 70 maintenance personnel are on layoff and preventive maintenance has been halted completely, resulting in frequent down time and longer periods spent repairing machinery. They see the inefficiencies brought on by hiring outside subcontractors to repair machines and the growing volumes of re-work (poor quality candy that is either melted down for re-manufacturing or sold to farmers as hog feed) as indicators of a plant that is being set up for a shutdown.

✓ **Labor Relations** During the week of July 25, Kevin Martin met personally in small groups with all his production workers to present and sell the company's final offer which included an unprecedented two year contract, rather than the customary four years and a two-tiered wage system which discriminates against new hires. In the absence of union leaders, he had a captive audience and an uncontested platform. Despite this, on July 30, Brach production workers met and discussed the proposals in an atmosphere of complete democracy. They voted, through secret ballot, and rejected Martin's proposal 1,035 to 24. This overwhelming rejection came with no absentee ballots and with the actual vote count witnessed by 1,059 union workers.

Rebecca Hanscom, business agent for the local, says the company is doing everything it can to break the union in the plant.

They have stopped deducting dues from paychecks which means Ms. Hanscom must collect dues by hand. This, in effect, keeps her out of the plant and away from handling union business such as grievances in the plant.

✓ **Community Relations** Despite pleas from Cardinal Bernardin, Congressman Luis Gutierrez, Congresswoman Cardiss Collins, and scores of community, religious, and civic organizations, the company has continued its assault on the community. In a letter to Klaus Jacobs, dated June 9, 1994, Joseph Cardinal Bernardin relates the concern of local Catholic pastors in the neighborhood.

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*"They are concerned about potential job loss among their parishioners as well as the quality of life in the neighborhood, should the Company close or layoff more personnel. I believe they have legitimate concerns about the future of your company. Your company, after all, represents an historic Chicago institution. Your company represents jobs and livelihood for many people of that neighborhood. Your company, in short, must remain viable for that community to exist and to continue with a decent quality of life."*

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Brach management seeks to trivialize and misrepresent community issues in its propaganda to the workers. It is pursuing a lawsuit against the Save Brach's Coalition for Chicago in federal court designed to harass and stymie efforts to encourage support among Chicago's political, business and civic leaders. Recently Klaus Jacobs refused to meet

with community leaders even though he was in the Chicago facility. Rather than deter local support, these tactics have led community and religious leaders to expand their vocal opposition to Brach policies on the West Side.

Midwest Center for Labor Research has documented the efforts of the past several months to restore the stability of this company in the following report, *Misadventures in Candy Land II*, but first, a description of the players:

*Klaus Jacobs* - purchased Brach in 1987 and continues to dictate its future;

*Charles Gebhard* - a 20-year confidant of Mr. Jacobs and CEO of C.J. Van Houten & Zoon, the holding company of Brach;

*Kevin Martin* - the ninth CEO of Brach since 1987, has a 5 year contract and no equity in the company. With no personal investment in the company- he could be described as a "hired gun," since he will get his compensation regardless of what happens to the company;

*The International Brotherhood of Teamsters (IBT), Local 738* - the legal representative of Brach production workers, the union is currently in negotiation with the Brach management for a new contract to replace the 4-year contract which expired July 15, 1994. The union negotiating committee consisted of a legally elected bargaining team of Local 738 members at Brach, and chief negotiator Bill Freitas;

*Midwest Center for Labor Research* - a member of the Coalition and consultant to the Garfield/Austin Interfaith Action Network (GAIN) and IBT Local 738, MCLR has been tracking Brach since 1990;

*The Save Brach's Coalition of Chicago* - made up of GAIN, IBT 738 and nearly 100 Chicago and West Side community, civic and religious organizations. During talks with Brach management, the Coalition representatives included Dan Swinney and Harvey Lyons (MCLR), Ron Carver and Bill Freitas (IBT).

*The following report outlines what the Coalition and union learned in those discussions and negotiations, what was advanced in looking for effective ways to restore the stability of this company, and what the Coalition and union believe the future holds for Brach and the Chicago facility.*

*This report was written by Dan Swinney, Executive Director of the Midwest Center for Labor Research, and Sheila McCann, of McCann & Associates.*

*Following the report are five attachments:*

- 1. Letter from Joseph Cardinal Bernardin to Klaus Jacobs*
- 2. Letter from Congressman Luis Gutierrez to Kevin Martin*
- 3. Editorial from Chicago Defender*
- 4. Example of the Candy Rapper, IBT Local 738 newsletter*
- 5. List of endorsers*

# *A MISADVENTURE IN CANDY LAND II*

## THE SEQUEL

### An Economic and Social Analysis of E.J. Brach Candy

The crisis at E.J. Brach is escalating for its 1,600 member workforce, the surrounding West Side community and the city of Chicago with implications for the future of the American urban economy.

On May 17, 1994, the Save Brach's Coalition for Chicago released *Misadventures in Candy Land I (MICL-I)* in a press conference at City Hall in Chicago. It summarized research gathered in the past five years about the Brach Candy Company. It focused on the consequences of what has been widely perceived in the industry as a flawed product, sales, and marketing strategy resulting in a loss of sales, market share, jobs and stability. The report also outlined the broader consequences to the City of Chicago if this trend in the company continued, and the production facility on the West Side closed. An overview of a study on the social costs of a shuttered Brach plant projected:

- **Nearly 7,000 lost jobs from Brach and related industries**
- **\$91.6 million cost to the government due to lost tax revenue and welfare payments**

The purpose of *MICL-I* was to stimulate dialogue with Brach's management and ownership that would lead to a solid partnership to help solve the company's many problems. The Coalition and union hoped that Brach's Swiss ownership would be open to solid business proposals designed to stem the

tide of losses and provide job security for the workers and community who have made Brach's a Chicago institution.

Since that press conference, the Coalition and union met several times with Brach's management in informal discussions, and the union bargaining committee engaged in negotiations to

reach an agreement on a contract.

Unfortunately, the

news is not good. The Coalition and union believe the company is now in a crisis that is more dangerous and severe than that outlined in *MICL-I*. There are two likely scenarios for the future of the company. Either Brach has a plan to shift production elsewhere and close the Chicago facility or the owners and managers of the company are unable or unwilling to pursue a business strategy that can save the company. In either case, the workforce, the community and the city loses.

There may be other possibilities, but evidence to the contrary is overwhelming, and requires a new level of action and creativity by the stakeholders of this company: Brach employees, managers, Garfield/Austin residents and the city of Chicago. The Coalition and union are determined to defend the investment made by the community and the workforce in this company over the decades.

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struggle in America to revitalize the urban economy. Unnecessary plant shutdowns and layoffs lead to a waste of talent and experience, explosive poverty and the emergence of new markets of drugs, violence and despair.

This is the "low road" that pursues financial gain at the expense of workers by lowering wages and living standards. Progressive

business, development and community leaders know the value of pursuing the "high road" of success with employee participation and partnerships to stimulate greater efficiencies, reduced cycle time, continuous improvement, quality products and customer service. Principles of integrity and respect for employees and their knowledge drive successful companies who take the "high road."

## HISTORY OF THE COALITION AND UNION EFFORTS

### ✓ Research

With the threat made by Klaus Jacobs in 1990 to move production out of the country unless it received a designation as a Free Trade Zone, GAIN began monitoring Brach's operations. This early research raised concerns about Brach's business strategy, especially in light of its dramatic sales decline in a period that saw U.S. per capita consumption of candy increase by 25 percent.

This initial research led GAIN and IBT Local 738 to look at the possibility of acquiring the candy company. GAIN and Local 738 contacted former Brach CEO Peter Rogers to discuss these opportunities. Ultimately, several investors, attorneys and confectionery experts consulted with GAIN and the union about the acquisition.

At the same time, Brach owner Klaus Jacobs refused to engage in any discussions with the community or the union despite the growing crisis at the company. Efforts to contact the company continued in a discreet and confidential manner seeking partnership and dialogue with Mr. Jacobs.

### ✓ The Transformation of the Union

Due to repeated allegations of mob ties to Local 738, representing 1,600 Brach workers along with 2,500 members from other com-

panies, the International Brotherhood of Teamsters put the Local in Trusteeship one year ago.

Randy Atkins was assigned by the IBT as Trustee with authority over day to day operations of the Local. His role is to restore democratic processes within the Local including the election by rank and file of a seven member executive board. In addition, IBT staff was assigned to assist the Local in its relations with management and in addressing the overall crisis of the company and the concerns of the company about the potential of a closing.

Despite explicit instructions from IBT to the contrary, management continued its contact with the old leaders and staff. Only after repeated efforts on the part of the union did Brach management finally recognize the new leadership.

Currently, the union has an elected negotiating committee, has just held the first democratic vote in its history, where it rejected Brach's final offer on July 30, and communicates regularly with its membership through a newsletter, *The Candy Rapper*.

### ✓ The Launch of the Public Campaign

Plans were announced in March for a public effort designed to encourage discussion

with management about the problems and viable solutions at Brach. After several unsuccessful attempts to meet with Kevin Martin, he made contact in May with Midwest Center for Labor Research to initiate discussions. A planned press conference was postponed in light of this opening. Meetings with Mr. Martin were subsequently postponed and with no action forthcoming, the press conference was rescheduled for May 17.

At a private lunch the week before, Mr. Martin was given an advance copy of *MICL-I* and invited to join the Coalition and union at the press conference to announce a new partnership. He declined the opportunity.

The press conference was held with many important representatives from the political, labor and religious communities present. They publicly asked for a new partnership between Mr. Jacobs, management, the union, and the community in rebuilding Brach Candy as a productive and competitive facility.

Three viable solutions to the crisis at Brach were presented at the press conference in an effort to save production jobs at the West Side facility.

Over 70 organizations had signed a pledge of support for this effort and leading personalities joined the campaign including State Treasurer Pat Quinn, County Commissioner Danny Davis, Cook County Clerk David Orr, and Executive Director of the Garfield/Austin Interfaith Action Network Rev. Lloyd Davis.

Following the press conference, letters of support were sent to Klaus Jacobs and Kevin Martin from Joseph Cardinal Bernardin, Archbishop of Chicago, Congressman Luis V. Gutierrez, representing the 4th Congressional District, and many others.

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*"More than 1,200 of your employees live in zip codes within the 4th Congressional District. Any changes at Brach Candy, positive or negative, will have a significant effect on my district as well as the entire city. Therefore, I endorse the effort of the Coalition to meet with you and to find common ground and a common solution to the complex problems that the company faces. Frankly, I am pleasantly surprised at the positive and responsible tone of the Coalition's position and their effort to communicate and work with you on these challenges."*

*- from Congressman Luis Gutierrez' June 6, 1994, letter to Klaus Jacobs*

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#### ✓ **Discussions with Brach Leadership**

An atmosphere of caution and secrecy surrounded the first meeting of Ron Carver, International Brotherhood of Teamsters, Harvey Lyons and Dan Swinney, Midwest Center for Labor Research, Kevin Martin, Brach CEO and Charles Gebhard, assistant to Klaus Jacobs. Subsequent meetings were honest and open with Kevin Martin presenting his sales and marketing strategy. In the course of the meetings, various approaches to turning the company around and improving relations with the community were discussed.

These discussions were friendly and open, meriting cautious optimism on the part of the Coalition and the union. It was felt that this was an opportunity to mutually confront and solve some complex problems towards achieving a dynamic partnership.

### ✓ Union Negotiations

While the Coalition was discussing creative solutions to the situation with Brach management, the IBT 738 negotiating committee was formed, and negotiations with the company began in earnest with a July 15 deadline, the date the existing contract expired. These negotiations had problems from the beginning.

On July 22, management offered a final proposal completely disregarding the progress the Coalition and union had been led to believe was possible based on the meetings with Kevin Martin and Charles Gebhard. The company proposals reflected a move to the "low road" corporate policy of low wages with a two-tiered, discriminatory wage and benefit structure and cuts in benefits.

The company refused to address the union's priority goals concerning job security,

pensions and health care. It rejected all of the Coalition and union proposals for a relationship with the community which would secure the future of the factory on the West Side. It should be noted that these proposals were low cost, such as access to information, representation on the corporate board of directors and the first option to buy the company should it ever be sold.

Finally, Brach management tried to use the discussions they had with MCLR and the Teamsters on community and stakeholder issues and that they solicited as a way to separate the membership of the local from its leadership.

As a result of this impasse and the expiration of the current contract, the union has requested mediation.

## THE COALITION AND UNION STRATEGY FOR BRACH CANDY COMPANY

In the course of the various stages of this project, parts of a comprehensive strategy for the company began to emerge. Various ideas evolved from the long established concerns about the ownership and stability of the company, others from looking at the "best practice" of unions and companies elsewhere, and others emerged from grappling with the questions and challenges presented in discussions with Charles Gebhard and Kevin Martin.

Prior to the negotiations stage, the Coalition and union strategy as outlined in *MICL-I* had three options:

- ① Current ownership to remain intact, but with a commitment to boost production and sales

- ② A joint venture between Mr. Jacobs, the employees, management and new investors

- ③ A sale of the company to its employees

All of these options had to be accompanied by a verifiable marketing, sales and management policy that built on the strengths of the company's traditional position in the market and on the skills of the workforce.

At the beginning of contact with management following the press conference, they made it very clear that they had no intention to sell all or part of the company. That reality accepted, the focus of discussions shifted to their business plan. On June 16th, Kevin



Martin and Charles Gebhard gave a lengthy and detailed presentation of Brach's product development, marketing and sales plan.

The Coalition and union found the plan, as well as the development process, plausible. It reflected skill and creativity, and a thoughtful, critical review of the company's traditional strengths and weaknesses. If combined with creativity and determination from the workforce, the union and the community, the Coalition believed the company could be rebuilt in a form that would be exciting and profitable.

On several occasions it was made clear that the Coalition and union would and could bring a considerable amount of resources and creative energy to this process if a new partnership could be established.

The foundation for rebuilding the company and this new partnership was based on the Coalition and union's belief in the ability to cut production costs and increase the efficiency of entire operation. In discussions, the Coalition and union frequently referred to the choice that management had between the "low and high road" in solving the problems of the company. The Coalition and union saw an obligation to present a compelling package that reflected the high road, rather than simply blaming management for their lack of creativity. The Coalition's proposals to Mr. Martin reflected this thinking.

#### ✓ **Cutting Costs and Increasing Efficiency**

This challenge is complicated by a huge physical facility that has been patched together over the decades with production processes and practices that have also been patched together and need dramatic adjustments if the company is to be rebuilt, particularly after years of mismanagement.

In response, the union proposed reducing job classifications from 240 to 6 as well as rationalizing the seniority and incentive systems for the company. These issues can be major obstacles in contract negotiations and/or the product of millions of dollars in consulting fees for companies. The Coalition and union recognized that they were essential first steps for achieving modern production approaches.

The next challenge was to involve production employees in identifying inefficiencies and dated approaches to production in a way that preserved job security and sustained enthusiasm for participating in production management. The union proposed a plant-wide system for this process with structure and offered financial incentives for production and supervisory personnel.

#### ✓ **Option to Buy the Company Should it Ever Become Available for Sale**

From the standpoint of those who are stakeholders in the company and live in the Chicago metropolitan area, stable ownership is an issue that is equal in importance as is profitability to the current owner. Any number of companies in Chicago close, not because they weren't viable in the market place, but because they became victims of an owner's strategy that didn't include the interests of Chicago or the local employees.

The worst case scenario was to make a determined effort to work with management in turning the company around, only to wake up one morning to the announcement that the company had been sold to a competitor who was moving production to Pittsburgh or Kentucky or Mexico.

While accepting the fact that Mr. Jacobs did not want to sell at the present time, the Coalition and union wanted the first opportu-

nity to put a bid together should he decide to sell in the future. In response to the owner's concerns that this can sometimes impact the market value of a company, the Coalition and union offered to pay a premium for the option.

### ✓ Stakeholder Rights and Investments

Brach has one shareholder and one owner, Mr. Klaus Jacobs. He has the legal authority to make all the decisions. The Board of Directors is essentially advisory.

Mr. Jacobs is a relative newcomer to Brach. There have been decades of creative work, sweat, investment and sacrifice made by its employees, the city of Chicago and the community that surrounds it. This is the reality the Coalition and union wanted recognized in the union contract. The recognition of those who have made such an important contribution would rekindle their enthusiasm to be part of the tough decisions and hard work of the future as the process of rebuilding this company is undertaken.

The union proposed that the company appoint union and community representatives on the corporate board of directors so they could be consulted and involved in making key decisions, knowing that Mr. Jacobs retains final legal authority. This would be identical to the spirit in which Mr. Jacobs appointed Peter Uberroth, a well known business leader and personality, as Chairman of the Board.

Also proposed was an Employee Stock Ownership Plan (ESOP) allowing employees the opportunity to own up to 20 percent of the stock of the company. This would not entitle the employees to make major decisions as shareholders, but would allow them to participate in the risk and reward of the company as well as sharing in the financial structure of the company. Under this proposal, employees would put their own money at risk behind their improvement ideas.

### ✓ Community Development.

A healthy community tied to a healthy company in a never ending process of mutual rewards is what economic development is all about. The Garfield Austin community has made major contributions and investments in Brach over the years, such as:

- ① *One-third of the Brach workforce resides in the surrounding community.*
- ② *Brach receives low-cost steam as a source of energy from the city incinerator in the community. Residents have endured years of exposure to possible environmental hazards as a price for lowering energy costs to the company.*
- ③ *As the company expanded, local residents have given up their housing to create space for new Brach buildings. Most recently, houses and property were obtained through eminent domain so that Brach could increase parking facilities.*
- ④ *The city of Chicago has given the company millions of dollars for improvements to the viaducts, roads, rail lines and bridges to lower the costs of doing business.*

Declining industry and increased job loss has impoverished the community in the past 15 years. Public schools and social services have suffered as a result. Community organizations like Coalition member GAIN seek a partnership with Brach management to stem this decline. With combined resources, they could rebuild the community and continue to provide companies like Brach with a pool of excellent job candidates, a safe environment, and an improving real estate market. A stable community would result in an improved market value for the Brach property as well as that of local home owners.

The union proposal included the following initiatives:

- ① *a program to set and meet goals for hiring from the local community;*
- ② *training programs in the community for first time applicants as well as additional competence training for current employees;*
- ③ *services for dislocated workers;*
- ④ *contracts to purchase goods and services from existing or new start up businesses in the community.*

The proposals advanced by the union for community linkage and development were unprecedented in their creativity and scale in labor negotiations in this country. Though understandably unfamiliar to many, the power of these proposals would be measured most quickly in their impact on the cost effectiveness of the company. They provide a link to the kind of relationships between the company and the community that make the well-known European and Asian industrial zones remarkable for their competitive qualities. Ironically, Mr. Jacobs depends on this type of relationship in Switzerland, while he blocks its development in America.

#### ✓ Sector Initiatives

Brach Candy Company is one of more than 50 candy companies in Chicago. These companies generate millions in sales and employ thousands of workers. Chicago is one of the leading candy centers in the world and the West Side Brach plant remains the largest candy production facility in the world. Like the rest of the industry, or any industry, there are companies in the candy industry that are run well and are competitive as well as provide good jobs for their employees and serve

as good members of their communities. And there are companies that are run poorly, that mistreat their employees and abuse the community.

The challenge is to make sure that employees, communities and governments act in a way that encourages and supports good companies as opposed to those that pursue the low road. This complex challenge was illustrated during our discussions with Brach management.

In mid-June, the *Chicago Tribune* announced that Mayor Daley's administration had provided a \$3 million subsidy to Farley Candy Company for a warehouse in Chicago that hopefully would provide 300 jobs. While on the surface this may seem a good use of public funds, Farley is well-known for pursuing the low road, paying workers the lowest possible wages, engaging in abuse and exploitation and is anti-union.

Brach management has consistently said that Farley's low wages were a reason for its loss of market share. The union pointedly responded that it would not make up in negotiations through wage cuts what they lost to Farley in a city subsidy. On the other hand, the Coalition and union offered to work with them to lessen Farley's advantages. It discussed specific ways that it could, working with them as a team, lessen Farley's advantages without having to cut wages at Brach. The Coalition and union suggested pursuing a city policy that consistently supported good companies that provide good jobs and discouraged, or at least didn't reward, bad companies with bad jobs.

In further efforts to encourage best practices, the Coalition and union proposed to management the creation of a "Candy Institute." This Institute would be created and sustained by those in the industry, labor and the

public sector that wanted to nurture the high road in the candy industry in Chicago. The proposal was modeled on the Garment Industry Development Corporation in New York City. This is a joint collaboration between the garment unions, the companies and industry associations and local government that has been extraordinarily successful in assisting an industry that faces relentless international competition, and in nurturing the high road. More than 500 companies have benefitted from this center. This kind of protracted work would create a resource in policy, leveraged funds and common work experience between the partners in Chicago's candy industry sector that would pay off in well-informed public policy.

### ✓ Cost of Programs

The Coalition and union acknowledged in the proposal to management that these programs have costs associated with them. The Coalition and union proposed, based on their investigation, that in partnership they could leverage city, state and federal funding for a number of these initiatives as well as philanthropic dollars. This would allow the Coalition and union and Brach management to work together in dramatically lowering the costs of doing business by increasing the efficiency of the company and establishing a solid linkage to the community.

## ANALYSIS OF THE COMPANY'S STRATEGY

In *MICL-I*, analysis focused on criticisms of Klaus Jacobs' sales and marketing strategy, concerned that it would result in a volume of production that was below what was necessary to keep the plant open. Following the presentation by Kevin Martin, the Coalition and union believed they had a plausible strategy to expand sales and market share. But, a concern that was never fully addressed in discussions with Brach management was the issue of volume and break-even in the Chicago facility-- a concern that lies at the heart of any analysis of the viability of the company.

must be over \$5MM in sales or 450MM pounds of sugar annually for the facility to "break even." Brach's continuing hemorrhage in market share threatens the viability of the company.

In the worst case scenario, break-even may now be impossible in the Chicago facility because the volume of production is so far below what is necessary for the facility to be viable. The challenge is to insure that a lower volume facility is established in Chicago, not in some other state or country.

### ❶ Production Volume Needed to Sustain Profitability

The Chicago facility is 2 million square feet that was built over a period of 70 years. Section after section was added to the structure as production expanded. This is not the type of facility, structurally, that can be shrunk to manage significantly lower volume of production. Best estimates are that production

### ❷ Sales and Marketing Strategy

With a new, revamped product, marketing and sales plan, management may now have the ability to restore the current facility back to the required levels of production. However, new information suggests that the new strategy is facing some difficulties in its early tests. And the bigger question is, can it stop the decline in market share reflected in a recent

### Nielsen Sales Advisor?

Only half of the battle is to have good product in a consumer business. The other half is a highly effective and motivated sales force that knows how to excite and please the customer.

### ③ Brach Labor/Management Relations

The history of these relations can be characterized at best as inept, and at worst as fundamentally corrupt, manipulative and hostile.

In the past Brach labor relations involved a large, loyal, effective multi-national workforce that was represented by a union that had poor leadership. As a result, management wasn't required to work effectively with leaders that aggressively represented and defended the interests of the workforce.

Management under Klaus Jacobs' command has been autocratic, arrogant, and anti-labor. One of the first acts, after the purchase of the company by Mr. Jacobs in 1987, was the discharge of management and supervisory employees that were over forty. This plan for blatant age discrimination was announced in a video presentation to the employees. Because of U.S. law protecting workers from age discrimination, Mr. Jacobs paid a multi-million dollar settlement out of court to settle the hundreds of claims. Senior Vice President in charge of Personnel Relations, Henry Wells, has a reputation among workers for his hostile, arrogant approach to labor-- a style that has persisted through the coming and goings of a number of CEO's in Mr. Jacobs' revolving door.

There is a frequently repeated story in the plant that captures the spirit of the early days of Mr. Jacobs' rule. When Mr. Jacobs or top management visited the company, it was

often in limousines. They usually spoke in German and with an air of superiority as they looked over their new acquisition. One of the top new managers was in the company elevator with other managers and a couple of workers. He commented to his colleague crisply in German, "We will show these stupid Americans how to make candy." One of the "stupid" workers in the elevator also spoke German, and the description of the event went through the plant like wildfire.

#### A. A New Start With Kevin Martin, CEO?

Kevin Martin, relatively new to union/management relations, had a unique opportunity to work with new leaders in the Teamsters Union that were absolutely above-board, had taken on the difficult task of acknowledging the corruption in their own ranks and cleaned it out with dispatch, and were fundamentally committed to and skilled at setting up democratic structures and life within IBT Local 738. Teamster leaders, from the very first meetings, offered the possibilities of a unique and effective partnership that could be a powerful reserve in a genuine effort to rebuild or jump-start a company that all recognized was in serious trouble.

Unfortunately, the company chose the low road, deviating only when the costs became obviously prohibitive, and returning to it when they thought they had the opportunity. As the Teamster Local was in transition, with new legal authority in the hands of Trustee Randy Atkins, local management persisted in maintaining on-going contact with the Business Agents and leaders of the "old guard" who no longer had authority. The newly appointed Business Agent Rebecca Hanscom was denied access to the plant and to members of the local to service their grievances and concerns, in contrast to decades of past practice. Three or four of the "old guard" business agents had always had unlimited access to the plant and

unrestricted movement. Getting Ms. Hanscom access to the plant to serve her dues-paying members under Kevin Martin required charges at the National Labor Relations Board, letters from local and national organizations and personalities, and several stiff discussions and reminders in negotiations.

When, for the first time in the history of the Local, there were elections for positions on the union negotiating committee, the company began to harass new members with frivolous, but "chilling" disciplinary actions.

### ***B. The Company's Final Offer***

In negotiations with the bargaining committee, the company blustered, was unprepared and avoided key issues. After many confusing meetings, their position and approach to the future of the company was clearly reflected in their final proposal that clearly chartered a course along the "low road."

At the start of negotiations, the union bargaining committee made it clear that the following four issues had to be addressed in the contract: job security, seniority, health and welfare, and pension. The company's final offer addressed only one of the four. The company's final offer never addressed job security, health and welfare, and pension in a meaningful way. In addition, two elements of the company's offer raised serious concerns among the workforce:

***Length of Contract*** - Two year contract is unprecedented and much shorter than most companies would prefer. Signals concern that the company is on a two-year plan for closure, especially in light of the movement of equipment and production lines to smaller facilities.

***Two-tiered Wage System*** - Relegates minorities and local residents to second-class status, with low-skill, low-wage jobs, without

the comprehensive medical coverage available to all other employees. Coupled with their rejection of the Coalition's proposals on job security, this two-tiered system demonstrates their disregard for both the community and the workforce.

### ***C. The Company's Negotiating Strategy***

Once the company made its final proposal in late July, it began a campaign to win over the workforce to their proposal. This effort, directed personally by Kevin Martin, gave the union and its community partners a lens that brought all the fuzzy and confused events of the previous months into focus-- a clear picture of a cynical and deliberate effort to deceive.

Kevin Martin made his sales pitch for the company's final offer to all the employees in meetings held in the plant. His intent was clearly to try to divide the rank and file of the union from its leadership. He repeatedly claimed that the union leadership was more concerned about community issues such as housing, local jobs, and the proposed Candy Institute, rather than the real concerns of the workers and the needs of the company. At the same time, Mr. Martin told a reporter that the union was using the community to get a fat contract for workers, exposing the deceitful and manipulative way Brach management is trying to use community issues.

Rather than give light to the complex problems of the company and seek unity with a leadership that was creatively looking for common ground, they attacked that same leadership through distortion, innuendo and false information. Clearly they hoped to capitalize on the normal confusion that occurs when new leadership replaces old leadership and an old union culture, demonstrating their preference for the old corrupt style of union/management relations.

Many of the ideas Martin attacked in these negotiations were the same ideas he encouraged in discussions with the Coalition and the union, or were ideas that were in direct response to problems he said needed to be solved if the company was to be viable in Chicago.

#### **④ Brach's Community Relations Efforts**

The relationship with the community under Klaus Jacobs mirrors the company's relationship with labor-- secretive, manipulative, distant, and self-serving. There has always been contact between the company and down-town, City Hall, but uneven or non-existent ties with the Garfield Austin community that surrounds the plant. When there have been changes in that relationship, they have either been extremely modest, or self-serving and manipulative. This is reflected in their corporate giving and some of their relationships with local organizations that have sought a working relationship with the company.

##### ***A. The Garden Project***

When the Coalition and union met with Mr. Martin and Mr. Gebhard to discuss a desire to link issues of community development with the union contract, they expressed interest. They briefly described their own "Garden Project," a \$100 million corporate plan for community development that they described as consistent, or even more advanced than what we had in mind. Despite this build up, what we heard was an approach that reflected a traditional, paternal approach to the community-- a plan for company improvement at public expense.

Under scrutiny, what appears to be a big commitment to the West Side emerges as a project with little or no investment to date by the company. If implemented, it would reflect a huge public subsidy for components

that would principally benefit the suburban employees (supervisory and management) and perpetuate the growing trend to relate to the community as a sub-standard source of increasingly low-cost labor. In this light, it is a plan consistent with management's demand for a two-tiered wage system.

##### ***B. Corporate Giving***

Brach sponsors the Chicago Christmas Parade, a gala event. This \$100,000 good will investment provides tremendous public relations and marketing opportunities for the company. Only a Scrooge would look for a cynical motive behind this example of Brach's corporate giving. "Modest and misdirected" could best characterize Brach's corporate giving to the local community.

##### ***C. Local Organizations***

Community concern over Brach was galvanized in 1989, when local organizations became aware that their members and constituents were losing jobs at Brach. About the same time, Mr. Jacobs was applying for a Free Trade Zone in order to reduce his cost for sugar. He threatened at that point to close the Chicago facility if he didn't get the concession-- the first threat to close the company. Organizations like GAIN immediately wrote to Brach management requesting a meeting with them to discuss concerns about the company and to explore ways in which the community could assist the company. These inquiries by GAIN were repeated several times in the next few years and always ignored.

In contrast, Leaf Inc., another West Side candy company who had announced plans to close, responded immediately to a request from community leaders for a meeting, and together they developed a joint project that was funded by both the company and the City of Chicago's Department of Economic Development to de-

velop a facility that could be marketed to another food company when the Leaf closed.

Since the Coalition and union press conference in May, small amounts of money have been funneled to the local community as contributions and dues payments. Is this an

indication of the "high road"-- a thoughtful change of heart in Brach' support of local community initiatives? The Coalition and union believe this is an indication of the "low road"-- a low-cost initiative to silence, neutralize or divert growing opposition to its community policy.

## THE FUTURE

The evidence uncovered in discussions with Brach management along with their actions in moving production lines, the final offer presented to the union and declining market share point to two possibilities:

- ① *Recognition by the owner and management that production levels are no longer adequate to sustain a profitable facility in Chicago.*

This scenario relies on a well conceived plan to move production elsewhere over the next two years and close the Chicago facility. This is part of a strategy to aggressively put Brach on the "low-wage" road to restoring profitability at the company for the owner while dealing with the union, community and city in a multi-layered plan of deception and deceit.

- ② *The inability of the owner and management to cope with the challenges of a complex company.*

In the face of the growing crisis generated by earlier decisions and assumptions that were outlined in MICL-I, management is thrashing about, unable to recognize opportunities and partners that could help them find a solution, assuming that the only option is the "low road" of slashing direct labor costs, and relying on their traditional tools in dealing with the community and labor.

### A. Brach's Plans-- Take the Low Road

With either of the above possibilities, evidence points to Klaus Jacobs and Kevin Martin choosing the "low road" either because of a habit that is hard to break, or because they have come to the conclusion that the West Side facility is no longer viable, and they must make a transition to being a lower-volume producer. This will require shifting some production to the Davenport, Iowa and Sullivan, Illinois facilities, and finally setting up a newer production facility in down-state Illinois, Mexico, China, or somewhere they can extract low-cost non-union labor and incentives from desperate governments.

### B. The Coalition and Union's Plans

Following a comprehensive study, the Coalition and union remain convinced that this is a viable company that can and must take the "high road" to remain competitive and to utilize the tremendous skills and motivation of its production and management employees and the untapped benefits it could gain in the consumer market from a mobilized, supportive community.

The Coalition and union are unsure about the level of damage done to the Chicago facility. It is not known if the volume of business can be recovered or how long it would take to sustain the current facility. If a lower



volume facility must be created, Chicago is the place for that site, filled with the current workers who have made that company what it is despite the changes in ownership and management.

The Coalition and union are also convinced that this company is a key part of a critical industrial sector for Chicago-- the candy sector that must be nurtured and supported by innovative development strategies.

With the publication of *Misadventures in Candy Land II*, the Coalition and union and their supporters will be taking the campaign to Save Brach's to all of Chicago's residents and leaders, knowing that this effort-- no mat-

ter what the actions taken by Mr. Jacobs and Mr. Martin-- will be part of recovering and restoring our city and community. It is hoped that their current actions are more a product of a stubborn habit, rather than by a deliberate plan to close the Chicago facility, so a common solution and a common partnership in working together to stabilize the company and build the community can still be found.

If these efforts fail, it will be up to the elected leadership in the city of Chicago and state of Illinois to take decisive action to prevent the complete destruction of a key economic institution. Chicago is truly at a crossroads as it faces the continuing crisis at Brach Candy Company.

# ARCHDIOCESE OF CHICAGO

Office of the Archbishop



Post Office Box 1979  
Chicago, Illinois 60690-1979

June 9, 1994

Dear Mr. Jacobs,

In the last several weeks I have become increasingly aware of the situation facing Brach's Candy Company. Recently two pastors of Catholic parishes in the Austin neighborhood contacted me. They are concerned about the decline in profits and decline in the workforce at Brach's. Many people in the community currently fear losing their jobs.

I write to you today to encourage you and Mr. Kevin Martin to enter into a dialogue with the community coalition that is anxious to see Brach's return to its former profitability and production levels.

Specifically I ask you to honor a request by people of the community who are currently in coalition known as the Garfield-Austin Interfaith Network (GAIN), the Union, and also the Midwest Center for Labor Research. The pastors expressed to me that they want to work with you to solve this problem. They are concerned about potential job loss among their parishioners as well as the quality of life in the neighborhood, should the Company close or layoff more personnel. I believe they have legitimate concerns about the future of your company. Your company, after all, represents an historic Chicago institution. Your company represents jobs and livelihood for many people of that neighborhood. Your company, in short, must remain viable for that community to continue to exist and to continue with a decent quality of life.

I look forward to hearing from you or from Mr. Martin as soon as possible, to establish how dialogue can begin. I applaud the members of this community for their sense of responsibility and I encourage you to honor their request for a meeting with you, senior management or Mr. Martin.

With cordial good wishes, I remain

Sincerely yours,

*Joseph Card. Bernardini*  
Archbishop of Chicago

Mr. Klaus J. Jacobs  
Seefeldqual-17  
CH-8008  
Zurich, Switzerland

cc: Mr. Kevin T. Martin, President  
E.J. Brach Corporation  
401 N. Cicero Avenue  
Chicago, IL 60644

bc: Rev. John Hillenbrand  
Rev. Thomas Libera

**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515-1304**

(202) 225-8203  
3181 NORTH ELSTON AVE  
CHICAGO, IL 60618  
(312) 509-0999  
1751 WEST 47TH STREET, 2ND FLOOR  
CHICAGO, ILLINOIS 60609  
(312) 247-9020

June 6, 1994

Kevin T. Martin  
President  
E.J. Brach Corporation  
401 N. Cicero Avenue  
Chicago, Illinois 60644-2097

Dear Mr. Martin:

I recently read the report prepared by The Midwest Center for Labor Research on the situation at your company and met with representatives of the Save Brach's Coalition for Chicago.

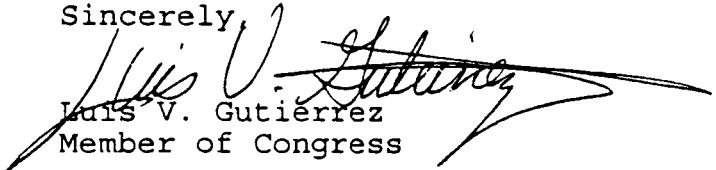
More than 1,200 of your employees live in zip codes within the 4th Congressional District. Any changes at Brach Candy, positive or negative, will have significant affect on my district as well as on the entire city. Therefore, I endorse the effort of the Coalition to meet with you and to find common ground and a common solution to the complex problems that the company faces. I have had years of experience in dealing with grassroots and labor organizations concern about jobs and poverty. Frankly I am pleasantly surprised by the positive and responsible tone of the Coalitions's position and their effort to communicate and work with you on these challenges.

After an initial review of the facts regarding this dispute, I am concerned about the apparent lack of interest that you and your management team have take towards the issues raised by union and community leaders.

To receive more complete appraisal of the situation I am eager to discuss these issues and the future of Brach Candy as a major employer of constituents in the 4th Congressional District. Please contact Lori Baas in my district office to set up a meeting at your earliest convenience.

I look forward to hearing from you soon.

Sincerely,

  
Luis V. Gutierrez  
Member of Congress

# SAVE BRACH'S

## COALITION FOR CHICAGO

3411 W. Diversey, #10 \* Chicago, IL 60647 \* tel: (312) 278-5418 fax: (312) 278-5918

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# Chicago Defender

*Editorial*

CHICAGO DEFENDER - Thursday, August 18, 1994 11

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## Brach should talk to the community

We strongly support the position of those individuals who want the Brach Candy Company to take measures to insure its long-term stability on the West Side and function in ways that are beneficial to its multi-racial employees and the community.

Brach has a long and valued history in Chicago. The company has provided good and well-paying jobs to countless people since it was first established in the area. That great tradition must not be lost in the recent discussions that are taking place between the business, union and members of the community about how the candy company will address certain controversial concerns.

The Brach organization is very important specifically to the economic viability of Chicago's West Side and generally to the Windy City. Its workers generate very-much needed tax dollars for the city, county, state and nation. They also are responsible for producing some of the most sought-after candies in the world.

Some individuals in the West Side community are currently protesting some of the positions Brach management is taking. There is nothing wrong with such verbal protests because people have a

constitutional right to dissent.

Brach management should talk with the individuals in the West Side community who are discontented with some of the decisions the company is making or actions it is taking.

Such conversations could create a new level of positive relationships between community members, Brach workers and managers.

We are not taking a position on the demands currently being made by the union. It must be stressed that the problems enunciated by members of the community and union are totally different.

Regarding the issues noted by members of the community, particularly those from the Save Brach Coalition for Chicago, Brach officials should bring open minds and ears to any discussions.

Also, we urge city government representatives to do their share to help bring about a positive resolution to the controversy and dilemma that currently exists between Brach and those who question its management tactics and decisions. The previously-mentioned recommendations are necessary for the long-term good of all Chicago.

# CANDY RAPPER

The Newsletter For Members Of IBT Local 738 At E.J. Brach Corporation  
Vol. 1, No. 4 May 20, 1994

## Bargaining Team Elections

As stated in the first edition of the Candy Rapper (April 4th), members of the union's contract bargaining committee will be elected.

### Who's on the Team?

The make-up of the Team will be as follows:

- 2 from Hard Candy, 1st shift
- 2 from Soft Candy, 1st shift
- 2 from Chocolate Candy, 1st shift
- 2 from Maintenance, 1st shift
- 1 from 2nd shift workers
- 1 from 3rd shift workers.

This team of Brach's workers will be headed by Randy Atkins, Trustee of Local 738, and Bill Freitas, negotiator for the Union.

### How Will Elections Take Place?

Notices for each bargaining team will be posted on the Union's bulletin board at Brach's. Any current worker who is interested in running for election to the bargaining team must sign up on the appropriate notice.

The notices will be removed at 8 a.m. on Wednesday, May 25th. Elections will be held for those departments where more members have signed up on the notice than the number required.

### When Will Elections Take Place?

Elections to the bargaining team will take place on Thursday and Friday, May 26 - 27, for those departments in which elections are necessary.

Local 738 will post election times and the balloting locations on Wednesday, May 25th. A balloting committee will make sure any departmental elections run smoothly. Voters must be sure to bring a Brach's ID in order to vote on the bargaining team.

### When Will Negotiations Start?

Negotiations will begin after the bargaining

team has been elected and trained, a timeline for departmental proposal meetings has been set up, and the company has responded to our request for information.

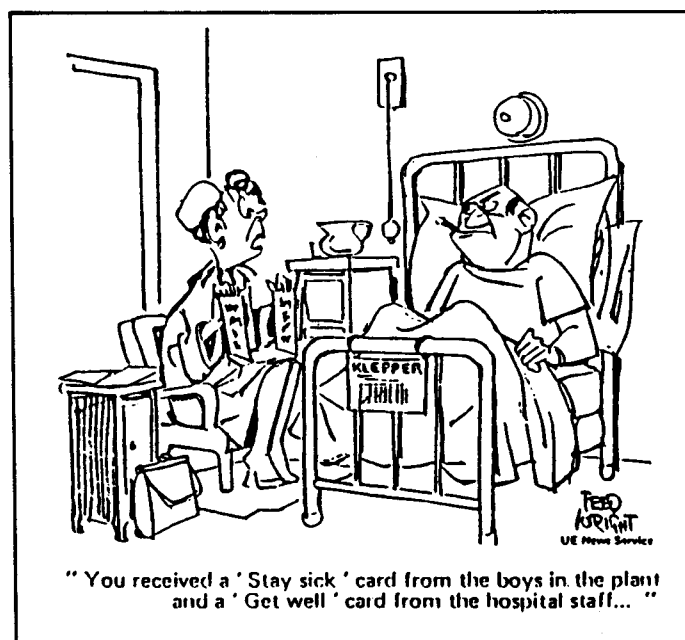
### How Can Union Members Help Get a Good Contract?

The bargaining team can't do it all.

Local 738 is also setting up an advisory committee to the bargaining team. The role of the advisory committee will be to:

- insure bargaining updates get to all members of the union;
- insure union members' concerns are communicated to the bargaining team;
- provide examples from union members to support our positions in bargaining;
- organize both active and laid-off workers around contract issues.

Anyone can be on the advisory committee. Just fill out the Employee Involvement Form on the back of this newsletter, and mail it to the union office.



## Support from Many Quarters!

On Tuesday morning, May 17th, the "Save Brach's" Coalition for Chicago held a very successful press conference at City Hall, followed in the evening by a rally of hundreds of workers and community supporters at Mt. Olive Baptist Church.

The press conference announced the public release of a report on Brach's, commissioned by IBT Local 738 and GAIN (the Garfield-Austin Interfaith Network). Support and commitment for saving jobs at Brach's came from many quarters:

### THE OFFICE OF ILLINOIS TREASURER

Pat Quinn, who lives on the West Side, committed to putting together a financing package to keep Brach's Candy Company in Chicago - just like it did at Tootsie Roll.

### THE CHICAGO FEDERATION OF LABOR

Mike Brutien commended the International Teamsters and Local 738 for pursuing a plan that unites Labor and the Community to fight for jobs. He pledged the assistance and clout of the CFL in making the fight ahead a victorious one.

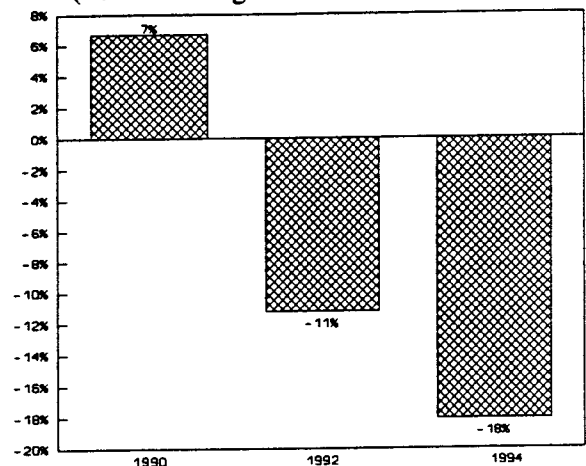
### THE CANDY INDUSTRY

Sheila McCann, consultant for the candy industry, stated that the confectionery industry will suffer if Brach's Candy fails. The MCLR report supports her own observations of Brach's during the past 5 years.

### DEPAUL UNIVERSITY

Monsignor John Egan urged Brach's management to sit down with the Coalition. This is "an opportunity to bring together workers, management, the city, and the community in a win-win situation. Do it promptly."

**CHANGE IN BRACH'S SALES, 1988 - 1994**  
(Percent change with 1988 sales as base)



*This graph is originally reproduced in E.J. Brach: A Misadventure in Candy Land, May 1994. Copies of this report are available to union members at Brach's, just ask your steward!*

## "Sell That Candy or Else"

On May 19th, Phyllis Rousseau, a member of the Coalition to save jobs at Brach's and recording secretary for GAIN, reported a confrontation between employees of Dominick's grocery store in Oak Park and representatives from Brach's.

Ms. Rousseau reports, "The representatives from Brach's were creating a scene. They were trying to convince Dominick's to move Brach's products to the front of the store and put it on sale. They said they were getting pressure from community groups on the West Side."

The Dominick's store clerks were irked!

Too bad Brach's fired the salespeople whose jobs were to provide good service to customers. In the past, good service, not intimidation, was what sold the candy that guaranteed our jobs!

## EMPLOYEE INVOLVEMENT FORM

- ☐ YES, I want to be on the advisory committee to the bargaining team.  
☐ YES, I want to help get newsletters out in my department.

Name \_\_\_\_\_  
Home Phone \_\_\_\_\_  
Department \_\_\_\_\_ Shift \_\_\_\_\_

Return this form to: Rebecca Hanscom, B.A.  
IBT Local 738  
220 S. Ashland Avenue  
Chicago, IL 60607

# Save Brach's Coalition for Chicago

## *Endorsements*

### **Organizational Endorsements**

4th Congressional District - Luis Gutierrez  
7th Congressional District - Cardiss Collins  
34th District - Nancy Kaszak  
22nd Ward - Alderman Ricardo Munoz  
37th Ward - Alderman Percy Giles  
Cook County Clerk - David Orr  
County Commissioner - Danny Davis  
Illinois State Treasurer - Patrick Quinn  
Illinois State Senate - Senator Miguel Del Valle, Asst. Minority Leader  
American Friends Service Committee  
Association of Community Organizations for Reform Now (ACORN)  
Austin Community Baptist Church  
Austin People's Action Center  
Bethel New Life, Inc.  
Coalition of Labor Union Women (CLUW)  
Center for African American Research at DePaul University  
Center for Inner City Studies at Northeastern University  
Center for Neighborhood Technology  
Centers for New Horizons  
Center for the Study of Urban Inequality  
Center for Urban Economic Development, University of Illinois  
Chicago Area of the United Methodist Church  
Chicago Coalition for the Homeless  
Chicago Institute for Economic Development  
Chicago Recycling Coalition  
Chicago Urban League  
Claretians Justice and Peace Committee  
Community In Action Inc.  
Commonwealth Church  
DePaul University - Msgr. John Egan  
Eighth Day Center for Justice  
Empty The Shelters  
Federation For Industrial Retention and Renewal (FIRR)  
Garfield Austin Interfaith-Action Network (GAIN)  
International Ladies Garment Workers Union (Midwest Region)  
Illinois Public Action Council  
Illinois State Council of Senior Organization, Inc.  
Interfaith Committee on Worker Issues

*(continued)*

International Brotherhood of Teamsters Local 738  
Jewish Council on Urban Affairs  
Midwest Academy  
Midwest Center for Labor Research  
National Assembly of Religious Women  
National Association of Black Consumer Organizations  
Near Northwest Neighborhood Network  
New St. Peter M. B. Church  
Nicaragua Solidarity Committee  
Northwest Austin Council  
Northeast Austin Organization  
Oak Park Community Action Organization  
Peoples Reinvestment & Development Effort  
Progressive True Vine M. B. Church  
South Austin Coalition Community Council  
Southwest Youth Service Collaborative  
St. Angela's Church  
St. Martin de Porres Church  
St. Peter Canisius Church  
Service Employees International Union, Joint Council No. 1  
The Women's Office  
Third Unitarian Church  
Trinity Lutheran Church  
Westside Health Authority  
Women's Alliance of Third and Beacon Unitarian Churches  
Women's Action Coalition  
Women's Business Development Center  
Women for Economic Justice  
Women Employed  
Women's Self-Employment Project

### **Individual Endorsements**

Alex Kotlowitz, author There Are No Children Here  
Professor William Julius Wilson, Center for the Study of Urban Inequality  
Peter Orris, Health Hazard Evaluation Program, School of Public Health, U Of I  
Isaac Monroe, Hotel Employees & Restaurant Employees International Union  
Don Moyer, Inventors Council  
Jack Connelly, Jobs for Youth/Chicago, Inc.  
Reverend Dana Nissen, Trinity Evangelical Lutheran Church  
Reverend Lewis Flowers, Westside Ministers Coalition of Chicago & Vicinity  
Reverend W. H. Foster, Jr., Pleasant Grove Baptist Church  
Bernard Turnock, MD, UIC-School of Public Health  
Leon Doughty, ACORN/CAPS  
Edward Hoffmans, American Disabled for Attendant Programs Today (ADAPT)