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To the USCF Delegates and Alternates:

Re: Petition to Recall Bill Goichberg from the USCF Executive Board

Dear Delegates, Alternates and Members:

I am writing to you because of a grave crisis that confronts the United States Chess Federation. Yes, I know that every year we have another grave crisis, so what else is new? But this is the mother of all grave crises, because this grave crisis **THREATENS THE ENTIRE EXISTENCE OF THE UNITED STATES CHESS FEDERATION.**

The crisis has arisen because USCF President Bill Goichberg has proposed and the entire board has passed 6-0 without discussion a plan to turn *Chess Life* and *Chess Life for Kids* magazines into online publications, so that the regular adult and regular scholastic members will no longer receive either *Chess Life* or *Chess Life for Kids* in the mail. The members will also no longer receive membership cards. Life Memberships will no longer be sold. Instead, the regular members will receive a brief quarterly bulletin directing them to a website where they can read *Chess Life* and *Chess Life for Kids* on the Internet.

Here are the exact relevant words of the pending motion by Goichberg to change the by-laws. This is found in **ADM 08-25, Section 9**, on page 21 of the **2008 Delegates' Call**, which can be downloaded at <http://main.uschess.org/docs/gov/reports/2008DelegatesCall.pdf> :

"Each Regular and Youth member shall be entitled to receive a bimonthly paper bulletin, as well as (if providing an e-mail address) a password enabling access to the online version of Chess Life magazine. Each Scholastic member shall be entitled to a paper bulletin issued each four months, as well as (if providing an e-mail address) a password enabling access to the online version of Chess Life for Kids magazine."

These words make it clear that Regular USCF members will no longer receive *Chess Life* magazine in the mail.

This proposed change has evoked outrage among those USCF members who have heard about it. However, most members have not heard about this, which is the reason why I am writing you.

When Bill Goichberg was elected USCF President in 2005, nobody campaigned harder for him to be elected than I did. I thought that Goichberg would be a good president. He had wanted to be president for more than 30 years and I felt that he deserved the the chance. I dismissed nay-sayers who complained that Goichberg had a conflict of interest.

However, subsequent events have demonstrated that Bill Goichberg is entirely unsuitable to be USCF President. His presidency has been a disaster. His term of office will not expire until August 2009. With Goichberg as president, the USCF will not survive that long. He must be removed now!

Bill Goichberg is not entirely bad, not at all. There are many good things about him, which is the

reason why I supported him for more than 40 years until just recently.

However, there is one thing that is really bad about Bill Goichberg, which I did not fully realize until recently, which is:

GOICHBERG DOES NOT LISTEN TO ANYBODY

Goichberg is truly independent. He makes up his own mind about things. This, by itself, is good. However, when you are the president of an organization like the USCF with 86,000 members, you must listen and pay attention to what the members want. Goichberg does not do that.

The worst part is:

GOICHBERG NEVER CHANGES HIS MIND.

This is the real problem. Just about everybody who has commented on his plan to put *Chess Life* online has told Bill Goichberg that his idea is bad, wrong, destructive, terrible, horrible and awful. Yet, **GOICHBERG WILL NOT LISTEN**. Some have gone further, telling Goichberg that his idea is “insane” and “suicidal”. Those saying these strong words include some of the most distinguished, respected and well known, long standing members of the USCF.

For example, Grandmaster Larry Evans has commented, “This will be the death knell of the organization”.

Dr. Frank Brady, the founder of Chess Life magazine who is now Chairman of the Department of Journalism of St. John's University, has written a detailed letter explaining why the Goichberg “New Plan”, as Goichberg calls, it will not work.

In response, Randy Bauer, a board member who strongly supports the plan to turn *Chess Life* into an online publication, had written back to Dr. Brady a highly insulting letter, dismissing Dr. Brady as an “academic”, as opposed to Bauer who claims to have experience in the business world. (Bauer once had a job working for a state government. That is his claim to be an expert in business.)

On May 18, 2008, Bauer wrote about Chess Life: **“IT IS A DINASOUR. GET OVER IT. Time to move on. Randy Bauer.”**

Here is what Dr. Frank Brady wrote on May 18, 2008:

Colleagues:

As the founding Editor of Chess Life, and as someone who has been in the magazine business for a number of years, I can say the following: the reason that some magazines and newspapers are switching from print to on-line versions is because of a lack of advertising (due to the poor economy). Arthur Sulzberger, the publisher of The New York Times, told me personally that he was “message agnostic” and that he didn't care whether there would be a hard copy of the Times or whether it would eventually be delivered totally online. However, the online version has yet to make money...and the Times is hurting financially.

Since Chess Life is not an advertising-driven medium (although it has some ads), it should be looked at from its promotional and “pride” value.

If I were still on the USCF Board I would definitely vote against turning Chess Life into an online publication. And for what it is worth, I have both an online and a home-delivery subscription to The New York Times, and I rarely ever read the on-line version. I might also point out that many marketers are giving up on e-mail and online approaches because it's just not working. They are reverting to the old tried and true direct mail efforts.

Dr. Frank Brady, President
Marshall Chess Club

In response, Randy Bauer dismissed Dr. Brady's comments in BINFO 200802983 on May 21, 2008, saying, "I'm sure a journalism department is a great place to educate future journalists, and if this were a question about how to educate future USCF journalists, Frank Brady would definitely be a dispositive source."

Here is what Former USCF President Tim Redman wrote on May 15, 2008:

I agree with the substance of these messages. On December 23 after members of the LMA Committee reviewed the six-month financials, I sent our analysis to President Goichberg and others. We predicted a fiscal year loss in the \$100,000-\$200,000 and a serious cash crunch in the summer. We recommended immediate cost-cutting measures in Crossville. Bill chose to take the advice instead of two undoubted financial experts in the Federation who projected a much rosier scenario.

Unfortunately weeds came in where the roses were supposed to be.

The new dues plan is fatally flawed for several reasons:

- 1) it is way too complicated and confusing.
- 2) It is not price-point sensitive.
- 3) It will lead to the demise of one important and tangible benefit, Chess Life. I think something like half of our renewing regular members don't play in rated tournaments in any given year.
- 4) It will lead to declining revenues.

Cordially,

Tim Redman

Al Lawrence wrote to the board on May 20, 2008,

"In fact, I'm concerned that there's not a hint of self-doubt in your email. I think that's a risky attitude. I'd resist circling the wagons, and find some unbiased experts outside the Federation who can help with this big decision. It would be worth spending some money on before plunging into the deep end of a drained pool. . . . I'd suggest that, before scuttling Chess Life, you and your colleagues do some research. Perhaps contacting other organizations whose members have something in common with us to see how sister organizations have wrestled with this question could help."

Bauer's response to all these objections is, "Please note that this is NOT about eliminating Chess Life as a major marketing asset. This is only about how it is delivered."

In short, Bauer feels that the members and the delegates should not be concerned about the fact that regular USCF members will no longer receive Chess Life in the US mail, as they will still be able to

read it online on the Internet.

Mike Goodall, former President of the California Chess Association, wrote on July 13, 2008:

Have you heard anything recently about Calchess? Neither have I. They put their magazine on line a couple of years ago, and then went out of business, more or less. Somebody still makes a fortune running an annual scholastic tournament, but that's about it. The magazine which used to bind the organization together, is no longer printed. Now you want to do the same with Chess Life. This has to be the dumbest idea to come down the pike is quite awhile. Don't you understand that it takes membership dues to support the magazine? Too many potential members will opt out of paying for the magazine if given the choice. Anybody who has worked the registration desk at any tournament will tell you that. After the magazine the only thing included for the dues is a rating. Do you really think that players will pay \$29/yr for a rating? That's stretching it. Our Board members don't have the sense they were born with. The sad part of this whole thing is that even after the delegates reject the idea Goichberg will wait a couple of months and do it anyway, knowing that he won't have to account for the damage until next year

Mike Goodall

Goichberg points out that under his plan the regular USCF membership dues will be reduced to \$29, as opposed to the either \$41 or \$49 dues today. Goichberg feels that the membership will go up with the lower dues. Goichberg finds no problem with the fact that the regular members will receive no magazine or even a membership card in the mail in return for paying \$29. Goichberg feels that since the printing and mailing of *Chess Life* is the biggest expense the USCF has, the federation's problems will be solved simply by cutting the magazine. New members will flock to join the USCF because of the lower dues, says Goichberg.

However, Goichberg has ignored four letters from Hanon Russell, owner of USCF Sales, dated June 7 and 8, and July 18 and 30, 2008, which strongly imply that Hanon Russell will stop paying the \$150,000 per year that he is currently paying to be the official vendor of USCF Books and Equipment. The current issue of *Chess Life* has 16 pages of ads from USCF Sales. That is what he is paying the \$150,000 for. On June 7, 2008, Hanon Russell wrote:

"It has come to my attention that there is a proposal that would reduce the number of copies of Chess Life distributed to the membership. Although I appreciate the board's desire to cut expenses in these trying economic times, this idea is a bad one for several reasons.

Without the magazine arriving each month, any stimulus for members to become more active, participate in chess events, follow the goings-on in American chess, not to mention purchase chess books and equipment from their national federation, will slowly but surely erode. The identity of the USCF will be at risk, becoming only the custodian of a chess rating system, not the face for the history and culture of chess. A monthly publication encourages a sense of community, an affiliation with others which a bare bones organization can never hope to achieve.

From the point of view of retail sales to USCF members, this is another discouraging development. We have already had to bring in legal counsel as a result of what I considered an egregious material breach of the agreement. Please re-think the proposed changes in Chess Life. If implemented, these changes will be essentially irrevocable. Consider hiring someone who has professional marketing and public relations experience with other

organizations.

Goichberg respond to these two letters with a letter essentially saying that these changes will be good for Hanon Russell, implying that Goichberg knows better than Hanon Russell knows about how he should run his business. Hanon Russell responded on July 18, 2008 as follows:

It is also my understanding that there may be a line item that will purport to show a substantial amount owed to the USCF by CyberCafes. Amounts that I have seen thrown about have been in the \$40,000-\$80,000 range. Finally, there are the matters of the possible claims related to the House of Staunton and Chess Life (reduced circulation) matters. None of these issues has been resolved, or is even close to being resolved at this time. And we have not been contacted by the auditors to confirm, deny or explain any of them. I reject any attempt or claim to alter the agreement, an agreement under which I have already made substantial payments. I expect that any representation in the audit of any alleged amount owed by us to the USCF will conform with generally accepted accounting principles, viz., that it will clearly state that any amount over \$14,000 shown is disputed - in its entirety.

These persistent problems with USCF Sales are a direct result of the incompetence and mismanagement of Bill Goichberg. However, this is not even the biggest problem with Bill Goichberg. A bigger problem is that as President,

GOICHBURG DOES NOT TELL THE OTHER BOARD MEMBERS WHAT HE IS DOING.

During my one year on the board, we, the board members, were constantly frustrated by this problem. Goichberg had two board members in his hip pocket, who would never vote against Goichberg even when they would admit privately that he was wrong. This left the three of us who were independent of Goichberg and had different ideas. However, on a six member board we could never overturn anything Goichberg did, because the best we could ever get was 3-3 tie vote which means that our motions failed. Thus, we were not participants in governance. We were just spectators.

Even worse, Goichberg would do things without telling the rest of the board about it at all. There are numerous examples of this. For example, in November, 2006, an announcement appeared on the USCF website that the 2007 US Championship and Zonal Qualifier would be a 32 player two-game knockout event played online over the Internet from regional centers. Nobody else on the board had even heard of this plan. We certainly had not approved of it. This was all done by Goichberg. Later, this plan failed because no sponsor could be found for this event. Goichberg should never have announced this event without a signed contract from a sponsor. Goichberg implied that Merrill Lynch was going to sponsor the event. This was a pure fabrication. No executive of Merrill Lynch with decision making authority had ever any expressed interest in putting up money for such an event. Then Goichberg decided to make the US Championship into an open tournament that anybody, including even rank beginners, could enter upon payment of \$20,000. Again, the board had never approved nor even knew about this plan. As it turned out, no beginner paid \$20,000 to play in the US Championship, but two players who had not qualified bought their way in by paying \$5,000 and \$4,000 each.

Another thing, Goichberg decided that the US Championship should have four women players in the tournament. When only two women with reasonably high ratings accepted, Goichberg went down the line, inviting lower and lower rated women players, who kept declining because they did not want to be the "token women" in an event where they had no chance, until finally two girl experts rated below 2200 accepted, whereas Grandmaster strength players like Ben Finegold rated over 2600 who wanted very much to play was not allowed to get into the tournament. Finegold had not "qualified" because he does not like Goichberg tournaments, which many of the qualifiers were.

Again, Goichberg did all this without even telling the other board members about it.

This debasing of the formerly prestigious **US Championship** has had long range effects. This year only five players accepted invitations to the **US Junior Championship**. More than 70 players were invited down the list, as top players kept declining. Normally, the US Junior is among the most prestigious chess events in the US and the competition is fierce to get in. Normally, it requires a rating of about 2400 to be invited. This year, the organizers were inviting players down to the 2000 level and getting few takers.

The reason, as one former US Junior Champion has explained, is that the US Junior Championship has been debased. First prize is an invitation to the US Championship, previously an all grandmaster event where only the top 14 rated players in the US can play. Now that Goichberg has opened the US Championship to qualifiers and to anyone willing to pay money without regard to rating, there is little interest among our top young players in trying to win an invitation as a prize.

Furthermore, thus far there are no sponsors for the 2009 US Championship, as who wants to put up money for an event where the primary way to get in is to qualify from a Goichberg tournament. Since Goichberg is getting the entry fees, Goichberg should put up the money, they say.

The important point here is the board never voted to do this. The USCF Executive Board never voted to make the US Championship into a Super-Goichberg Open Swiss Tournament. The board never voted on or even knew about any of these things. Goichberg, using and abusing his position as USCF President, did all of these things completely himself. The board simply could not stop him, although we tried. Goichberg has Bill Hall as his yes-man and that is a big part of the problem.

What was especially annoying to me, Sam Sloan, was that every time a problem developed with the Goichberg self-serving schemes and plans, he blamed me, Sam Sloan, for their failure. For example, the Goichberg plan to hold the US Championship and Zonal Tournament as a 32 player knock-out played over the Internet was ridiculous on its face plus, we later found out, it violated FIDE rules. When no sponsor came forward to sponsor the event, Goichberg said it was all the fault of Sam Sloan. Every problem the USCF had was the all fault of Sam Sloan, Goichberg said. Rather than attending to the business of the USCF, Goichberg became obsessed with trying to get rid of me. He wrote five letters to the USCF paid legal counsel asking how to get rid of Sam Sloan and he made repeated motions to censure or reprimand me. All we had to do is get rid of Sam Sloan and everything will be sweetness and light again, said Goichberg, on 17,000 postcards he mailed to USCF members. These acts by Bill Goichberg have had as a direct consequence the massive, expensive litigation now in the courts including the need of the USCF to file a new legal proceeding in Lubbock, Texas last week.

The fact is the USCF has been on a downward slope ever since Goichberg first got elected as USCF Vice-President in 1996. Up until 1996, the USCF had a healthy surplus every year. We were making money. As soon as Goichberg came in, we started losing money. From 1996 to the present, The USCF has lost more than two million dollars. The accounting and bookkeeping has been so messed up that nobody knows how much money we have really lost. However, in just the three years since Goichberg became president in 2005, we have lost more than \$500,000 altogether.

In this fiscal year just completed, a member of the finance committee has reported that the loss is \$144,000. Bill Hall says that the loss is “only” \$73,000, but that is after removing the cap on “imaginary money” that the delegates voted at the 2007 delegates meeting. It appears that the loss for this year in real money is \$258,000.

Goichberg wrote that the real loss will be “only” \$50,000 “which is good considering” he wrote Goichberg on July 17, 2008. Meanwhile, a member of the USCF Finance Committee says that the loss of “only” \$50,000 is achieved because \$85,000 due from Hanon Russell and USCF Sales has been

booked as an “account receivable” whereas Hanon Russell is refusing to pay and is not going to pay. Also, the board is bringing back \$70,000 in “imaginary money” which the Delegates voted in 2007 not to be counted as income, since it does not exist. This imaginary money is being brought back in on the pretext of “accrual accounting”, although it should be written off as a total loss.

This is why Goichberg wants to abolish *Chess Life* and *Chess Life for Kids* magazines. He claims that these losses of \$500,000 are due to “competition from the Internet”. So, according to Goichberg, all we have to do is stop printing *Chess Life* and *Chess Life for Kids* and we will be profitable again. Of course, if these magazines are no longer printed and the 86,000 members keep sending in their membership dues anyway, the losses will stop. But, wait a second! Did not he say last year that all we have to do was get rid of Sam Sloan and all the USCF's problems will be solved? By the way, during my one year on the board, the USCF showed a profit, the only real profit the USCF has had since 1996. Is it possible that Sam Sloan had something to do with that??

The Bottom Line is:

1. The USCF has lost more than \$2 million since Bill Goichberg first became USCF Vice-President in 1996. Goichberg has done nothing to stop these losses. He even brags that the USCF has “only” lost \$50,000 this year, although in real money the USCF has lost more than \$250,000.
2. Goichberg runs the USCF as a one-man dictatorship. He does things without a vote and without even telling the other board members what he is doing.
3. Goichberg is determined to go ahead with his plans to turn *Chess Life* and *Chess Life for Kids* into online publications, even though many USCF members have told him that his plans are “insane” and even “suicidal”.
4. Goichberg refuses to make necessary changes to save the organization. He refuses to fire Bill Hall even though Hall is utterly worthless and the USCF has lost more than \$500,000 in the three years that Hall has been Executive Director. Goichberg refuses to cut staff and expenses or to eliminate non-productive employees and consultants.

For all of these reasons, I ask you to come to the Delegates meeting in Dallas, August 9-10, to vote against the Goichberg “New Plan”, **ADM 08-25**, and to sign and mail the petition to recall and remove Bill Goichberg from the USCF Executive Board.

Starting today, a Petition to Recall Bill Goichberg from the USCF Executive Board is being circulated. Signatures are requested. The Petition is on the reverse side of this letter. Please copy it and mail it or circulate it for signatures. The two letters explaining the reasons for this petition and the petition itself are online here:

<http://www.anusha.com/goichberg-recall-petition.pdf>
<http://www.anusha.com/2thedelegates.pdf>
<http://www.anusha.com/oust-goichberg.pdf>

The identity of anybody who signs this petition will be kept confidential until enough signatures are collected to force a recall election.

Very Truly Yours,



Sam Sloan