

AN **ELEGY** FOR **ETHICS?**

Unbeknownst to buyers, many music teachers get commissions for helping students find instruments

by Susan M. Barbieri



Illustration by Barbara Gelfand.

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Does she or doesn't she? If the question concerns whether your teacher is taking a kickback from an instrument dealer for helping you buy that fine violin, viola, or cello, the answer may very well be yes. The trouble is, the typical student is unaware that ten to 30 percent of the price of that violin is going to his or her teacher. In some states, this kind of nondisclosure constitutes consumer fraud, but that phrase usually comes up only in the context of used cars and lemon laws, not the rarified world of fine stringed instruments. Everyone but the buyer knows what's going on, and few will talk about it. After all, the instrument dealer or maker and the teacher both profit nicely from inflated prices—whether the instrument is a \$10,000 student violin or a treasured Stradivari.

The American String Teachers Association does not have an ethics code, policy, or stance on the subject, according to an ASTA spokeswoman. The American Federation of Violin and Bow Makers has a code of ethics that fails to mention commissions (see

AFVBM Code of Ethics). One longtime maker and dealer who asked not to be identified calls the AFVBM code mere "window dressing." The Violin Society of America has no code of ethics for its members and sets no guidelines for participation in student instrument sale commissions.

Though the topic makes most business owners queasy, a small community of instrument shop owners is becoming increasingly vocal about the ethics of paying and receiving teacher commissions. They believe that if the practice is going to continue and endure, it must be brought out in the open so that the commissions are no longer hidden costs on the bill of sale for an instrument.

Portland, Oregon, maker and dealer David Kerr is among those who have found themselves in an uncomfortable position over teacher commissions. "We had one teacher call us one time and she said, 'What commission do you pay?' And I said, 'We don't pay teacher commissions. If you want to tell your student that you're going to get a percentage and we're going to put that on top of the price, I'd be happy to give that to you as long as it's all out in the open.' And her response was, 'I need a new kitchen floor, but I'm not going to do business with you.' She actually said, 'I need a new kitchen floor!' OK, well, I don't think this is the way to get it."

Because the issue is so sensitive, it can be difficult for a maker or dealer to broach the subject. But when you walk into the atelier of David Chrapkiewicz, Rapkiewian Fine Violins, in the Washington, DC area, it's clear what his position is. There, mounted on the wall in plain view, is a copy of "The Hazards of Secret Commissions and the Duty to Disclose," a chapter from the seminal book *Violin Fraud: Deception, Forgery, Theft, and Law Suits in England and America* (Second Edition, Oxford University Press; 1997), written by California violin maker and attorney Carla Shapreau and Professor Brian W. Harvey.

As a regular part of doing business, Chrapkiewicz writes out all costs on the invoice for the sale of each instrument. Chrapkiewicz calls the ethics of teacher commissions a "hot issue" that must be addressed by the musical community and professional organizations. He finds the whole issue gut-wrenching and recalls how he was "initiated" into the practice when he first began making instruments. "I naively thought I'd start making violins and showing them to violinists, and I had not a clue that there was this expected practice going on," Chrapkiewicz says. "The reception I got was warm, and they'd say, 'Oh, it's a very nice violin,' and 'I've got many students.' Then there'd be this pause and a throat-clearing. I had no idea what that was about. Finally, after about three or four years, a teacher who was not taking commissions sat me down and gave me the facts of life. He said, the reason why this person clears their throat is that they're waiting for you to say, 'Yes, of course, I'll pay you a commission of 10 percent.'"

A Delicate Matter

Teachers who participate in this practice argue that they are providing the student with years of expertise to assist in what can be a very difficult selection process and ultimately can help save the student both time and money by getting the best and most affordable instrument available. "As a highly trained violinist and teacher, I feel my students must have the best instrument possible to allow them to fully experience the joys and beauty of music. Students often request that I seek out instruments and/or bows for them. I help students decide on the right price range for their budget and buy from reputable dealers who stand behind their work and product," says Bernard Chevalier, a Northern California music educator. "I spend hours searching for leads and driving to the violin shops, testing and rejecting instruments. I confer with the repairman to ensure the setup is to my high playing standards. If successful in my search, back home, I spend more hours playing the chosen ones ensuring one or two meet my students' needs. Finally, after the sale, I continually demonstrate to my students why I helped them choose this instrument.

"Compared to my students, I have superior knowledge about quality, price, playability, setup, strings, and rehairing. Compared to a violin salesman, with my decades of practice, I have vastly superior playing and demonstration ability. Why should I not be paid a fee for lending him my expertise to sell his product?"

But Chrapkiewicz says the practice is unethical because students typically don't know about it. They go to their teachers for advice on choosing an instrument, trusting that the teachers are simply being helpful by sending them to certain shops. "What they're saying is, 'Just mention my name so they'll put that 10- or sometimes 20- or sometimes 30-percent commission in the mail,'" says Chrapkiewicz, adding that he doesn't object to teachers getting paid for their time. He objects when the students don't know. Teachers should tell their students that they expect a finder's fee, he says, otherwise the dealer or maker is in a bind because he or she has to jack up the price on an instrument to accommodate the commission.

"The issue is a delicate one," Chrapkiewicz adds. "I, as a maker, have to walk a knife edge. It can ruin me one way or the other. If I don't ask a teacher and I send him a commission, that would ruin me in the eyes of a player." And if he broaches the subject with a teacher who doesn't accept commissions, everyone is embarrassed. However, he adds, "Some of the sweetest people, who I would never expect to take a commission, say, 'Yes, send me 10 percent.' What am I going to do? If I refuse, they won't do business with me anymore."

Teachers are not entitled to deceive their students, Chrapkiewicz says flatly. If a teacher is sending a student to a particular shop, the student should ask that teacher point-blank whether he or she takes commissions from the sale of instruments. If the teacher doesn't, students should then ask the teacher if he or she can arrange a 10-percent discount.

Fritz Reuter is another dealer who has grown cynical about string teachers' motives. Reuter, a Chicago dealer, rails against teacher kickbacks on his website (www.fritz-reuter.com) and often refers to the stringed instrument business as "underhanded" and a "racket." His website also contains tips on how to get an honest deal on an instrument. Reuter, a founding member of the AFVBM, says he was "kicked out" of the organization because of his strong views on ethics in the industry. "I just love the First Amendment," he says whimsically.

From the most preeminent string teacher in America on down to the small-town grammar school violin teacher, commissions are being secretly exchanged between shops and instructors, Reuter says. But at Reuter's shop, each sale of an instrument or bow comes with a detailed bill of sale and a warranty stipulating that the shop does not pay third-party commissions. He advises students and parents to look for something in writing that states that no money—or merchandise—exchanged hands for a commission. "I know a case here where there's a very successful teacher—he has very fine students—and anytime he gets money he puts it into his son's cello," Reuter says. "Whenever he gets the kickback, he doesn't take the money; he pays off the cello of his son. In this case, the son gets a very valuable instrument for nothing."

Transactions are purest when the student goes off on his or her own to shop for an instrument without direction from a teacher, Reuter says, but these instances are rare. "In the majority of cases, the student feels obligated to go with what the teacher recommends, because he is at the mercy of the teacher for his education," he explains. "So the dealer and the teacher, they've got the student over the barrel."

Teachers make an extra buck on the side, Reuter says, and dealers can sell their instruments. The dealer pushes up the price because neither student nor teacher knows what the value of a given instrument is—but a teacher is often well aware of how much the family can afford, particularly in wealthy neighborhoods. "The prices [for instruments] are totally arbitrary," Reuter contends. "Sound is subjective. You can find a good-sounding instrument in any price range, almost. People assume you pay a higher price for a better product. But that has no bearing on it. There's no relationship, really."

Driving up the Price

In Chicago, teachers at one fabled North Shore music school commonly tell students and parents that if the student doesn't have a violin valued between \$40,000 and \$60,000, they'll never make it to Carnegie Hall, Reuter says—and obviously, the higher priced the instrument, the higher the commission. Reuter uses as an extreme example the 1995 sale of the coveted 1683 Gingold Strad. When patriarch Josef Gingold (who taught Joshua Bell) died, the violin went to his son, who then sought \$1 million for it. The son then went to a dealer and assumed that the instrument would be sold for \$1,250,000, allowing a generous 25-percent commission for the dealer. "Instead, the dealer sold it for \$1.6 million, gave the son \$1 million, and kept \$600,000," says Reuter, adding that "there are so many people in line with their hands out."

Reuter says his shop has "never paid a nickel" in commissions in all the years he's been in business. But he suffers the consequences: Teachers who want commissions won't send their students to him.

Portland dealer David Kerr says the crux of the issue is that students trust their teachers implicitly—and they must in order to study with them. But teachers who earn part of their income from commissions on instrument sales are taking advantage of that trust, he says. "What we've seen oftentimes is that the teacher recommends an instrument based on how much they're going to get as a commission rather than whether it's the right instrument for the student," Kerr says. "I've seen cases where it's obvious that they're just trying to get more money."

Ask Kerr how many shops he knows of that do not pay teacher commissions, and he laughs. "I know of three shops in the United States that don't do it. How common do you think it is? For a lot of shops, it's the only way they can survive because teachers will just go somewhere else," he says. There are plenty of teachers who either don't take commissions or who take the money and return it to the student, Kerr adds. He urges students and parents to be cautious when soliciting a teacher's opinion about an instrument. Don't tell the teacher where the instrument came from, he says, and don't reveal the price. Ask only what the teacher thinks of the sound and whether that sound is right for the student.

"We never tell people the price of an instrument until they're checking it out," Kerr says. There are good reasons for this: "It's not always the most expensive instrument that has the right sound for each person," he explains. "Understand that instruments aren't priced for their sound. Then you start understanding what it's all about. They're priced according to who made them and the condition, because sound is subjective."

Call for a Change

When Kerr discusses teacher commissions, he recalls something that renowned British violin dealer Charles Beare, of J&A Beare

Ltd., said some five years ago at a convention of the Violin Society of America. "He said that the American shops in particular need to stop doing this because he just found it reprehensible," Kerr recalls. "So here's the greatest expert in the world saying, 'Why are you guys doing this?' But a lot of shop owners feel that their hands are tied—they may go out of business because the teachers will leave them."

Rochester, New York, violinist and bow maker Frank Testa has seen the teacher-

commissions issue from different angles. In the 1970s, he bought a moderately expensive

instrument and got a 10-percent discount because, he believes, his teacher told the dealer he didn't want a commission. "So in defense of teachers, there are quite a number that I know of who are active at universities and who consistently refuse a commission and insist that the dealer lower the price by [eliminating] their commissions."

But the practice is so pervasive that sometimes dealers will send a check unsolicited to the buyer's teacher—offending those teachers who feel it's reprehensible to accept payment. Testa finds the issue so insidious and offensive that he contacted the U.S. Department of Justice during the Reagan administration and asked for an investigation. Testa was told that consumer-fraud-type complaints such as this one didn't have a prayer of being pursued in the political climate of that time.

That didn't dim his contempt for the practice. "I wouldn't have a problem with it if it were all up front and everybody knew what was going on. But the betrayal of trust is what bothers me," Testa says. "There's an unseemly quality to the commissions given that [those dealers and teachers who conform to the practice] have a vested interest and that vested interest [often] is not known."

Shop owners like Kerr, Reuter, and Chrapkiewicz agree wholeheartedly.

"I don't feel comfortable with it," Chrapkiewicz says. "Let's just let everybody know [what the cost represents] and not have this secret game going on."

AFVBM CODE OF ETHICS

The conduct toward which members of the American Federation of Violin and Bow Makers, Inc. shall strive is outlined in the following general principles, which do not address the issue of teacher/dealer commissions directly.

1. Professional Standards. A member of the Federation shall maintain universally high technical standards and strive constantly to improve his or her competence and the quality of his or her services.

2. Objectivity and Integrity. A member of the Federation shall maintain his or her objectivity and integrity and be independent of those he or she serves. Objectivity refers to the ability of maintaining an impartial attitude to all matters under review. Integrity is an element of character which is fundamental to a client's reliance on a member of the Federation. While neither of these qualities is precisely measurable, the profession holds them up to members as essential through rules embodied in the Principles of Professional Conduct.

3. Responsibility to Clients. A member of the Federation will be fair and candid with his or her clients and serve them to the best of his or her ability. He or she must show professional concern for their best interests in complement with his or her responsibilities to the public.

4. Responsibility to Colleagues. A member of the Federation shall conduct himself or herself in a manner which will encourage cooperation and good relations among members of the profession.

5. Other Responsibilities. A member of the Federation shall conduct himself or herself in a manner which will enhance the stature and respect of the profession and its ability to serve the musical community and the general public.

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