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O'Dwyer's Newsletter

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KUSHNER'S LEGAL TEAM SEEKS CRISIS FIRM

The legal team representing Jared Kushner, White House senior advisor and President Trump's son-in-law, is looking to hire a crisis PR firm.

Abbe Lowell, Kushner's attorney, confirmed the search to the *Washington Post* Dec. 15, saying he's looking for crisis counsel to represent all his high-profile clients.

Special counsel Robert Mueller has been probing Kushner's dealings with former national security advisor Michael Flynn, who is cooperating with the investigation into Russian meddling in the US elections.

Lowell has contacted at least two firms about working for Kushner.

In August, the family business of Kushner hired crisis-savvy Finsbury of WPP following reports that federal prosecutors were probing the financing of some of some properties of Kushner Cos.



Jared Kushner

\$4B ARMY AD REVIEW COMPROMISED

The US Army has reassigned a marketing executive after allegations that he had a personal relationship with an ex-McCann staffer, triggering cries that review of \$4B ten-year account has been compromised.

James Ortiz, director of marketing at the Army Marketing and Research Group, has been removed from his position and reassigned pending the results of an internal Army investigation concerning his alleged relationship with a former exec of Interpublic's McCann, which has been the Army's agency of record since 2005.

According to an email written by concerned Department of Defense employees and **obtained by Adweek**, the Army advertising contract, worth up to \$4 billion in taxpayer-funded spending over a 10-year term, has been irreparably compromised. The email was sent anonymously last week to executives at WPP and Omnicom, both of which are competing against McCann for the Army account.

The authors of the email claim that the relationship between Ortiz and the former McCann executive "shows a conflict of interest on both parties" and "shows a clear and present advantage and access to potentially



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EPA HIRES DEFINERS PA FOR MEDIA WORK

The Environmental Protection Agency has hired Definers Public Affairs, which was founded by GOP insider Matt Rhoades, to monitor media coverage of it and its embattled head Scott Pruitt.

The no-bid contract covers media monitoring and newsclip collection and is worth \$120K for DA.

Rhodes was campaign manager for Romney-Ryan 2012 and had earlier served as VP at DCI Group and research director for George W. Bush's re-election campaign.



Joe Pounder (L) & Matt Rhoades

Joe Pounder, who was senior advisor for Marco Rubio's presidential effort and rapid response director for the Romney and John McCain White House runs, is DPA's president.

Pruitt has taken plenty of heat for his close ties to the energy sector and frequent trips using military and private flights. He returned from a four-day visit to Morocco on Dec. 13, where he talked with government officials about importing natural gas and areas of "continued cooperation," according to an EPA release.

The Energy Dept and the Federal Energy Regulatory Commission, not the EPA, maintain oversight of the export of American natural gas.

PODESTA ALUMS LAUNCH PA SHOP

Two **Podesta Group** alums have joined forces to launch Klein/Johnson Group in DC, boasting of their close ties to leaders of both parties in the Senate.

Izzy Klein made his mark as communications director for Senate Minority Leader Chuck Schumer (D-NY), while Matt Johnson worked as chief counsel to Majority Whip John Cornyn (R-TX).

Klein is a former principal at Podesta who most recently was managing partner at Roberti Global: Irizarry Klein Roberti. Johnson is a veteran of Podesta and McBee Strategic Consulting.



Izzy Klein

The new shop says it will maintain a "level-headed disposition" and offer "clear-eyed, creative, and comprehensive strategies" during this turbulent times that feature 24/7 breaking news, frenzied legislative action, and unprecedented political uncertainty.

K/J launches Oracle, First Data and Civitas Capital Group as charter clients.

\$4B ARMY AD REVIEW COMPROMISED

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critical information that could be used in the [McCann] proposal.”

The email also provided a link to a YouTube channel with two videos, which Adweek reviewed. They said the videos appear to show Ortiz and the unnamed McCann exec kissing, holding hands and embracing during what Department of Defense sources described as a concert on Oct. 4. That is the same day a strategy meeting took place between the teams from McCann and the Army.

According to a McCann spokesperson, the employee in question left the company in October.

The Guide for the Government-Contractor Relationship issued by the U.S. government says public employees should not allow special treatment to affect their dealings with contractors. The guide goes on to say that “unduly close personal relationships with contractor personnel can create the appearance of favoritism, and may call into question the integrity of the procurement process.”

MORRISON HELPS UNDOCUMENTED IRISH

Morrison Public Affairs Group is working with the Embassy of Ireland related to its effort to help undocumented Irish in the US gain work and travel authorization under “deferred action” immigration status.

The Bethesda-based firm’s focus includes a push to gain E-3 work visas for Ireland, similar to the set-up enjoyed by Australia, the only country under the E-3 scheme. Australia gets 10,500 E-3 work visas.

Bruce Morrison, who was a Congressman from Connecticut, proposed meetings on Capitol Hill and tapping into grassroots networks on behalf of the more than 10,000 undocumented Irish.



Bruce Morrison

John Deasy, Ireland’s immigration envoy to the US, said in August that the estimate of 50,000 undocumented Irish in the US, the number that is regularly quoted by the media, is greatly overblown.

There are 11M undocumented people, largely Spanish-speakers, in the US.

Morrison PA Group, which doesn’t have a formal contract with the Embassy, recommended a monthly fee of \$7,500 for four months of work.

In his email exchange with the Embassy, Morrison expressed a willingness to work for a single \$7,500 payment to cover drafting of legislation and explaining its content to Hill staffers.

He did warn that “organizing of political pressure, not just the legal aspects of the language,” is the key to success.

Morrison suggested that funding for his firm’s drive could be done directly or through a group such as the Ancient Order of Hibernians or Coalition of Irish Immigration Centers.

SARD VERBINNEN WORKS ATRIUM’S \$2.3B DEAL

Sard Verbinnen & Co. represents Montreal’s Atrium Innovations as the “science-based” natural supplements company agrees to be acquired by Nestle for \$2.3B cash/debt.

Atrium markets products in more than 50 countries under brands such as Garden of Life, Douglas Laboratories, Genestra Brands and Pure Encapsulations.

CEO Peter Luther said Atrium shares Nestle Health Science group’s philosophy of “helping people lead healthier lives by providing good-for-you products that are made with the highest standards for quality and efficacy.”

Permira Funds, which has invested in more than 30 consumer companies such as Dr. Martens, Hugo Boss, John Masters Organics and Akindo Sushiro sushi restaurant company, controls Atrium.

SV&C’s Brooke Gordon, Devin Broda and Julie Rudnick handle the deal that is expected to close during the first-quarter of 2018.



Peter Luther

RECORD NUMBER OF JOURNALISTS JAILED IN ‘17

A record number of 262 journalists were jailed for their work in 2017 as of Dec. 1, with Turkey, China and Egypt ranking as the top three gulags, according to the annual report released Dec. 13 by the Committee to Protect Journalists.

CPJ faults the US for failing to criticize the war on the press. In fact, it believes the Trump Administration has abetted the crackdown.

In CPJ’s view, Donald Trump’s nationalistic rhetoric, fixation on Islamic extremism and constant attacks on the media as “fake news” provide a cover for legal charges and the jailing of journalists.

The group counted 21 journalists jailed after they were charged with distributing “fake news.”

For the second year in a row, Turkey topped the list as the worst jailer of reporters, throwing 73 journalists behind bars.

Turkish president Recep Tayyip Erdogan launched a crackdown of press freedom in early 2016 and accelerated it following a failed coup attempt, which was blamed on an alleged terror group led by exiled cleric Fethullah Gulen, who is living in Pennsylvania.

CPJ noted that Team Trump has turned a blind eye to Erdogan’s repressive treatment of the press. Trump hosted the Turkish strongman at the White House in May and recently called him a friend.

Similarly, Chinese president Xi Jinping enjoyed the hospitality of Trump at his Mar-a-Lago estate.

The US president also made no mention of China’s human rights abuses during his November visit to Beijing.

After visiting Trump at the White House in April, Egyptian president Abdel Fattah el-Sisi passed a draconian anti-terrorism law that furthered Egypt’s press crackdown, according to CPJ.



SKDK'S MCCORMICK RUNS TO UNDER ARMOUR

Kelley McCormick, managing director at SKDKnickerbocker's Washington office, is joining Under Armour as senior VP, corporate communications, a new position at the athletic apparel/footwear company.

Based at its Baltimore headquarters, McCormick will be responsible for strategic visioning, media relations, and employee communications. She'll report to CEO Kevin Plank.

With more than 20 years of consulting experience, McCormick also served as a principal in SKDK's women's practice, advocating on behalf of female leaders/candidates and issues.

Prior to SKDK, she was executive VP at McBee|Gibraltar and held posts at Qorvis Communications, Weber Shandwick/Powell Tate and Ketchum.

Under Armour has been wrestling with a drop in demand from its key US market, which resulted in lower than anticipated third quarter revenues.

North American sales plummeted 12.1 percent during Q3 to \$1.1B, while operating profit fell 64 percent to \$65.8M.

Plank reduced sales and earnings estimates for the full-year. He now expects a low single-digit revenue growth and operating income between zero and \$10M.



Kelley McCormick

C&W HOOKS HOOPER

Cohn & Wolfe has named Kristin Hooper, who was senior message and intelligence lead at the National Education Assn., as senior VP in its branding & insights unit.

Hooper, who has more than 15 years of research/strategic marketing experience, was in charge of polling, member insights and strategy at the NEA.

She also worked as VP in Weber Shandwick's KRC Research arm in DC and was senior project manager for research at Ketchum in Atlanta.

Hooper will move from Washington to New York next month and report to Lynn Fisher, executive VP at C&W's B&I unit.

WPP owns C&W.



Kristin Hooper

AGCO PLANTS COOK IN PR SLOT

Kelli Cook, who was marketing communications manager for Lockheed Martin's Sikorsky helicopter unit, has joined AGCO agricultural equipment maker as North American PR manager.

She's develop strategic communications campaigns, publicity drives and marketing programs for the \$8B revenues Duluth, GA-based owner of brands such as Massey-Ferguson, Challenger and GSI.

At Sikorsky's DC officer, Cook organized trade shows, created marketing materials and organized grassroots support for its US government business development efforts.



Kelli Cook

HUNTSWORTH MOVES AHEAD

Huntsworth traded well through November and expects to at least reach the \$30.6M profit consensus for 2017, according to its financial update released Dec. 14.

Strong growth from Huntsworth Health, especially from its Evoke and Apothecom units, which generate more than 65 percent of healthcare revenues and profits, drove overall corporate performance.

The firm also received a boost from The Creative Engagement Group digital business, which was acquired in July, as CEO Paul Taaffe completed TCEG's integration into Huntsworth. TCEG is now busy lining up new business ventures with Huntsworth operating units, which include Red, Grayling and Citigate Dewe Rogerson.

Huntsworth "is confident about future trading and expects continued good growth prospects in its healthcare businesses," according to the report.

The company will announce full-year 2017 financials on March 8.



cutline

SIMMONS CHARGED WITH RAPE ATTEMPT

Fashion PR pro Kelly Cutrone has charged hip-hop mogul Russell Simmons with a rape attempt in 1991.

She's among a dozen women who have alleged Simmons, who founded Def Jam Recordings, launched Phat Farm clothing line and created Rush Communications—one of the nation's biggest African-American owned media companies—with rape or sexual assault.

Cutrone told the *New York Post's* Page Six on Dec. 14 Simmons was a casual acquaintance who misled her into going to his apartment and then tried to take her clothes off. She fought him off but "the energy of going to the police and pressing charges against him was overwhelming to me."

Cutrone is only going public now because she's upset that Simmons launched #NotMe on Instagram for men to refute sexual accusations. "It's a call to every man who wants the right to abuse women to continue," she told the Post.

Via his lawyer, Simmons released a statement to "vehemently deny" the charges levied against him. "These horrific accusations have shocked me to my core and all my relations have been consensual," he said.

Cutrone founded New York-based People's Revolution, which has an office in Los Angeles, in 1996. It has worked for Bulgari, Paco Rabane, Longchamp and Valentino.

Earlier, she helped run Cutrone & Weinberg, which counted Frank Sinatra and Eartha Kitt as clients. Cutrone has starred in MTV's "The Hills" and America's Next Top Model."



Kelly Cutrone

DISNEY, FOX MERGER SENDS TREMORS

By Ronn Torossian, CEO of 5WPR



The bombshell news of 21st Century Fox's pending purchase by Disney Corp. has sent tremors through the media world in recent weeks. The deal purports to include all of Fox's movie and TV holdings, which is a massive part of the company's business. While the Murdoch family will keep most of Fox News and many other Fox stations — including Fox Sports — that move could give Disney a veritable stranglehold on media in the coming years ... in all but one arena.

Netflix still dominates streaming media, which is clearly the wave of the future. While Fox does well with movies and extremely well with TV, consumer viewing habits are changing fast, and all trends point to a war between Netflix, Hulu and Amazon for streaming supremacy. Now that Disney will have a stake in Hulu, as part of this deal, they could swing in as a wrecking ball and really shake things up.

One of the biggest coups is the possibility of finally bringing together all of the Marvel movie heroes. For years, fans have been clamoring to see the X-Men in a Marvel Universe movie, but Fox had the rights, so it would never happen. Now, in light of this merger it can, and fan excitement is already running wild.

But there are other ways Disney could get some skin in the streaming game. For one, the company already announced plans for both ESPN and Disney streaming channels. Now, the company will have all the rights to many of Fox's best shows and movies too. And Star Wars, as well.

Fans are already imagining streaming channels offering Star Wars and Disney content, which could be pulled from Netflix and Amazon and Hulu, forcing fans to subscribe to a Disney-owned channel. If any company could pull that off, it would be Disney. The company already struck gold with its cable Disney Channel, and many market watchers believe a streaming Disney product is the next logical evolution. In fact, the company may offer several, selling them separately or in mini-package deals.

For Murdoch, the move is somewhat of a return to his media roots: a much slimmer, though extremely profitable, stable of media properties including Fox News, MLB, NFL, NASCAR and NCAA sports.

At this point, all of this is guesswork, but it's a very strong possibility that Netflix, with its relatively young list of network-created shows, could soon be facing the Disney-Fox juggernaut head on, with Amazon and Hulu still peeling away market share. If and when that happens is still up for speculation, but that day is much closer than ever.

PR OPINION

Economic stats, including lowest unemployment since 2000, rising incomes, and a stock market that is setting records, offset negatives of the Trump Administration.

The business community feels it has a friend in the White House and can plan more confidently for the future. Jobs have been added in every month for more than seven years.

President Trump, the most communicative president in history, has made numerous verbal and even policy mistakes but the boisterous economy is what he should be graded on.

Liberal-oriented media have been too tough and even unfair with him from the day he announced his candidacy. This has hurt the credibility of media.

A pro-business Administration is good for all segments of industry including PR.

PR firms documenting net fee incomes for the O'Dwyer rankings have shown strong growth for more than ten years running. Most of what comes under the heading of "PR," including press and social media relations, has shifted to the agencies where creativity and diversity of tasks flourish.

Women Show Clout

The year past posted a high water mark on the influence of women in government and business including PR. Among those carrying the flag for women are Meryl Streep and Gloria Steinem.

Streep, appearing in Boston Dec. 7 at the #metoo conference attended by 16,000 women, said women must seek "50/50 by 20/20," meaning equal numbers of women and men in board rooms by that date.

Steinem said the usual board is "three women and 12 other people. Gender stereotypes are learned and normalized at an early age."

Streep plays Washington Post publisher Katherine Graham in "The Post," a movie set in the President Nixon era when the Watergate scandal broke that led to his resignation.

We expect to hear more in 2018 from American Women in PR, an offshoot of a group that started in Canada. AWPR wants PR to be seen as a "profession" and not as an "industry." It wants equal pay/titles with men.

With \$300 yearly dues, AWPR is up against PR groups that have large female memberships—PR Society of America, Int'l Assn. of Business Communicators and New York Women in Communications.

Cellphone Dangers Probed by CBS-TV

Another topic we have covered, health threats coming from cellphones and other sources of pulsed radiation, got a boost Dec. 15 when national CBS-TV News aired a segment titled calling attention to a warning issued by the California Dept. of Public Health.

The segment noted that about 95% of the U.S. population are cellphone users but few are aware of warnings that come with the phones. Advice to use the phone in speaker mode or with ear buds is in the instructions for Apple phones but is buried in fine print.

Other advice from the state is don't carry a cellphone in a pocket or sleep near one. Keep the phone "at arm's length" and remove headsets when not on a call, it says.

— Jack O'Dwyer