

Kevin Slavin -- Cooper Union Community Summit - talk as presented Dec 5, 2011

Thank you. I'm Kevin Slavin. I entered the Cooper Union school of Art in 1989, graduated in 1995, and began teaching as an adjunct in 2011.

I was in the audience here on November 7th, when the Chairman of the Board of Trustees, Mark Epstein, was asked, how did we arrive at a \$16MM annual deficit without warning or hope of repair?

His answer was that the alumni were -- quote -- a failed investment. As if 38% of the funds outlined in the decennial report is a failed investment. Not the new building. Not the loans whose interest repayments alone form half the deficit. But *us*. The alumni.

And then, three weeks later, Cooper Union asked me for \$10,000.  
I've brought it here tonight.

I'm pledging it to the contingent fund that's been set up. I'm pledging that \$10,000, here, publicly, to the Cooper Union I went to, the Cooper Union I'm looking to *invest* in, a Cooper Union which is tuition-free.

Mr. Epstein, President Bharucha, the money is on the table. Let's see whose investment fails whom.

I was on this stage in 1995, when I gave the graduating speech. It was 10 minutes and it was composed entirely of quotes from graduating speeches from 20 years before me. That was not a cynical act. It was to say: *it didn't start when I got here and it didn't end as I was leaving*. Not for me, not for the institution.

So when I heard President Bharucha speak in early November, the phrase that struck me, what is so important, is "sustainability." If nowhere else, this is one point in which the President and I are in perfect alignment, as with all of you. We are all looking for a sustainable solution to produce *another* 20 years of graduating speeches for some *other* student to steal from.

The question, then, is: what makes Cooper Union sustainable?

It means using a resource that's producing more than it's consumed.

And the mistake that's been made, systemically, is believing that the resource at the bottom of all this, the resource that must be sustained, is *money*.

It's not money. Money is a derivative. The resource it's derived from, the resource it maps to, the resource it measures, is *trust*.

It's a logical fallacy, it's called "argumentum ad crumenam" -- "the logic of the purse". In this fallacy, to acquire money means to administer trust. But we don't live there anymore. It's over. If anything, the acquisition of money, these days, doesn't provide trust ... it demands trust. Greater and greater amounts of trust.

Trust is the resource that was depleted first. And I'm here tonight to talk about how it went away, and what it will take to get it back. Because the deficit of trust has made the hole we've dug unfillable.

I've invested in my own companies, in large public companies, in non-profits, in New York City start ups. Money has always followed trust, and that trust came from a sense of transparency and communication. A sense that I knew where the money would go.

But I never gave to Cooper Union. Because I never could figure it out. I can hardly figure it out now, in spite of the amazing efforts of Barry and Professor Stock earlier in the evening. Because meanwhile I have a team of forensic accountants who say they haven't seen anything this fucked up from anyone who wasn't being deliberately obstructive.

I want you to think about it: if someone asked you for \$10,000 -- whoever they are -- and when you asked, can I find out how that's been spent, be told, that's not really your business... would you invest it?

If someone asked you for \$10,000 and had a board of people who were going to spend it, and no one was supervising them -- no one! -- and they were accountable to no one -- no one! -- and if you asked, can I find out what you guys are even talking about and they said -- no! -- and you said, can I even talk to you -- and they said -- no! -- would you invest in that? If it were for profit, would you believe that it would be likely to be profitable?

And yet, that's where we are. Can you imagine a company, in a crisis, that would bar the NYT, Reuters, and the Wall Street Journal from the room -- from this room! The Great Hall! -- and bring its chairman to address its shareholders who will only answer prepared questions with a lawyer at his side?

What is produced in a spectacle like that? What is consumed? What is exhausted?

Transparency is not a promise. It's not an idea. It's action. The answer to whether Cooper Union should be more transparent is not the word "yes." The answer is to be more transparent.

And so we asked, on November 7th, whether there were any conflicts of interest between the business operations of the Board of Trustees and the business operations of Cooper Union. The Chairman said:

"Every year, the trustees fill out a conflict of interest statement and that's made public. If there's any conflict, potential conflict, or appearance of conflict involving Cooper Union, its public."

In following up on this publicness, we received the following response from TC Westcott:

"Regarding the COI, we can make the *policy* available not the completed questionnaires... The actual questionnaires are confidential because they include personal information. However, when a potential conflict is disclosed that information appears in the 990."

But a bunch of forensic accountants, when crunching the 990s found one -- but *not* because it was listed as potential conflict, but rather because it emerged from information that they puzzled together.

This one is just an example, I don't mean to give it undue weight. It concerns Sandra Priest Rose, who was a trustee for several years, including the years in which the New Building contracts were initiated and fulfilled.

Between 2006 and 2009, as part of those contracts, Cooper Union paid Jonathan Rose Companies \$2MM to supervise construction. That company is run by Jonathan F. P. Rose. The trustee Sandra Priest Rose *is his mother*. [Audience: "oh my god."] Oh my god.

Let me be clear: the Rose family does amazing things, for Cooper Union, for New York City. We all of us, owe them. We really owe them! And perhaps her son's company really happened to be the very best for the job and provided the most competitive bid. That is entirely possible. But that's why it's a fucking *question*.

And that's why the *answer* is not to state policy. It's to state fact. It's to address the spirit of the question, which is not about policy. If we'd heard about this potential conflict when we asked about potential conflicts, instead of from forensic accountants, then we wouldn't have used up so much of those precious resources: not just time, but *trust*.

I'm happy if the Roses thrive, I really am. For their generosity if for no other reason. I just want to know, if you ask me for \$10,000, and say it's going to be spent responsibly, I'd like to get a heads up that responsible spending will keep it in the family. It's possible to do that. I don't discourage it. *I just want to know*.

There is an alumni representative to the Trustees, Don Blauweiss. I offered him my spot here tonight, because I would rather listen than talk. What he said -- and god knows I don't blame Don for this -- is that he can't, because he's privy to sensitive and confidential information. But if the delegate to the trustees cannot speak to the group that has delegated him, *what is he there for?*

Everyone tells me, everyone says, we have to put the past behind us and just move forward, just build. And I say, yes, let's build. We are all of us here, makers, builders.

We're makers and builders, but so if we don't know what we're working with, how are we to build? If we can't see the material, how can we work with it?

I say, let's work with trust. And I challenge Cooper Union to help restore that resource, that foundation, I offer my help however I can, and say, let's build.

After a month of pestering, one week ago, you released the KPMG docs. Thank you for that, *no really: thank you*. Released a bunch of numbers that were erroneous and then quickly corrected them. Thank you for that too.

You stopped secretly editing the mission statement of the institution on the website. Thank you for that. You are going to have the trustees review the trustees. Fewer thanks for that. Less gratitude. If you will provide us with the minutes and notes that are germane to the financial situation of Cooper Union, to its investments, business interests, transactions, et al, we would thank you for that. If you would stop saying that Cooper Union dodged a bullet without mentioning that it's because it was falling down at the time, we'd thank you for that. If you will stop pretending that things are alright, when we know that they are not, we would thank you for that. If you would admit that the hole that is dug is dug with bad information and with silence, we would thank you for that and set out to fill it together with something solid.

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Let me be clear. I am not trying to pay back the education I got. That's called a student loan.

No, when I give, I am funding the education of the *future*. That's not *repaying* something. That's *investing* in something.

So as an investor, I challenge you, President Bharucha, the Board, I challenge you to find the real and *sustainable resources* -- transparency, communication, trust, and integrity -- resources that can be renewed endlessly. I'll break my back to build on those and I know that's true of everyone here.

Do not allow our investment to fail.