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O'Dwyer's Newsletter

The Inside News of
PR and Marketing
Communications

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CENSUS BEGINS SEARCH PROCESS FOR 2020

The Census Bureau has scheduled a preliminary event on the extensive agency search process to handle its lucrative advertising and PR contracts for the upcoming 2020 count.

The bureau will host interested firms Dec. 18 for a conference and "vendor expo" from 10 a.m. to 2 p.m. at its headquarters in Suitland, Md. Census officials will discuss the 2020 operation plan, the RFP process and address firms' questions.

The event is not mandatory but firms are "highly encouraged" to attend. Pre-registration is required.

The Census Bureau expects to issue the RFP in mid-January with firms slated to be chosen by mid-August. A draft RFP has been scheduled to be released Dec. 11 but is not yet available. Details of the event and the upcoming RFP process are at census.gov. Weber Shandwick played a key role in national PR for the 2010 count under lead agency DraftFCB.

United States
**Census
2020**

ALBERTA PR WANTS TO TARGET MIDWEST

Travel Alberta, the entity promoting tourism to that Canadian province, is looking for a PR firm to target the Midwest United States to attract meetings and conventions.

The Calgary-based tourism marketing organization released an RFP on Nov. 16 to tap an in-market rep for the Midwest and provide support for other areas of the US as needed. While the work is focused on the so-called MICE (meetings, incentives, conventions and events) sector, travel trade relations are also likely.

Proposals are due Dec. 22, 2015.

RFP: <http://odwpr.us/11O5Uh8>.



TAOS EYES FIRM FOR TOURISM PITCH

Taos, the New Mexico skiing getaway where the desert meets the Sangre de Cristo Mountains, wants PR firm to handle tourism PR.

The town's tourism and marketing unit released an RFP this week to guide its 2016 PR strategy, including press kit development, ongoing media relations and tours.

Proposals are due Dec. 18.

RFP: <http://odwpr.us/1O3GG0G>.

PAN ACQUIRES VANTAGE PR

PAN Communications this morning announced that it has acquired San Francisco-based tech PR agency, Vantage PR.

Vantage, which specializes in consumer tech, mobile, social media, biotech and medical technology, was founded in 1990. It holds offices in San Francisco, New York, Orlando and Boston.

Vantage assumes the PAN name April 1, 2016. Until that date, the agency will be known as Vantage PR, a PAN Communications Company.

Vantage founder Ilene Adler will assume the role of chief strategist. She'll be responsible for increasing the mid-sized agency's Silicon Valley presence, as well as coordinating its executive team on strategies and services, and developing PAN's global partner strategy.

Vantage senior VP Rob Adler will now serve as executive VP and managing director, overseeing operations in San Francisco and Orlando. Current Vantage employees will report to him.

Ilene and Rob will report to PAN founder and president, Phil Nardone.

Said Ilene Adler: "As part of a midsized firm, we can now expand our PR and digital services to include more integrated marketing communications offerings, coupled with a sophisticated measurement and analytics methodology."

Boston-headquartered PAN, which specializes in technology, healthcare and consumer tech brands, was founded twenty years ago and holds offices in San Francisco, Orlando and New York.

PAN's acquisition of Vantage effectively brings annual agency revenues to more than \$13 million, and accounts for an employee roster of more than 100. PAN in 2014 revealed \$5.7 million in net fees related to technology, and \$936,000 in healthcare net fees, according to O'Dwyer's 2015 rankings of PR firms.

Nardone said the acquisition is part of the agency's ongoing plan to grow on a national and global scale.

"We've had aggressive plans in place to acquire an agency as part of our long-term growth strategy," Nardone said.

CONNECTED, MOTIVATED PROS WANTED

The ideal candidates for jobs at Edelman, Finn Partners and Peppercomm have an agency background, have a network of contacts built up over the years, and can get along well with fellow staffers, a PRSA/New York meeting was told last night.

(Continued on page 2)

BIG FIRMS ON HIRING (Cont'd from 1)

“Do your homework,” meaning study everything you can about the agency you are pitching and be knowledgeable about trends and news in PR and the media, advised Richard Edelman of Edelman, Peter Finn of Finn Partners, and Ed Moed of Peppercomm. Moderator was Art Stevens of The Stevens Group, consultant to PR firms.

The Edelman firm, with offices in more than 20 countries and \$797 million in fees in 2014, finds that young, single people are more apt to take a posting to countries in Europe, the Middle East and Far East. Knowledge of a foreign language is a key asset, said Edelman.

One piece of advice was “Turn the tables on the interviewer” by interviewing that person rather than just providing answers.



Peppercomm's Ed Moed and Edelman's Richard Edelman.

Employees of the firms are constantly evaluated in terms of the results they are bringing to clients. The panelists said they are looking for staff who will have the endurance, ambition and hunger to endure the “furious pace of fulfilling responsibilities to clients at a major agency.”

It is not always an easy task to predict what candidates will fill that bill, the panelists said. They compared themselves to race horse handicappers and admit they have made mistakes.

Stand-Up Comedy is Training Tool

Training at Peppercomm, which had \$16.9 million in revenues in 2014, includes having all employees do a stand-up comedy routine since this helps build storytelling skills. The firm's motto is “Work hard and play hard,” said Moed.

Finn said his firm, which has grown from 150 to 500 employees in four years, expects staff to “take risks and amaze clients and colleagues.” It dedicates \$1 million in staff time each year to pro bono projects. A firm motto is, “Work hard and play nice.”

Panelists emphasized that clients are looking for whatever yields the best results for their businesses and this can include a galaxy of disciplines from social media to data mining.

PR has “moved light years” beyond just gaining media attention and putting on public events, the panelists said.

The firms stressed the importance they put on internal training programs whose goal is to give employees a

chance to improve their skills and build their identification with the firms. Working closely with colleagues was stressed as something as important as dealing with clients.

All three firms seek applicants of varied backgrounds and varied talents.

Event Drew Audience of 65

The event, presided over by chapter president Linda Krebs of LKPR, drew 56 pre-registrants and nine walk-ins. Cost was \$65 for members and \$85 for non-members. The chapter has 671 members.

Hosting the event was Anchin, Block & Anchin, CPA firm that provides services to many New York PR firms including assisting them with their rankings for O'Dwyer's Directory of PR Firms.

NORFOLK SOUTHERN BOOKS JOELE FRANK

Railroad giant Norfolk Southern has booked Joele Frank for financial PR support as it rejects takeover overtures worth up to \$30B from Canadian Pacific.

CP has revised a November offer and proposed a voting trust structure to segregate the companies as the deal receives regulatory scrutiny, allowing CP to pay Norfolk shareholders cash before closing, although the per-share price actually declined from the earlier bid.

Norfolk dismissed a previous CP bid as “grossly inadequate,” and this week shot down a revised proposal as “not only less than what the Norfolk Southern board has already found to be grossly inadequate, it is even more uncertain and risky given the decrease in cash consideration.”

Both companies are publicly traded with Norfolk based in Virginia and CP headquartered in Calgary.

Joele Frank brass including Joele Frank, Dan Katcher and Andrew Siegel are repping Norfolk Southern, which released a white paper Dec. 7 by former Surface Transportation Board commissioners saying regulatory approval could take nearly two years and would be unlikely with the proposed voting trust.

CP calls the offer a “transformational opportunity.”

Martin Cej is assistant VP for PA and comms. for CP.

SITRICK AIDS MILLENNIUM IN CHAPTER 11

Drug testing lab Millennium Health, which over-billed the federal government by more than \$250M, is working with Sitrick and Company on its pre-packaged Chapter 11 bankruptcy.

The San Diego-based company filed for bankruptcy protection Nov. 10 in a bid to restructure and cut \$1.15B in debt.

Millennium Health, one of the country's largest drug testing labs, in October agreed to pay \$256M for billing Medicare, Medicaid and other federal health programs for unnecessary drug and genetic testing. The company also copped to giving gifts to doctors in exchange for referrals, reported the *Wall Street Journal*.

Among its debt is \$206M in its Justice Dept. settlement.

Sitrick's Mike Sitrick and Terry Fahn advise Millennium.

IBT, NEWSWEEK RELAUNCH SITES

IBT Media flagship International Business Times has unveiled a new website, and IBT property Newsweek will soon follow suit, as part of the media organization's bid to attract more mobile readers and advertisers.

IBT's redesigned site went live yesterday. The updated portal places a greater emphasis on graphics and video capabilities and includes a streaming news feed.

In a statement, IBT global editor-in-chief Peter Goodman said the updated site is intended to "enable readers to experience photos, video and interactive graphics in especially dynamic fashion," and will provide viewers with "a consistent experience across every platform— from the desktop to the tablet to the mobile phone."

Publishing industry commentary site Talking New Media reported yesterday that IBT property Newsweek would also experience a complete redesign, to be unveiled in the coming weeks. Like the refreshed IBT site, the Newsweek redesign would feature increased video capabilities, and is expected to be optimized for smartphones.

In a statement, IBT Media chief experience officer Richard Pasqua highlighted the company's need to offer engaging environments that attract readers and advertisers.

"To develop truly world-class brands we need to deliver a seamless experience to our readers across multiple touchpoints," Pasqua said. "We have been extremely thoughtful in improving and optimizing the experience for our audience and our advertisers regardless of platform."

Newsweek's circulation has fallen to about 100,000 this year, and currently maintains an editorial staff of about 60. The 80-year-old publication, previously a property of IAC — owner of About.com and The Daily Beast — ceased print publication in December 2012. IBT acquired the magazine in the fall of 2013, and resurrected its print edition the following spring. Jim Impoco was named editor-in-chief the same year.

International editions of Newsweek and International Business Times sites are expected to follow suit with redesigns next year.

DIGITAL AD REVENUES SET RECORD

Internet advertising revenues in the U.S. totaled \$15 billion in 2015's third quarter, signaling the highest quarter on record, according to findings released today by the Interactive Advertising Bureau.

These record revenues reveal a growth of five percent from 2015's second quarter, and a massive 23 percent uptick in Internet ad spends during the same period in 2014, also a record at the time.

The findings arrived in the IAB's latest Internet Advertising Report, a quarterly estimate of U.S. interactive advertising revenues. That report is compiled from data given to the IAB from companies that sell Internet ads.



According to the IAB, these record figures mark the highest quarter since the research organization began tracking this data in 1996.

"These landmark figures confirm marketers' confidence in using digital to reach consumers," said IAB president and CEO Randall Rothenberg in a statement.

A report released yesterday by Interpublic research firm Magna Global claimed U.S. ad gains this year were "entirely driven" by digital ad sales, and predicted that digital ads would see double-digit gains again next year, jumping 14.6 percent.

TIME SIGNS MAJOR VIDEO DISTRIBUTION DEAL

Time Inc. today announced that it has signed a major partnership deal, allowing distribution of its original video content across Hulu, Yahoo and Zealot Networks platforms.

Time launched its digital video partner network in 2013, allowing the publishing giant's media brands to distribute digital programming across multiple sites and platforms. Hulu, Yahoo and Zealot Networks now join Time's network of nearly 20 partners, which includes Amazon, AOL, CBS, Gannett/USA Today and Nextstar Broadcasting. The company soon plans to expand its network overseas.

The move signals Time's increasing forays into video frontiers. Recent programming from the company's brands include documentary series "Building Hope," "A Year in Space," and "New Orleans Here & Now." The company acquired several live media and digital properties this year.

This year, Time's video network was the source of more than 1 billion video streams. The company in August hired Michael Erlinger of WPP's GroupM unit to help develop a business plan for the publisher's heralded video expansion.

Time Inc. is soon set to open a video production studio at its new lower Manhattan headquarters. The company moved to its 225 Liberty Street address in November.

FOX SUSPENDS CONTRIBUTORS

Fox News has suspended two of its contributors for "completely inappropriate and unacceptable" comments they made regarding President Obama today, in two vulgar, unrelated outbursts that occurred during separate programs.

Strategic analyst and retired Army officer Ralph Peters, appearing today on "Fox Business," burst into a rant where he referred to Obama as "a total p****y," in reference the President's recent Oval Office address, which focused on America's ongoing Middle East policy and our treatment of Muslim communities at home.

"Fox Business" host Stuart Varney was quick to repudiate Peters for his "super angry" remarks, to which Peters apologized.

A few hours later, during the Fox show "Outnumbered," co-host Stacey Dash, also commenting on Obama's Sunday night speech, expressed that she felt the President "could give a s**t" about terrorism.

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PR & SOCIAL MEDIA NEWS & VIEWS

FOX SUSPENDS CONTRIBUTORS (Cont'd from 3)

Fox Senior EVP of programming Bill Shine, in a statement this afternoon, said both contributors have now been suspended for two weeks as a result of the remarks.

"Earlier today, Fox contributors Lt. Col. Ralph Peters and Stacey Dash made comments on different programs that were completely inappropriate and unacceptable for our air," Shine's statement read. "Fox Business Network and Fox News Channel do not condone the use of such language."

CNN Money, which was first to report the disciplinary action, noted that while Dash's remark was bleeped, Peters' comments were broadcast uncensored.

Howard Kurtz, host of Fox News program "Media-Buzz," took to Twitter this afternoon before the disciplinary announcement became public, where he called the incident "Flippin' embarrassing."

DIGITAL TO DRIVE GLOBAL, US AD SALES

Global ad sales will grow 4.6 percent next year to account for about \$526 billion, according to new findings from Interpublic research firm Magna Global, which reports on advertising performances in 73 countries.

While a series of events next year will result in isolated, traditional advertising boosts — the 2016 Presidential election, the 2016 Summer Olympics in Rio de Janeiro, Brazil, among others — traditional ad revenues are expected to continue their declines as digital media now leads the charge for global advertising growth.

Advertising sold via digital media surged 17 percent in 2015, to about \$160 billion. Compare this to print ad sales, which saw another abysmal year — newspapers dropped 8.6 percent to \$6.1 billion, and magazines fell 10.1 percent to \$25 billion — and digital is poised to become next year's sole success story in the global advertising marketplace.

Digital media ad sales are expected to see 13.5 percent gains next year. The lion's share of this growth in 2016 will be found in mobile advertising — which will grow 42% — video — 35% — and social media — 31%. Banner ad sales will see a dip of about 2 percent next year.

In the U.S., overall ad sales grew about 2.1 percent — to \$167 billion — this year. According to the Magna Global report, this growth was "entirely driven" by digital media. U.S. ad revenues in the digital realm grew 19 percent in 2015, to \$59 billion. Much of this growth was attributed to video — a 42 percent increase, to \$6.3 billion — and social media — a 50 percent uptick to \$10.5 billion.

Traditional media ad sales, meanwhile, saw decreases in the U.S. in almost every category: television was down 4 percent, newspapers were down 12.8 percent, magazines fell 13.6 percent, and radio dropped 2.9 percent, which was about even with declines that medium saw last year. Out-of-home advertising, or ads that reach consumers in public places — billboards, movie theaters, mass transit — was the only traditional media category in the U.S. to post gains (about 4 percent).

Mirroring global forecasts, digital media ad sales are expected to surge by double-digit gains in the U.S. again next year, jumping 14.6 percent to \$67.8 billion.

LIPMAN TO GANNETT CONTENT CHIEF

Joanne Lipman, former editor-in-chief of Condé Nast Portfolio and Portfolio.com, has been appointed chief content officer at Gannett Co.

Lipman, an author and award-winning news executive, joined Condé Nast in 2005 and served as editor-in-chief of the publisher's giant-sized financial magazine Condé Nast Portfolio, which folded in 2009 after two years.

Prior to her tenure at Condé Nast, Lipman worked at *The Wall Street Journal* for 22 years, where she became the first female deputy managing editor in that company's history, and was responsible for the creation of its Weekend Journal and Personal Journal publications. She's the co-author of the memoir "Strings Attached: One Tough Teacher and the Gift of Great Expectations," published by Hyperion, and has served as a judge for the Pulitzer Prize and National Magazine Awards.

At Gannett, Lipman will be responsible for overseeing all content and content related business development operations. It's a new position created by the McLean, VA-based newspaper giant, which publishes *USA Today*. She'll report to Gannett president and CEO Robert J. Dickey.

Gannett also announced the hiring of Daniel Bernard, former head of product for Time Inc., as its newest chief product officer.

Bernard was formerly chief product officer for The Wall Street Journal Digital Network and general manager of The Wall Street Journal Online. He previously served as VP and global head of advertising development and product design for Reuters, and was director of marketing and advertising development for CBS MarketWatch.

Earlier this year, Gannett divided its print and broadcast/digital properties into two separate divisions, with the latter forming an independent, publicly traded company titled TEGNA, while its newspaper and publishing arm retained the Gannett moniker.

Gannett in October also bought Journal Media Group, publisher of the *Milwaukee Journal Sentinel*, for a reported \$280 million, achieving a foothold in more than 100 regional markets in the U.S.

ALIBABA GRABS SO. CHINA POST

China e-commerce titan Alibaba Group has moved to acquire the South China Morning Post, the respected English language, Hong Kong-based media outlet.

The deal includes "other media assets" of SCMP Group Limited and the parties noted it combines the "heritage and editorial excellence" of the SCMP with Alibaba's digital expertise.

"This is a proposition that is in high demand by readers around the world who care to understand the world's second largest economy," said Joe Tsai, executive vice chairman of Alibaba Group.

He added: "Our vision is to expand the SCMP's readership globally through digital distribution and easier access to content."



Lipman

NEWS OF PR FIRMS**C&W OPENS IN GUANGZHOU**

Cohn & Wolfe has opened a Guangzhou office, its fourth China outpost, with Colgate as a base client.

Cyrus Yeung, brand director for adidas and marketing comms. leader for Procter & Gamble's SK-II and Gillette in China, has joined C&W to oversee the office as marketing leader. He reports to Tiffany Bai (pictured), managing director for mainland China.

The WPP-owned firm's Chian clients include Colgate (based in Guangzhou), AliCloud (Alibaba's cloud computing unit), Asics and United Airlines. C&W has previously repped Colgate, but picked up Mainland China AOR duties recently.

Bai noted Guangzhou is evolving from a manufacturing and trading city to a focus on innovation and technology, creating greater client demand for the region.

C&W also resides in Hong Kong, Shanghai and Beijing.

WALKER PLANTS NASHVILLE FLAG FOR JDA

Chris Walker, who was communications director for ex-Sen. Bill Frist's education initiative, Tennessee SCORE, has joined JDA Frontline as a VP based in Nashville for the D.C.-based firm.

Walker had been running his own Nashville shop, Walker Public Affairs, for the past five years. He is a former director of research for the Republican National Committee and served special assistant roles at the Dept. of Defense, Treasury and for the late Sen. Fred Thompson. He was press secretary to Sen. Richard Burr (R-N.C.).

JDA president Jim Fyke said he's known Walker since the 2004 election cycle through the RNC and praised his "impeccable reputation."

The hire is part of the Washington firm's southern expansion that includes Charleston and Atlanta.

STUDY: MILLENNIAL VALUES

Millennials exhibit an acute awareness of their professional reputations, and place a greater value on face-to-face interactions and socializing with co-workers than their senior peers, according to a survey conducted by Weber Shandwick with the Institute for Public Relations.

The survey, titled "Millennials at Work: Perspectives on Reputation," analyzed U.S. workers belonging to the Millennial, Generation X and Baby Boomers generations, and gauged the similarities and differences each place on reputation in the workplace.

The study found distinct differences in the qualities workers aged 18-34 consider important to maintaining good reputations at work, with a particular emphasis on the roles networking and socializing play in maintaining those reputations.

The survey indicates Millennials place a far higher emphasis on workplace reputations when compared to their senior colleagues. Nearly half of Millennials polled — 47 percent — said they think about their professional reputations "all or most of the time," almost twice the number of Baby Boomers — 26 percent — who admitted exhibiting the same degree of reputational anxiety. More than any generation, 59 percent of Millennials believe a person's reputation is established within their first month on the job.

NEW ACCOUNTS**New York Area**

Feintuch Communications, New York/Visioneer, Pleasanton, Calif.-based maker and distributor of optical scanners, as AOR, its first external AOR in a decade. Visioneer is the exclusive manufacturer and distributor of Xerox's line of DocuMate and Visioneer scanners. Feintuch will guide an integrated PR campaign throughout North America and Europe that will communicate the company's products and their value to buyers, resellers and the media, as well as coordinating PR efforts in emerging markets.



Hue & Cry, New York/Relief Riders International, humanitarian-based, adventure travel company that organizes horseback journeys through remote areas while providing humanitarian aid to local people, for PR. The first relief ride on motorcycle will begin across Rajasthan, India in Jan. '16.

East

Stanton Communications, Washington, D.C./International Coach Federation, a support network for the coaching profession which claims 25,000 members in more than 135 countries, as AOR after an extensive and competitive selection process through agency search firm RFP Associates. It is ICF's first use of a PR firm. The firm will help ICF develop an outreach program that builds awareness of both the ICF brand and the coaching profession, with a particular focus in international markets.

Southeast

William Mills Agency, Atlanta/Banc Intranets, secure, web-based enterprise content management solutions for financial institutions, as AOR for financial PR. The Johnson City, Tenn.-based client serves 135 institutions across the US.

TransMedia Group, Boca Raton, Fla./Bike America, Florida bicycle chain, as AOR. With eight locations in the state, BA is one of Florida's largest retailers of bicycles, parts and cycling accessories. TransMedia's work focuses on the health benefits that can be achieved through an active biking lifestyle, promotion of riding tips and advice, as well as a calendar of community cycling events. Female riders and kids are a focus.

Hayworth PR, Ormond Beach, Fla./Cayman Islands' Wyndham Reef Resort, for travel and tourism PR. The resort, located in Grand Cayman's East End, features more than 150 all-suite beachfront rooms.

Southwest

Simply the Best PR, Las Vegas/Aubio Life Sciences, for national launch of its botanical-based skin, hair and nail care products, including those with beneficial effects for common chronic skin conditions.

West

PMBC Group, Los Angeles/Todd Mitchem Companies, legal cannabis entrepreneur, for a multi-platform business and consumer media campaign to promote Mitchem and his ventures.

NEWS OF SERVICES**PRSA'S MURRAY GOT \$127K IN BONUSES**

Bill Murray, who resigned as CEO of PR Society of America May 31, 2014, collected \$127,188 in bonus/incentive pays in 2013/14 although revenues of \$11.1 million in 2014 were lower than 2006 revenues of \$11.4M, the year before he joined.

Murray, who announced his resignation on Friday, March 7, 2014, was paid a total of \$430,973 in 2013, including bonus/incentive of \$63,058, and \$238,635 in 2014, including bonus/incentive of \$64,130.

He gave no reason for his mid-contract departure except that "The time has come for me to leave PRSA and pursue new challenges." Members were shocked because the 2013 Assembly had given him the extra title of CEO. The elected chair or president of the Society always had that title.

We theorized that the combative stance that Murray took vs. the O'Dwyer Co., including attempts to discredit the company by posting emails on PR media websites, was at odds with the culture of Starbucks, whose VP-communication James Olson was co-chair of the 2014 Society conference in Washington, D.C.

Starbucks positions itself as a place for "civil discourse and debate," saying it is the "company with a conscience." It stands for politeness, good manners, courtesy and caring.

Murray on March 10, 2014 joined the National Coffee Assn. as president/CEO. NCA at that time was headed by Starbucks SVP Willard "Dub" Hay. Starbucks had no doubt made a new home for Murray.

The Murray bonuses are only now becoming public because the Society filed its IRS Form 990 on a record late date—Nov. 5, 2015. Final deadline is Nov. 15. Its audit was published in April so there is no excuse whatever for holding up the 990 except to conceal executive pay, in our opinion. Assembly delegates again did not see the current 990.

Despite faxed, emailed and regular mail requests for the 990 by the O'Dwyer Co. since mid-summer, we did not get a copy of the document until Nov. 25, which is ten days after the legal deadline for supplying the 990 to anyone who asks for it.

The Society's CPA firm is O'Connor Davies--not one of the "Big Four" CPA firms. Until 2000, the Society's auditors were Ernst & Young and Deloitte Touche, two of the big four.

O'Connor Davies allows a major crunching of one of accounting's bedrock rules—income is booked as earned. The claimed net assets of \$5.3 million includes about \$2.5 million of unearned dues income. Conventional bookkeeping would cut net assets by this amount. It's not illegal what is being done but its not the best accounting, either.

CFO Philip Bonaventura got a 13.7% raise to a total of \$286,635. Base pay went to \$232,773 from \$212,291.

Joining the list of the top seven highly paid staffers is controller Wai Cheung, who had total pay of \$158,354. So members are paying a total of \$444,989 for what we regard as substandard, misleading accounting that includes delaying publication of the 990 until the last possible minute and withholding it from the Assembly.

PEOPLE**Joined**

Mary Lynn Carver, who led communications for the Univ. of Maryland Medical Center and UM Medical System, to General Mills as chief communications officer. She is taking over the role of VP of global comms. **Tom Forsythe**, who is retiring from the Minneapolis-based food giant. Carver spent the past five years at the 12-hospital UMD system. Prior to a stint as SVP of strategic comms. and PR for St. Jude Children's Research Hospital, she was group head of global internal comms. for AstraZeneca in London and held senior posts stateside for the drugmaker as well. Forsythe joined GM in 1991 in a state government relations post before moving up the corporate comms. ladder.

**Carver**

Jamie Kieffer, chief marketing officer, SteelSeries, to Edelman, Chicago, as executive VP and executive client strategist. He reports to Chicago office president Jay Porter. The Leo Burnett veteran also led marketing at TOMY International.

Jaclyn McDougal, comms. manager, National Wildlife Federation, to communications 21, Atlanta, as senior A/M. She was PA manager at Allison+Partners.

Andrew Heller, a columnist and senior director for Lambert, Edwards & Assocs., to Vanguard Public Affairs in Lansing as a VP. The seasoned journalist spent the last three years at LE&A and was director of media relations for Early Childhood Investment Corp. before a short stint at Publicom. He has been a columnist for the *Flint Journal* and MLive and his "Heller High Water" columns are syndicated in 10 Michigan papers. At LE&A, he led its work for Blue Cross Blue Shield of Michigan.

Onie Chu, former chair of Edelman's China consumer practice, to Hill+Knowlton Strategies China, as a deputy managing director. Nelson Ren, former managing editor and chief reporter at the Daily Chinese Herald of Australia, rejoins the firm as a deputy MD. Philip Niu, head of comms. for Rio Tinto in China and former PR manager for Intel in China, joins as senior VP, technology, and Felix Su, ex-chief editor of PC World China, as director, technology. All are based in Beijing except Ren, who is in Shanghai.

Rossella Carrara, head of Burson-Marsteller's Italian healthcare and issues/crisis management units, to APCO Worldwide, as deputy managing director of its Rome office. Paolo Compostella is MD. She handled communications for the removal of the Costa Concordia wreckage.

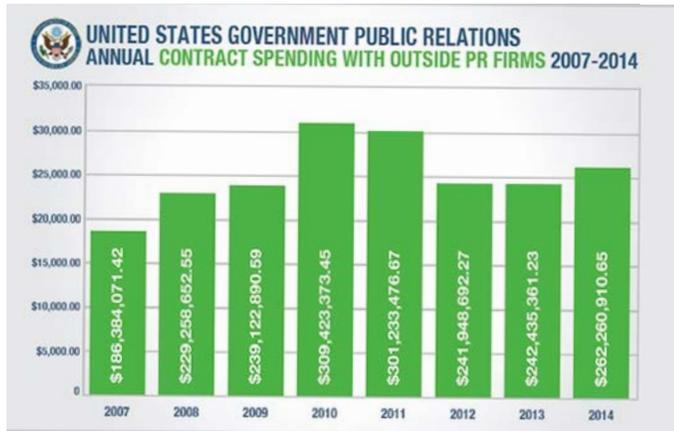
Awarded

Brian Bartow, a 30-year PR veteran of the St. Louis Cardinals, has won the 2015 Robert O. Fishel Award, Major League Baseball's highest PR honor. The director of comms. is a former intern for the team who took over media relations in 1994. He now leads comm., information and publicity, and business communications, and is the lead contact for baseball-related matters for the team.

REPORT DETAILS \$4B GOV PR SPENDING

The federal government has dropped more than \$4 billion on PR work since 2007, according to a report conducted by non-profit Open the Books, a nonpartisan watchdog dedicated to transparency in public spending.

The Open the Books report, titled “The Department of Self-Promotion: How Federal Agency PR Spending Advances Their Interests Rather Than the Public Interest,” shows the federal government spent \$4.35 billion in combined public affairs salaries, bonuses and outside PR contract work between 2007 and 2015.



These figures account for more than \$2.3 billion in salaries, as well as “performance bonuses” totaling nearly \$11 million given to federal public affairs officers in the last eight years. In 2014 alone, more than 3,000 federal public affairs officers were employed by more than 200 federal agencies, and more than half — 1,858 public affairs officers — took a base salary of at least \$100,000. Given the number of public affairs officers on its payroll, the report claims the U.S. government is now the “second largest public relations firm in the world.”

Despite boasting such a massive in-house PR staff, however, about half the money the federal government spent on PR in the last eight years has gone to outside PR firms. More than \$2 billion has been spent by 139 government agencies on contracts with outside PR firms since 2007, according to the report, accounting for 2,403 PR vendors and 16,249 transactions.

The biggest federal spenders on outside PR contracts include The Centers for Disease Control and Prevention, the U.S. Army, the EPA, FEMA, the Substance Abuse and Mental Health Services Administration, the Navy and the National Institutes of Health, among others. According to the report, the ten biggest federal agency spenders dropped more than \$50 million in outside PR consulting in the last eight years, which represents almost 70 percent of all outside PR spends made during that period. The most common services paid to outside PR consulting firms are “market research and public opinion” and “public relations services.”

The Open the Books report shows more than half of those private PR spends went to some of the country's largest PR agencies: Laughlin, Marinaccio & Owens, Inc., \$87.98M; Young & Rubicam Inc., \$57.5M; Ogilvy PR Worldwide, \$47.93M; Fleishman-Hillard, Inc., \$42.4M; and Gallup \$42.0M.

Reviewing U.S. General Services Administration

labor supply contracts, the Open the Books report discovered in the fees several bloated employee salaries. Booz Allen Hamilton billed the government at a rate of \$525.62 per hour for an “executive manager” (equal to weekly pay of \$21,025, or an annual salary of \$1,093,290). Ketchum billed up to \$88.26 per hour (or a salary of \$183,581 per year) for a position titled “intern.”

The report claims outside PR costs have skyrocketed under the Obama administration, revealing a 47 percent difference between the highest two years for PR costs during Obama's tenure, compared to spending during the last two years of the Bush administration. Government PR positions have grown 15 percent in the last seven years — or about more than 400 employees — from 2,688 to its current roster of 3,092 employees. PR salary spending has increased by more than 22 percent per year, according to the report.

In October, Republicans in the Senate Budget Committee launched a probe into the federal government's spending on outside PR work. The Senate Finance Committee has since requested that the Obama administration divulge information related to PR and ad spending related to the Affordable Care Act.

Open the Books claims its report is intended to examine “cases when federal agencies go beyond making information available and engage in self-promotion.”

JOELE FRANK AIDS PEP BOYS IN COURTSHIP

Publicly traded automotive service chain Pep Boys has engaged Joele Frank for PR support as it nixes a merger plan with Bridgestone Retail in favor of a larger cash offer from investor Carl Icahn.

Philadelphia-based Pep Boys said Wednesday that its board deemed Icahn's \$15.50-per-share pitch a superior proposal to its October agreement and subsequent \$15-per-share tender offer by Bridgestone. The board said it intends to terminate the Bridgestone deal.

Joele Frank founding partner Dan Katcher leads the Pep Boys work for the firm.

Proxy solicitation and financial comms. firm D.F. King & Co. is aiding Nashville-based Bridgestone.

JF, ABMAC BREW PR FOR \$13.9B COFFEE DEAL

Joele Frank and Abernathy MacGregor Group are brewing PR for Keurig Green Mountain's \$13.9B go-private sale to Germany's JAB Holding Company.

The \$92-per-share deal sees a JAB-led investor group acquiring the publicly traded, Waterbury, Vt.-based coffee and appliance maker at a nearly 80% premium.

Keurig GM dominates the single-serve coffee market estimated to top \$6B. The company is relying on Joele Frank for corporate communications support in the acquisition. Vice chair Dan Katcher and president Matthew Sherman are on JF's Keurig team.

JAB, which owns controlling stakes in companies like Peet's Coffee & Tea, Coty Inc. and Jimmy Choo, said Keurig GM will continue to be run independently by its management team and employees. Abernathy MacGregor president and M&A chief Tom Johnson is advising JAB with SVP Pat Tucker.

The deal is expected to close in the first quarter of 2016, subject to regulatory and shareholder approval.

PR executives of three major firms spent nearly two hours on Dec. 8 telling members of the New York chapter of PR Society of America what they look for in new employees.

Our main takeaway was that agency people not only have to be good writers, ambitious, articulate and creative, but also business people.

They must know “how to run a business,” they must show what client goals were achieved at other agencies, or how they successfully ran their own businesses, the 65 attendees were told. Moderator was Art Stevens of The Stevens Group.

PR people now often report to the chief marketing officer at clients, noted Richard Edelman, whose firm billed \$797 million and employed 5,308 as of Dec. 31, 2014. It is 6.7 times as big as the nearest independent.

“If you can’t read a profit and loss statement or are economically illiterate, go back to school and take economics,” advised Edelman. “Learn how to run a business.”

Know What Specialties Are “Hot”

Peter Finn, founding partner of Finn Partners, which has grown in four years from 150 staffers to 500 in 12 offices handling \$70 million in fees, described nine practice areas headed by tech and healthcare.

He advised jobseekers to check the nearly 500 specialty rankings that are compiled by the O’Dwyer Co. to see what specialties are generating the most fees. He described the culture of the firm as “Work hard, play nice.” About \$1 million in firm time is devoted to public service projects.

The O’Dwyer tech/industrial category ranked 73 firms headed by Edelman with \$265 million in fees in 2014. Finn Partners was No. 9 on the tech list with \$12.7M in fees.

Eighteen of the top 25 firms had double-digit gains, reflecting the move of what is generally regarded as “PR” to the agency side of the industry.

Corporate PR departments have shrunk in recent years. At major companies, IR, marketing and legal mostly call the shots. The dominant corporate PR organization, now known as “Seminar” but called “PR Seminar” until 2008, holds its meetings off-the-record and membership lists are confidential.

No press coverage has ever been allowed even by editors attending or speaking at the annual four-day meetings at the finest resorts in the U.S. Fewer editors have attended in recent years possibly because they don’t want to take part in such off-the-record proceedings.

The last *New York Times* staffer to address the group was John Geddes, financial editor, who spoke to it in 1996. Catherine Mathis, NYT PR head from 1997-2009 and now with McGraw-Hill Education, was listed as an attendee for four years but she said she never attended any of the meetings.

Another takeaway we got was that new employees will almost certainly come from an agency background. That has been industry wisdom for as long as we can re-

member. Working for a single company or institution builds a different mindset from that which is required in agency life. “You can go from an agency to a company but not vice versa,” say PR pros.

Ed Moed, co-CEO of Peppercomm, said the firm, which grew to \$20M in 2015 from \$16M in 2014, has a culture of “work hard, play hard.” Peppercomm “is entrepreneurial to the core,” he said. “Everyone in the firm is creative.” It likes staffers “who take risks,” even though mistakes may be made, and who “create value for clients.” Successful job candidates will “show how smart they are” and how they may have managed a business. “We will ask you a lot of questions,” he said.

A sophisticated candidate will “turn the tables on me and ask me questions,” he said. Media relations skills are important but employees must also know how to manage a client relationship. Employees must become an integral part of the agency culture.

Peppercomm’s training program includes having staffers do a stand-up comedy routine since this helps them to build story-telling skills.

Foreign Service Is Route to Edelman

Edelman says successful job candidates who are most likely to agree to working abroad will be young and single. The firm has offices in more than 20 countries and is especially looking for recruits who have knowledge of French, Spanish or Mandarin Chinese.

“We are looking for people who have the flexibility to get up and go” to countries including those in Asia and the Middle East, he said. They must then have the ability to re-integrate themselves with U.S. staffers when they return from such a posting.

Edelman said the firm is “far too Anglo” and it is doing what it can to recruit candidates of color or who are Hispanic or Asian. He touched on a problem that exists not only on the agency side but on the corporate side.

Paul Urges Minority Recruitment

Counselor Michael Paul, a longtime member of Seminar, this year skipped the May 31-June 3 meeting in Colorado Springs to protest lack of people of color in high posts. There is only a “sprinkling” of minorities in the group which has nearly 300 members, he said. Paul is one of 13 executives on the website who are shown praising the group. One other person of color is also shown, Barry Caldwell of Waste Management.

Seminar, said Paul, “is like Davos for CCOs and PR executives. It is the most selective group of corporate communications and PR executives in our industry.”

Companies, PR firms, PR groups and executive recruiters have failed in recent years to recruit minorities for top positions, he said. The main thrust, according to Paul, is recruiting for entry-level jobs. He called for more action from groups such as the PR Council and the Arthur W. Page Society.

“For years we have heard cries of, ‘We can’t find any qualified senior executive candidates of color and that we must focus on entry level positions.’

It must stop now,” he said.

– Jack O’Dwyer