

# COOP FOUNDER, GENERAL MANAGER, TREASURER JOE HOLTZ SUSPENDED WITHOUT PAY FOR 30 DAYS, BARRED FROM ENTERING FOOD COOP

July 25, 2022



*By Hayley Gorenberg*

Coop General Manager and Treasurer Joe Holtz, who helped found the Coop in 1973, was suspended for 30 days without pay and barred from the Coop premises until July 31 for breaching COVID protocols by returning to work while awaiting test results.

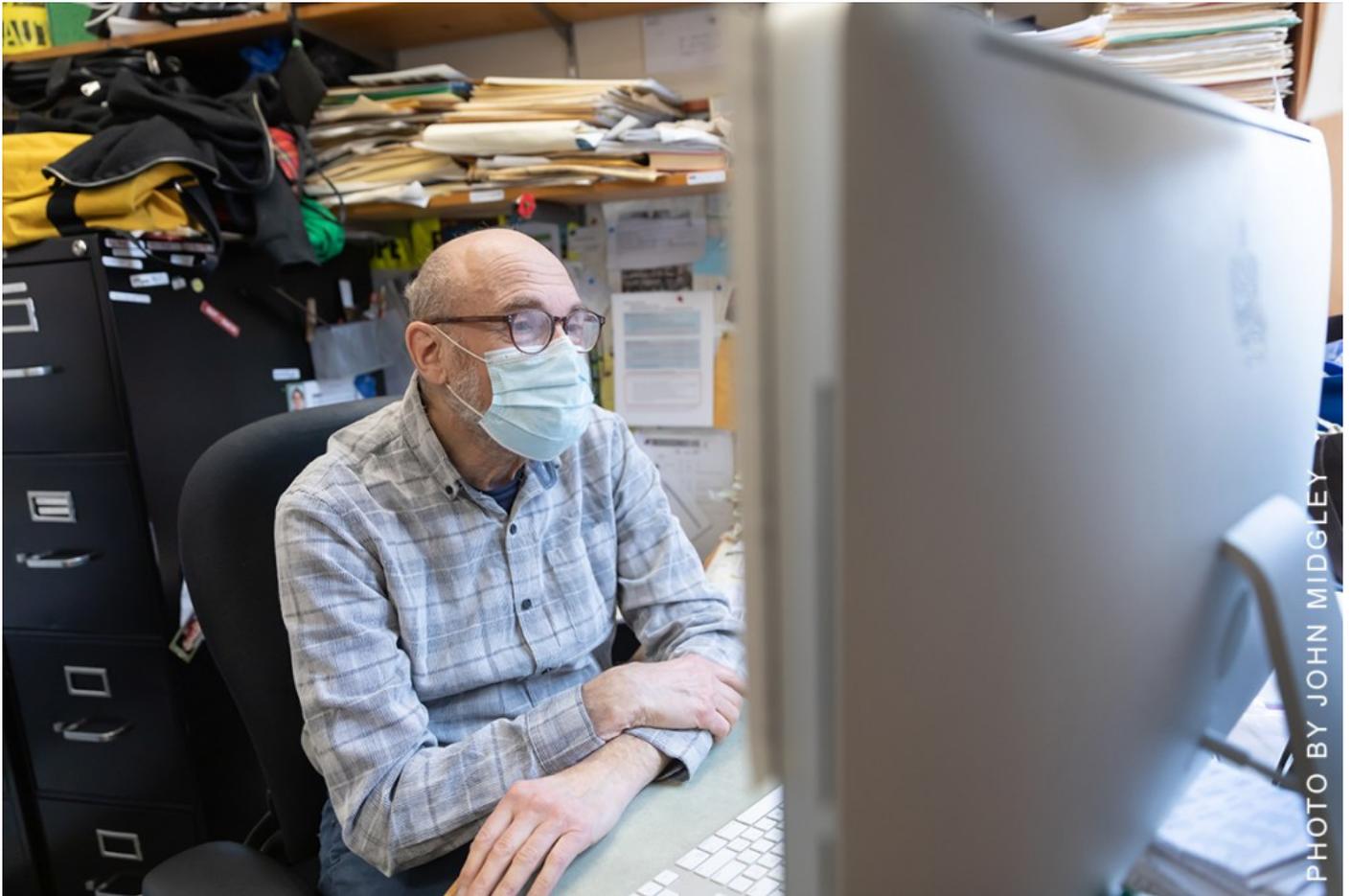
Contacted for this article, Holtz spoke openly and related that on May 22 he lunched with a friend, who called the next day to report a positive COVID test. Holtz took a rapid test, which was negative. He decided to get a PCR test when he noticed that his usual seasonal cough might be taking a different turn. He went to work early the morning of May 26 wearing an N95 mask and left work to get tested when a nearby test site opened that morning. He returned to work, and asserted that he remained

masked throughout the day.

Overnight Holtz learned he had tested positive for COVID, notified the Coop, and began to isolate. He started taking the antiviral COVID medication Paxlovid and quickly recovered.

Holtz said he had forgotten that, per Coop policy, he ought not to have returned to work while awaiting PCR results. He said that during his isolation or soon afterwards he noted that the Coop's online screen-by-screen guidance for staff members exposed to COVID did not include instructions on what to do if one were to develop symptoms in the absence of a positive test, and that he suggested modifying it to do so.

Following a complaint, on June 17 Holtz met with the Coop's Personnel Committee, a group of members who have the power to hire, discipline and fire top Coop staff. He said he readily acknowledged erring in returning to work while awaiting results from his PCR test. About two weeks later, on June 30 around 3 p.m., Holtz was called into a meeting with a member of the Personnel Committee and a General Coordinator and informed that, effective at midnight, he was being suspended for 30 days without pay. During this period he could not access his email or enter the Coop for any reason.



Joe Holtz, in a photograph from earlier in 2022

Holtz asserted that he is very committed to Coop COVID safety. “I care very much about health policies. I back up staff about the policies,” he said. He related that he had recently been enlisted by staff to personally enforce Coop masking policy when a member repeatedly refused to wear a mask properly while shopping. In that instance, he said he offered the member “a mask that would stay up over their nose and mouth,” and told them, “You can leave without groceries, or put on a mask and leave with the groceries.”

Holtz characterized his penalty—banishment from the Coop and loss of about 8 percent of his annual salary—as “coming down with an incredible sledgehammer.” He expressed concern that he was being regarded as a “COVID cowboy” after a single policy violation, and posited that it could be related to other disagreements among leadership.

## **BOARD, COMMITTEES GET NEWS**

Coop Board members and some member-run committees learned about Holtz's suspension from Holtz himself, in a 4:37 p.m. email on June 30 that stated, in part, "In regard to the absurdity of planning for this administrative leave between now and midnight there is a good chance that things will be coming my way that need my attention and that the Coop will be hurt as a result....It is punishment for me but also for the Coop since I cannot adequately plan to protect the Coop in such a time frame.... Not giving me adequate notice to plan prevents me from attending to important things for the Food Coop."

Rachel Porter, who has been a Coop member since the mid-1990s and has worked with Holtz on the Coop's Revolving Loan Committee, received Holtz's email and immediately wrote to Board members, the Personnel Committee, and members of other committees—and attempted to email all staff—stating, "The secretive, disproportionate and vindictive punishment of Joe Holtz is deeply uncooperative and contrary to the Coop's principles....I believe that the decision should be widely disseminated and discussed, ideally by all members and staff."

Porter authored a proposal passed by the General Meeting earlier this year creating a Committee Oversight Committee "to provide modest oversight of all PSFC committees" through reporting, updates to the General Meeting, and other structured communications. (The July 26 General Meeting agenda includes elections for members of the Committee Oversight Committee.)

Minutes before his suspension kicked in at midnight, Holtz emailed the Personnel Committee:

*"The punishment you have meted out is enormous compared to the mistake that was made by me. The purpose of punishment should be to help a person realize that a mistake was important and should not happen again....Given that I had already learned from my mistake and you have no reason to think otherwise, I realize that it*

*is still possible that a punishment would still be in order just to help make sure that I learned. But 30 days as a pariah without even being allowed to shop. That is ridiculously heavy handed and unfair on a personal level.*

*“THE PUNISHMENT YOU HAVE METED OUT IS ENORMOUS COMPARED TO THE MISTAKE THAT WAS MADE BY ME.”*

*—JOE HOLTZ, PSFC GENERAL MANAGER AND TREASURER*

*On the corporate level, to give the GM of the Coop about 8 hours (indeed racing against time as I type and think) to get his affairs in order is absurd....Your timing shows wanton disregard for the health of the Coop and the many contingencies that may occur during my forced banishment....*

*All in all I find this decision of yours totally unacceptable. You should reconsider.”*

They did not.



Holtz's desk sits empty.

## **SEEKING POLICY INFORMATION**

On July 13, after multiple requests from the *Linewaiters' Gazette* for the Coop's COVID testing policy, General Coordinator Ann Herpel provided the *Gazette* a "Dear Staff" letter dated July 12, almost two weeks after Holtz's suspension, which noted that high local COVID infection rates showed that "It is critical that we continue to take all the necessary measures we can to reduce the likelihood of transmission among the Coop staff." The notice emphasized that "[m]asks must be worn at all times on all floors unless you are working alone in a room" and closed with a statement in red type that tracked the violation cited for Holtz's disciplinary penalty: "We want to reiterate that one protocol has not changed since the onset of the pandemic: If you experience COVID-like symptoms, get tested immediately and stay home while you wait for the results. Please do not come to work if you have symptoms."

The letter included links to a "close contact form" and a "tested positive form" to fill

out online, and said, “After answering the questions in either form, you will be provided with the protocols you are to follow at the Coop” via a subsequently emailed attachment.

Receiving Coordinator Gillian Chi, who has worked at the Coop for 15 years, said she believed the letter was issued “because several of us said, ‘Where is this policy? Where is this stated? Policies that you say are abundantly clear—can you show us where they are?’ And that’s the email that was given in response.”

Chi said that the protocols are not visible unless a staff member clicks a link indicating they have already been exposed or tested positive. “I’ve gone to the [staff] home page, and it is not clear,” Chi said. “You have to click on a link saying ‘I was exposed, and what do I do next?’ You have to click on a survey, and based on the survey you get an email saying what to do next. So you have to actually be the person in that situation to actually find out what that policy is.”

Chi did not want to address Holtz’s suspension without pay for the *Gazette*, but reacted strongly to what she termed “banishment” from the Coop. “Banning [Joe] from the building for 30 days is just astonishing to me. It is excessive. It is unnecessary. It is vindictive. It’s personal. It’s a personal attack. It’s like a public shaming. It’s like a shunning.”

She was not alone among staff in her reaction, Chi said, noting that 16 staff had agreed to sign a possible letter of objection to the Personnel Committee, and that even though staff were not all in agreement, those who object are “definitely not a small number.”

Chi deemed the apparently unchecked Personnel Committee “a possible flaw in our system,” saying, “There has to be a way to appeal, to challenge what they’ve done. It would be kind of shocking if there was no mechanism for anyone to ever question the decisions that they make. Let’s say they were tired of all the General Coordinators and wanted to fire them all and bring in a new crew. At the very least we definitely

need more transparency about their authority and what we do if their decisions endanger the social, emotional health of the Coop.”

Chi, who noted that she has vociferously disagreed with Holtz on significant issues in the past, including when to have member labor return after the pandemic hit, said she decided to speak up because “I feel like if I’m silent on this, I’m complicit. If I don’t stand up for him, I can’t respect myself. And because I care about the Coop, I don’t want the Coop to be doing these insane things.”

Membership Coordinator Karen Mancuso stated, “I’ve heard rumors that there are people who want Joe to retire. I have no idea if it’s true or if this was an attempt to push him out. Regardless, I think the membership and the rest of the staff deserve to know more. We are talking about the man who co-founded the Coop and has devoted his life to its success. This situation affects the entire Coop.”

## **GENERAL COORDINATORS MUM**

Aside from the emailed staff letter dated July 12, the General Coordinators refused to comment for this article—despite requests by phone and in person at the Coop office—directing questions to the Personnel Committee’s general committee email address. *(Editors’ note: The General Coordinators also directed us not to publish this article.)*

In response to a dozen specific questions posed to the Personnel Committee seeking clarity on the Coop’s policy for staff testing (including consequences for violating protocol) and asking whether there had been any previous violations; the range of any penalties imposed; the committee’s specific charge; guidelines for deciding penalties; any limits on penalties; and anything further the committee would like members to know, the committee responded on July 8:

*“In response to questions regarding the Coop’s policies and prior application of them, you would need to speak to the General Coordinators as they create and implement*

*personnel policies at the Coop.*

*With respect to the role of the Personnel Committee, the Committee is an elected group of members that serves in an advisory capacity to the General Coordinators, supporting them with personnel matters such as performance evaluations, succession planning, and developing human resources policies. The Personnel Committee was created in the 1980s through decisions of the General Meeting. In addition to its advisory role, the Personnel Committee is empowered by decisions of the General Meeting with the authority to handle personnel issues relating to the General Coordinators. That authority extends to decisions about GC hiring, salaries and discipline.*

*Any decision that the Personnel Committee makes regarding hiring, discipline or terms of employment for the General Coordinators is always made in consultation with the General Coordinator team. This is necessary to ensure that, for example, the Committee's decisions regarding hiring of a General Coordinator fulfill the needs of the Coop. The same is true of disciplinary decisions the Committee makes regarding General Coordinators; the Committee ensures that any disciplinary actions will not affect the functioning of the Coop by working in consultation with the other General Coordinators.*

*With respect to the role of the Board, the Personnel Committee is distinct from the Board. We would recommend you speak directly with the Board to get a better sense of their mandate and authority."*

When pressed for an interview, the Personnel Committee emailed on July 9, stating,

*"In response to your request to speak with a member of the Personnel Committee, we appreciate your desire to learn more about this personnel decision. Given our role, however, we feel it would be inappropriate for us to comment publicly on disciplinary measures involving any of the Coop's staff. As we are sure you understand, it is our obligation to respect the privacy of the staff and members who were involved in this personnel decision, not only those on whom discipline was imposed but also those*

*who participated in the underlying investigation.*

*If you have further questions you would like to send in writing, we would be happy to review and respond where we can."*

There was no response, in the five days before the *Gazette* deadline, to additional questions posed on July 9: "What is the guiding philosophy or framework for the committee's choice and exercise of discretion with regard to disciplinary measures you impose? What is the goal of disciplinary measures? How do you decide what is enough, and not too little or too much? What are the considerations for fairness and effectiveness?"



A name tag hangs on a wall

PHOTO BY JOHN MIDGLEY

## **BOARD REFLECTS**

Coop Board members interviewed for this article confirmed that the Board did not know the Personnel Committee had sent the Coop's General Manager and Treasurer packing for a month without pay until Holtz himself sent word.

When the Board learned of Holtz's disciplinary penalty, it took the highly unusual step of convening outside of the General Meeting. Though Board members freely expressed concern that the month-long unpaid suspension took effect precipitously and might be out of proportion, their only official action was to assess whether the Coop could function with Holtz gone. They said they constrained their probing because of the PSFC Board's special hands-off relationship where, by design, the Coop seeks to have the General Meeting govern the corporation.

"We have a very specific job," said current PSFC Board President Imani Q'ryn, who has served on the Board for 17 years and on the Chair Committee for 20. Q'ryn referenced the Board's limited role—to ratify the decisions of the General Meeting. "Ours is not to make policy or decide what's going to happen."

Thus Q'ryn did not consider it unorthodox that neither the Personnel Committee nor the General Coordinators alerted the Board in advance of taking action. "In light of the fact that the Personnel Committee and the General Coordinators had put everything in order to take care of the Coop, I'm not sure that we needed to find out," she said. "I think that there are a lot of things that have happened that we haven't found out about. We find out in the meetings. You all are watching the Board meet. We listen to the items that come through the Agenda Committee, listening to the advice of the members, and ratifying those votes. That's why we need to have more members at those meetings. Here's the way we make the rules, y'all! This is our governing, and all you have to do is come to the meeting. You can say whatever you want. You don't have to sit around and say, 'They're not doing this,' and 'They're not doing that.' It's us!"

Nevertheless, when Holtz emailed the Board, “We had our concerns because Joe is the General Manager of the Coop, and one of our duties is to make sure that the business of the Coop is safe,” Q’ryn said. When the Board learned of the suspension of the Coop’s General Manager and Treasurer, it conferred with the Coop’s general counsel and believed it was justified in meeting and communicating with the Personnel Committee, the General Coordinators, and Holtz. “It was very serious, us even thinking we had to talk, because generally the Board doesn’t meet outside of the General Meeting,” Q’ryn said. She said the General Coordinators provided extensive plans, assuring the Board that the Coop could continue unharmed in Holtz’s 30-day absence.

Q’ryn expressed personal concern about the severity of the penalty, but opined that the Board had no place considering it. “Without having all the information it seems harsh,” she said. “It seems uncooperative. And it made me sad. They didn’t mention giving him a warning, a reprimand,” she said. “I wonder about impacting someone’s finances and...I think as a cooperative, and being cooperative with each other, I was looking for the love in the situation.”

“I THINK AS A COOPERATIVE, AND BEING COOPERATIVE WITH EACH OTHER, I WAS LOOKING FOR THE LOVE IN THE SITUATION.”

—**IMANI Q’RYN**, PSFC BOARD PRESIDENT

“I think most of us were thinking that 30 days was a long time,” Q’ryn continued. “It just seems punitive in terms of what we were told the issue is. But one of the General Coordinators said to us without having all of the information from the investigation that they did, it’s hard to say what’s really punitive. Even though many of us thought it was unfair, based on looking from the outside like everybody else, the Board is not the decider of what’s fair and unfair. It’s not our job to interfere in something that’s just unfair—just things that are illegal or going to harm the Coop.”

“If you have lots of ideas about how the Coop should be run, the Board is not the place to be,” Q’ryn said. “I have total faith in the membership themselves,” she said. “Fourteen thousand as opposed to six—I think there’s a lot of wisdom in that body. I think the membership, upon hearing what happened, may look at issues like, ‘How does the Personnel Committee work?’ ‘Should there be oversight?’”

Q’ryn urged members to come to the General Meeting to address concerns raised by the Personnel Committee’s actions. “If you want to see change, come to the meetings,” she said, noting that she joined General Meeting leadership because she wanted more people of color visible in Coop leadership. “We don’t have to complain about how things are run; we can come in and change things. We have this amazing experiment, this cooperative experiment where we have to work with each other in this very interesting way.”

Q’ryn’s longtime Board colleague Bill Penner, who has logged about 20 years at the Coop and 14 on the Board, aligned with Q’ryn on the importance of having the GM address issues involving the Personnel Committee; its mandate; and questions about terms, term limits, accountability, and elections.

“I feel like there were a lot of things that weren’t handled very sensitively during this process, but I want to walk away at the end of the day so we can pick up the pieces and be productive,” he said. “Clearly we need to start to have a dialogue here about the Personnel Committee and how they’re making management decisions, essentially. I think it’s also maybe beneficial to look at how complaints against senior management are handled. Right now they’re handled amongst basically themselves, in a way. Maybe there’s a different way to deal with that that would be helpful for everybody, maybe a bit more impartial.”

“The Coop is a business like any business, and we want to be able to have really good people work at the Coop, and we want it to be a good place to work,” Penner said.

Penner expressed concern that the Personnel Committee could “operate unilaterally”

in ways that could affect leadership succession, for example. As for exploring this particular situation, while he agreed that the Board should look to the General Meeting for advice and decision-making, he called doing so “more nuanced in this scenario,” noting that a member had already tried to go to the Agenda Committee regarding issues raised by Holtz’s suspension, and was rebuffed for purportedly trying to raise a confidential personnel issue.

Penner said he expects any further personnel action regarding Holtz would again come to light only after the fact, without Board consultation. “I don’t know that the Board would try to get out ahead of it,” he said. “Right now there’s not a mechanism that would be written down that would say that we would be notified. I would hope that we would be in the loop about that. But right now I think the process is undefined—to the Personnel Committee’s advantage.”

Penner expressed some disbelief with regard to rumors of Holtz’s potential termination – a concern that Holtz expressed when speaking to the Gazette. “It just would seem so negative. I guess I would have to cross that bridge when it comes,” said Penner, continuing, “I don’t know how realistic it is. I’m not sure. I would be very surprised—and yet I was very surprised at this!”

Penner called losing 8 percent of annual salary “a big penalty,” adding, “It’s also a strong statement, a COVID statement, but I think from my perspective I wanted to make sure it was a measured statement. I’m not sure. I think in some ways it’s judgment. We all have our different lenses on COVID.” The punishment raised questions in his mind, such as, “Was it a just punishment? Was this handled in a way that maybe was befitting the way we should be operating as a coop, as a community?”

“WAS IT A JUST PUNISHMENT? WAS THIS HANDLED IN A WAY THAT MAYBE WAS BEFITTING THE WAY WE SHOULD BE OPERATING AS A COOP, AS A COMMUNITY?”

—BILL PENNER, PSFC BOARD MEMBER

Asked about the Coop's philosophy on what disciplinary measures should achieve, Penner exclaimed, "Unknown! I don't think that was clearly articulated to us by the Personnel Committee," he said. "I would have liked to see a lesser punishment. I think that would have been productive for everybody—Joe, the Coop—which really is the bigger picture."

Penner highlighted Holtz's renown in his field, calling Holtz "one of the foremost authorities on this range of cooperative business of anyone in the country." He added, "He's really given his life to this, and so I think that how the Coop treats Joe as we move to a different place is really important."

*Hayley Gorenberg joined the Coop in 1993 and became a Gazette reporter soon thereafter.*