



Jack O'Dwyer,
Editor-in-Chief

O'Dwyer's Newsletter

The Inside News of
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271 Madison Ave., New York, NY 10016
212/679-2471. Fax: 212/683-2750
www.odwyerpr.com; jobs.odwyerpr.com

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PUBLICIS ACQUIRES QORVIS

Publicis Groupe is acquiring Washington-based Qorvis Communications, which ranks as the No. 10 independent PR firm with fees of \$30M.

Qorvis and its 80 staffers counsel Saudi Arabia, Cisco Systems, U.S. Institute for Peace, AAMCO, American Pharmacists Assn. among other clients. It will become part of PG's MSLGROUP unit.

Qorvis CEO Michael Petruzzello, who founded the firm in 2000, will serve as president of Qorvis MSLGROUP in D.C. and CEO of the agency's North American PA practice. He will report to Renee Wilson, president of MSLGROUP North America.

The acquisition, according to MSLGROUP CEO Olivier Fleurot, "makes us stronger in Washington and a highly engaged player in top economic, PA and government issues on the global stage."

Publicis, last week, received EU clearance for its mega-merger with Omnicom.



Petruzzello

FH TO PUT SHEEN ON CANADA TAR SANDS

FleishmanHillard International has won the competitive pitch to promote Canada's tar sands oil resource and its strong environmental track record.

The mission is to defuse critics in the U.S., Europe and Asia who believe the burning of that heavy oil greatly intensifies global warming.

The budget for the two-year campaign, which includes PR, advertising and social media outreach, could reach \$22M. That sum has not yet been finalized, according to the *Toronto Star*. "It was quite a competition," FH CEO Dave Senay said to O'Dwyer's about the win. "I think our ability to fully integrate communications and see the world with a 360-degree view was what put us over the top."

Canada wants to "better inform" other markets about its natural resources sector and ensure a "fact-based public dialog," according to David Provencher, a government spokesperson. The communications effort also will "raise awareness among decision-makers" of Canada as a "secure, reliable and responsible supplier of crude oil, natural gas and other natural resources."

President Obama has yet to approve the controversial Keystone XL pipeline, which is supposed to transport Canada's heavy oil to Gulf Coast refineries.

FAHLGREN PICKS UP TURNER PR

Ohio's Fahlgren Mortine has acquired 17-year-old New York and Denver-based travel and outdoor lifestyle shop Turner PR with plans to operate the firm as an independent brand.

Turner has 28 staffers and is led by Denver-based Christine Turner, who said the deal allows the firm to continue to "do what we love, and [gives] us the resources to grow."

Turner handles destinations like Utah and Albuquerque, N.M., as well as brands including Airwalk and Levi's. The firms said the merger puts the combined entity into the top 15 of independent firms. Fahlgren posted \$12.4M in revenue on strong growth in 2012.

Neil Mortine, president and CEO of FM, cited Turner's travel, tourism and active lifestyle experience, as well as its digital PR savvy in announcing the deal.

FM plans to build its future tourism PR business under the Turner name.

Financial terms were not disclosed. StevensGould-Pincus facilitated the acquisition.

The deal follows FM's 2010 acquisition of Cleveland's Edward Howard & Co., as well as Columbus interactive shop GRIP digital and Dayton ad agency Sabatino/Day.

KOCH BROS LURE BURSON PA/CRISIS CHAIR

Steve Lombardo, PA/crisis chair at Burson-Marsteller in Washington since April, is moving to Koch Industries next month for the chief communications/marketing officer slot.

The 53-year-old sees an opportunity to showcase how the \$115B Wichita-based conglomerate works to improve the lives of people around the world, according to Politico.

Prior to B-M, Lombardo helmed Edelman's StrategyOne research operation, ran his own shop for an eight-year span and served as vice chairman of Blue Worldwide, Edelman's advertising unit.

Lombardo has been involved in Republican politics, recently serving as senior research and communications director for Mitt Romney's presidential run.

KI is the firm of conservative activists Charles and David Koch. Their empire includes Georgia-Pacific, Koch Pipeline/Fertilizer, Molex (electronic components), Flint Hills Resources, INVISTA (chemicals), Matador Cattle and Odessa Power.

Dave Robertson is COO. Lombardo and Edelman colleague Jackie Cooper wrote about the "Republican Brand Problem" in O'Dwyer's in December 2012.



Lombardo

BURSON BUFFS GANDHI

Burson-Marsteller is working to bolster the image of India politico Rahul Gandhi, member of parliament and VP-of the National Congress Party, ahead of the national elections slated for the spring.

Hindustan Times reports the WPP unit is to “create a buzz around Gandhi on social media” and handle his Facebook and Twitter accounts.

The 44-year-old is a member of the influential Nehru-Gandhi clan. His grandmother, Indira, was prime minister until her assassination in 1994. Father, Rajiv, another PM, was killed seven years ago. Mother, Sonia, heads the CP.

With Japan’s Dentsu advertising firm, B-M’s communications program is to promote Gandhi as a vibrant leader who will work for the “common man.”

Prior to his 2004 election to his father’s old parliament seat, Gandhi worked for Monitor Group consulting firm and established an outsourcing firm in Mumbai.



Gandhi

EDELMAN, GIULIANI HAND TO NIELSEN

Katie Burke, a 20-year PR vet who most recently chaired Edelman’s PA practice, will join Nielsen on Jan. 27 as executive VP marketing/communications. She will report to Mitch Barnes, newly minted CEO.

Burke also served as communications director for the presidential bid of former New York Mayor Rudy Giuliani and Arnold Schwarzenegger’s successful re-election bid to California government. Burke was director of TV news at the White House.

Based in Wilton, CT, she will handle internal/external PR duties, content development, digital and industry relations/events.

Barnes said in a statement that Burke’s “extensive experience at the highest levels of government, politics and PR makes her the ideal leader to advance our global messaging and brand strategy efforts, driving growth for Nielsen and our clients.”

Nielsen operates in about 100 countries.



Burke

KETCHUM PACKS PUNCH TO SPORTS UNIT

Eryn McVerry is a new senior VP at Ketchum’s sports and entertainment operation.

The 13-year veteran was brand director/advertising & marketing at Ogilvy & Mather, where she played a key part in the launch of NASDAQ and handled UPS, SAP, Time Warner Cable and Tottenham Hotspur English soccer team.

At Ketchum, she will work on major accounts such as IBM, Anheuser-Busch, InBev and Gillette.

Ann Wool, who heads the Ketchum unit, said McVerry would add “deep experience in marketing to men through sports and integrated brand campaign.”

Prior to O&M, McVerry worked at Momentum Worldwide (account director) and Leo Burnett’s Relay Worldwide (account supervisor).

CORNELL ENROLLS MALINA AS POLICY HEAD

Cornell University has enrolled Wexler & Walker Public Policy Associates CEO Joel Malina for its key university relations slot, following a national search.

Malina will take over communications, community and government relations for the Ivy League institution on March 31.

Cornell communications head Tommy Bruce moved to Dartmouth College in October. Vice president of government/community relations Stephen Philip Johnson announced his retirement from Ithaca, N.Y.-based Cornell in March.

“Joel brings to Cornell a superb background in government relations and strategic communications at a time when coordinated approaches and strong partnerships locally, across New York state, in Washington and around the world will help define our future,” said Cornell president David Skorton.

Malina, a Yale University grad and Scarsdale, N.Y., native, has been with Washington-based, WPP-owned W&W since 1992, including a three-year term building an organization of public and private research universities, The Science Coalition, which included Cornell. He started out as an intern with the firm and took the reins as CEO in May.

He started out as an aide to New York Democratic Rep. Nita Lowey and was mentored at W&W by the late Democratic strategist Anne Wexler. Malina’s scope includes the university, Weill Cornell Medical College, Cornell NYC Tech in development on Roosevelt Island, and the school’s extended network.



Malina

MDC ADDS GOP WORDSMITH LUNTZ

MDC Partners has acquired a majority stake in Luntz Global, making GOP wordsmith Frank Luntz chief language strategist at the ad/PR firm.

As part of MDC’s strategic resources group, Luntz is to advise partner firms “how to tear down language barriers and facilitate real connections with consumers,” according to his statement.

LG has worked with global brands such as News Corp., Anheuser-Busch, Merrill Lynch, Wynn Resorts, McDonald’s and Merrill Lynch. It also did work for Bill and Melinda Gates Foundation and U.S. Chamber of Commerce

Luntz is author of “Words that Work,” “What Americans Really Want... Really,” and “WIN.”

Currently, he is a CBS News analyst and “focus group czar” at Fox News.

MDC CEO Miles Nadal credits Luntz with revolutionizing corporate and political communications.

Luntz was a pollster for Pat Buchanan during the 1992 presidential primary campaign, later moving to the Ross Perot campaign and advising House Speaker Newt Gingrich during the “Contract with America” era of the 1990s.



Luntz

AD AGE SCALES BACK PRINT FREQUENCY

Advertising Age will cut back to 25 print issues per year, from 46, starting Jan. 20, citing an increased focus on digital.

"The reality is that Ad Age is now a 24-hour news service online, around the world, and so we want to evolve the magazine with content better suited for the print medium," said publisher Allison Arden.

The trade pub plans to increase its print page-count by 50% and introduce new features – long and short-form – and add B2B marketing coverage from its BtoB Magazine unit.

Other changes include the promotion of Ad Age editor Abbey Klaassen to associate publisher, editorial & audience, and a revamped website to be introduced "in the coming weeks."

**MIN BROADENS EDITORIAL REACH**

Janice Min, who turned around the *Hollywood Reporter*, has moved to the co-president slot at the new entertainment group at Guggenheim Partners.

With John Amato, she will handle editorial responsibility for HR and *Billboard*, the "bible" of the music industry. John Wilbur takes the presidency of GP's Adweek/CLIO and Film Expo Group.

Min also takes the chief creative officer slot.

The entertainment group set-up is part of GP's move to foster growth and take advantage of "enhanced opportunities for advertisers, readers, viewers and/or audiences and, of course our employees," said Todd Boehly, president of GP and chairman of its Guggenheim Media arm.

Min, Amato and Wilbur report to Boehly.

NBC PROMISES TO STAND UP TO PUTIN

The National Broadcasting Co., which will begin its coverage of the Sochi Winter Olympics on Feb. 6, promises that it won't be a PR tool of Russian strongman Vladimir Putin.

Mark Lazarus, NBC Sports Group chairman, said the network won't shy away from protests of Putin's draconian anti-homosexuality measures or threats posed by terrorists and demands from separatists. "We will cover anything that takes place during the Games," he told Gannett's *USA Today*.

Two bombings killed 34 people in terror attacks in Volgograd, which is near the Olympics site, last month.

Russia's Itar-Tass news agency reported beginning Jan. 7 "all divisions responsible for ensuring the security of guests and participants at the Games are being put on combat alert. All security issues for the winter Olympics are being dealt with at the highest international level."

NBC paid \$775M for the rights to broadcast the competition. More than 200M Americans are expected to watch at least some of the events.

Russia invested \$50B in preparation for the Sochi Games, which is a bigger amount spent for all previous Winter Games combined.

GOLIN, HACKETT OUT AT TIME INC

Mark Golin, group editor at Time Inc.'s style & entertainment group, and Larry Hackett, editor of *People* for the past eight years, are leaving the magazine company as it prepares for this year's split from Time Warner.

David Geithner, SEG's executive VP, and Norman Pearlstine, chief content officer, disclosed the departures via a staff memo on Jan. 10.

Golin joined Time Inc. from AOL 11 years. As editor of People.com, he orchestrated its growth and expansion across mobile, video and social platforms. He is staying on during a transition period to help integrate print and digital editorial.

Hackett, in the memo, is praised for a "commitment to respected journalism, creative insights and brand acumen." He helped stabilize the magazine "during a time of unprecedented competition." Hackett "launched new franchises including world's most beautiful woman and teacher of the year."

Jess Cagle, editor of *Entertainment Weekly*, is the new People and People.com editor. He'll double as EW's editorial director. His EW editor successor will be announced shortly. Cagle began his Time Inc. career in 1987 as a reporter for People. Hackett will remain at Time Inc. for several weeks to assist Cagle during the change-over.

GLOBE ADDS VATICAN SCRIBE

The *Boston Globe* has hired John Allen to cover the Vatican amid increased reader interest of the Catholic Church under Pope Francis.

The paper also said it is exploring the launch of a free-standing publication devoted to Catholicism.

Allen, a senior correspondent for the *National Catholic Reporter* who pens the "All Things Catholic" column, will join the Globe in early February as an associate editor.

He is also a senior Vatican analyst for CNN and author of nine books.

"There is a resurgence of global interest in the Catholic Church, inspired by the words and deeds of the newly installed leader, Pope Francis," said Globe editor Brian McGory.

McGory said the 48-year-old Allen is the most knowledgeable English-speaking reporter on the Vatican, noting "bishops and cardinals call [him] to find out what's going on within the confines of the Vatican."

DAILY BEAST'S AURIEMMA TO WSJ

Adam Auriemma managing editor for *The Daily Beast*, is moving to the *Wall Street Journal* as deputy chief in the management bureau.

The unit covers executives and corporate leadership. Bureau chief Nikki Waller said Auriemma will "help drive and reimagine our digital coverage, and will bring wit and punch to our management, careers and workplace stories on all platforms."

A former writer for Mediabistro who interned at *The New Yorker* and *Interview Magazine*, Auriemma spent four and a half years at the Daily Beast.

MEDIA NEWS**GM DROPS MONTHLY PRESS, ANALYST CALLS**

General Motors said it will stop holding monthly calls to discuss U.S. sales figures with reporters and analysts, ending a 20-year practice.

GM will rely on events like the annual LA Auto Show to meet with media.

The top automaker announced Jan. 3 that its participation in a half dozen or so analyst conferences, coupled with media interviews during auto shows, is sufficient opportunity for the company to communicate with the financial sector and press.

"We are ending the call to concentrate on conferences and other forums that allow us to discuss our strategy and our results with a long-term view and in a very holistic way," said financial comms. manager Jim Cain.

GM said it will continue to release monthly sales figures and field inquiries on an individual basis.

The *Wall Street Journal* called monthly calls in the auto sector a "fading tradition" as carmakers move away from the "decade-long practice where each month analysts and journalists get to pepper executives with questions about the company's latest performance."

Ford, Toyota and Volkswagen of America still conduct monthly sales report calls. Mary Barra takes the reins of GM as CEO on Jan. 15.

MILITARY CHANNEL NOW AMERICAN HEROES

The Military Channel, which is part of Discovery Communications, is changing its name to American Heroes Channel on March 3 to reflect an expanded programming mix aimed at its mostly male audience from ages 25 to 54.

"The American Heroes Channel will be the next great platform for Discovery to engage and entertain an information-hungry audience with a network that provides an exciting intersection of military and history programming," said a statement from David Zaslav, Discovery CEO.

The revamped channel will provide a "rare glimpse into major events that shaped our world and the trailblazers and unexpected advocates who made a difference."

There are 17 new shows and specials slated during the first year. Among highlights for the first week are "CIA: Declassified," "Codes and Conspiracies" and "Against the Odds" (combat life and death situations).

AHC will be available in 62M households.



GM at the 2013 L.A. Auto Show

ELDON DEPARTS TECHCRUNCH

Eric Eldon, co-editor of TechCrunch, has left the Silicon Valley blog to try other things, according to the other co-editor Alexia Tsotsis.

Matthew Panzarino, senior editor, will take Eldon's spot "because not only is one the loneliest number, but because managing the most influential startup publication on the planet is really a two-person job," according to a post from Tsotsis.

Senior editor Leena Rao of "Ask a VC" is upped to managing editor.



Eldon

CNET EDITOR JUMPS TO COUPONS.COM

Paul Sloan, editor-in-chief of tech pub CNET News, has moved to the PR side as VP of corporate communications for coupons.com, the Silicon Valley company expected to go public this year.

Sloan was with the CBS Interactive property for the past four years after New York-based stints at *Fortune Magazine* and CNN. He earlier reported for *U.S. News & World Report*, and Bloomberg News, among others.

Coupons.com CEO and co-founder Steven Boal said he has known Sloan for years and called him "one of the most respected journalists in the industry."

The Mountain View-based company was formed in 1998 and takes a commission on coupon downloads.

BASEBALL WRITERS BAR LE BATARD

The Baseball Writers Association of America has suspended *Miami Herald* and ESPN commentator Dan Le Batard after he turned over his Baseball Hall of Fame ballot to Deadspin.com for its readers to vote.

The group said it suspended Le Batard's membership for one year and banned him from voting for the HOF for life for "transferring his Hall of Fame ballot to an entity that has not earned voting status," citing authority under the BWAA constitution. BWAA gives members a HOF vote based on seniority.

Said BWAA president La Velle Neal: "The [organization] regards Hall of Fame voting as the ultimate privilege, and any abuse of that privilege is unacceptable."

Le Batard, now a freelancer for the Herald and host of an ESPN radio show, said he turned over his vote to protest the process and its "avalanche of sanctimony that has swallowed it," especially over steroid use in the sport.

"Baseball is always reticent to change, but our flawed voting process needs remodeling in a new media world," he wrote on Deadspin.com, which conducted an online poll of readers to fill out Le Batard's ballot.

ESPN said it respects and appreciates Le Batard's opinions and passion about Hall of Fame voting, noting he received his voting privilege as a writer for the Herald: "We wouldn't have advocated his voting approach, which we were just made aware of [Jan. 8]."

Miami Herald executive sports editor Jorge Rojas said: "Whatever issues might be raised about the Hall of Fame voting process, we do not condone misrepresentation of any kind. Dan had a point to make. We think there are other ways he could have made it."



NEWS OF PR FIRMS**C&W PLUGS IN DUNTON TO LEAD SF**

Cohn & Wolfe has recruited APCO Worldwide San Francisco senior VP Mischa Dunton to lead its outpost in that city, the hub for its North American tech accounts.

Dunton was a founding member of APCO/S.F. and served as deputy managing director, handling clients like Sheryl Sandberg's Lean In, Gap Inc. and Red Bull. At C&W, she reports to North American president Jim Joseph and oversees day-to-day operations of the office, in addition to counseling clients.



Dunton

Anna Leonard, who led the San Francisco office for WPP-owned C&W as well as its tech practice, left the firm in March 2013 for Antenna Group.

Dunton was previously PR manager for LeapFrog Enterprises and director of marketing communications at Plaxo.

Opens Philippines Outpost

C&W has opened a wholly-owned office in Manila, the Philippines, with six staffers led by account director Amiel Mendoza, formerly of EON.

Mendoza reports to Gavin Foo, group managing director, Southeast Asia, who noted the country's 100M people, large consumer base and fast-growing middle class.

The outpost will focus on multinational clients like Google and Nokia, as well as regional business.

The move continues a build-up in Asia for C&W that has included new offices in Jakarta, Mumbai and Delhi, Hong Kong, Singapore and Malaysia over the past three years.

MWW FORMS LONDON PA UNIT

MWW has formed a London public affairs practice under the direction of Simon Gentry, formerly of Good Relations Political Communications.

The independent firm is eyeing PA business in London and Brussels with the move.

Gentry previously ran his own shop, was head of European affairs at the ABI, and worked corporate communications for SmithKline Beecham.

WS EXEC KILLED IN PLANE CRASH

Weber Shandwick VP Christopher Neumann died Jan. 6 after a single-engine plane crash while en route to the Detroit suburb of Troy, Mich.

Todd Lloyd, the 51-year-old president of rental services company Chair Covers & Linens and a licensed pilot who was Neumann's partner, was also killed in the crash, which occurred after takeoff from Boyne City Municipal Airport.

Neumann, 38, joined WS in 2011 and worked on the General Motors account on video and marketing projects.

Weber Shandwick called Neumann a "deeply valued colleague, gifted professional and friend."

Federal authorities are investigating the crash to determine its cause.

Neumann was a resident of Birmingham, Mich.

NEW ACCOUNTS**West**

Finn Partners, San Francisco/Jamba Juice, food and beverage chain, as PR and social media AOR. Finn West Coast managing partner Howard Solomon said the company is "going back to their roots," adding that PR will leverage its heritage of juicing to tout JJ's 800+ locations in the U.S. Expansions in mobile and corporate social responsibility are also planned. Senior partner Brenda Lynch heads the account at FP.

Southwest

Pierpont, Dallas/Elephant Insurance, Virginia-based auto insurer, to support its focus and expansion in the Dallas/Fort Worth market via brand awareness and visibility through media relations and thought leadership. Greg Minkler, U.S. marketing manager for Elephant, said the company met with several agencies in the search process and said Pierpont "won us over with the upfront effort and passion they displayed for our brand combined with their understanding of our business."

Ward, Houston/Kraton Polymers, publicly traded global producer of engineered polymers and one of the world's largest producers of styrenic block copolymers, and Pricelock, online community for energy professionals to transact products and services, network with energy insiders, and find the jobs and talent online, for PR.

Zion & Zion, Tempe, Ariz./Childhelp, national child abuse prevention nonprofit, for branding, public relations and social media efforts for the locally based nonprofit as well as the design of a new corporate national website and an associated ongoing digital strategy.

New York

Ogilvy PR, New York/Endo Health Solutions, for PR for its Endo Pharmaceuticals division, including its men's health and pain management units.

East

SHIFT Communications, Boston/Appia, mobile user acquisition network; Collective Bias, social shopper media company; ConnectEDU, technology solutions for students; Ektron, web content management software; MassChallenge, accelerator program and startup competition; MedeAnalytics, healthcare performance management solutions; Scout, recruitment marketplace, for PR and integrated comms.

Southeast

Creaxion, Atlanta/United States Obstacle Course Racing, official sanctioning body for the sport of obstacle course racing, to develop a marketing strategy, including PR, social media and partnership development, as well as branding and creative services for the organization, which officially launches in February.

South

Deveney Communications, New Orleans/Prospect New Orleans, as AOR for Prospect.3, following a competitive search. The initiative is the third edition of the New Orleans International Contemporary Art Biennial, set to open this fall. Deveney said it will utilize its Worldcom PR Group partners for the assignment.

NEWS OF SERVICES**IABC SWITCHES TO 'CERTIFICATION'**

The International Association of Business Communicators is switching to a "certification" designation for members from the current "accredited" designation which had created "Accredited Business Communicator" or ABC.

Those who have earned ABCs in the past nearly 50 years will not be "grandfathered" into the new designation, which will be under the supervision of the Int'l Standards Organization, said Robin McCasland, IABC chair.

It may take years for the new program to get underway because ISO standards are very strict, she added.

Cost of obtaining an ABC was \$500. No price was set for the new program. About 1,100 of IABC's 14,000 members are ABC.

There will be two levels of certification--generalist/specialist and strategic adviser. Those who earn these designations must "re-certify every few years to demonstrate that they have continued to develop professionally," said McCasland, whose bio on the IABC website says she had her own PR firm in Texas. There is no mention of current employment.

Several IABC members had denounced the planned switch to certificates when they were first announced last year.

Henrich Leaves

Aaron Henrich, who has headed communications at the Int'l Assn. of Business Communicators for more than a year, has left the group.

PK LAUNCHES PRESS ROOM SERVICE

Paris-based press release disseminator PressKing has launched a press room service for companies to provide content to journalists.

CEO Bertrand Besse said press rooms are often the "lame duck" of a company website "limited to a string of links or a .zip file containing a set of documents." Besse called a regularly updated press site is key to building long-term media relationships and "essential" in PR today.

The service compiles releases, articles, logos and visuals, and executive biographics, among other content, for its online press rooms.

Press King has three tiers to its service: free, \$18.90/month and \$99.90/month. Free trials run 30 days.

MEDIA MONKEYBIZ ADDS STAFF

Chicago-based monitoring firm media monkeybiz has added former Cision U.S. broadcast director Dennis Ward as VP of digital content solutions.

Ward was previously at now-defunct monitoring giant FMC, which bought his start-up Mediamon in 2004.

Mary Ann Halvorson, sales manager at monitoring shop Aircheck, has joined media monkeybiz as director of business development.

CEO David Lasker said Halvorson will help clients get monitoring service tailored to their needs. He added that Ward's "industry knowledge and sales leadership expertise are unmatched."

PEOPLE**Joined**

Mitzi Emrich, who led digital practices at FTI Consulting and Edelman, to MWW as chief social strategist. She was managing director for FTI for the past year after four years with Edelman as senior VP and group head-digital. MWW CEO Michael Kempner called her "one of the top digital and consumer marketing talents in the industry," noting Emrich's digital experience in both corporate reputation and public affairs.

**Emrich**

Julie Kahn, senior VP for broadcaster Entercom, to Regan Communications, Boston, as executive VP of sports/media. Entercom is a Regan client.

Jean Guerin, who led communications for NBCUniversal Cable's entertainment group, including networks like USA, Bravo and Oxygen, to Sony Pictures Entertainment to head media relations for its film operation in Los Angeles. The SVP-media relations role was vacated by Steve Elzer in December. Guerin was SVP-comms. for USA Networks and VP of publicity at the Syfy Network before taking the wider NBCU role in January 2013. Early in her career, she worked on the agency side at PMK.

**Guerin**

Ricky Diaz, spokesman for North Carolina's Dept. of Health and Human Services, to FP1 Strategies, Washington, D.C., as a VP on Jan. 24. Diaz, according to WRAL, served as the department's "lightning rod" for controversies connected with food stamp enrollment, Medicaid billing and mailing 50K insurance cards to the wrong people. Prior to DHHS, he was press secretary for Gov. Pat McCrory's 2012 gubernatorial run.

Promoted

Lisa Powers to VP for public affairs and communications, The Personal Care Products Council, the Washington trade group for makers of cosmetics and similar products. She fills a slot vacated last May by **Kathleen Dezio**, who moved to the Alliance of Marine Mammal Parks and Aquariums. Powers joined the group in 2006 after serving as senior VP for The Mercury Group and manager of comms. and PR for the Association of Women's Health, Obstetric and Neonatal Nurses. The Council's 600+ members include L'Oreal USA, Merck, Colgate and Playtex.

Adam Sanderson to senior VP of corporate comms., The Walt Disney Company, Burbank, Calif., overseeing the company's fan relations and archives. Sanderson, reporting to chief communications officer Zenia Much, is a 17-year Disney staffer recently in franchise management of its Disney/ABC TV group. Jeffrey Epstein continues to handle D23's PR, marketing and fan relations. He previously handled promotion marketing at FX Networks and *Conde Nast Traveler* before moving to Disney as VP of marketing for the Disney Channel in 1997.

**Sanderson**

RODMAN APOLOGIZES VIA PR FIRM

North Korea visitor and former NBA star Dennis Rodman apologized through his PR firm Jan. 9 after defending in a CNN interview the country's hard labor detention of an American citizen, Kenneth Bae.

"I want to first apologize to Kenneth Bae's family," Rodman said through his New York agency, The Pitching Staff PR, adding apologies to his teammates, management and CNN host Chris Cuomo. "I embarrassed a lot of people. I'm very sorry. At this point I should know better than to make political statements. I'm truly sorry."

Rodman's statement said he had been drinking and that he was upset that his "dreams of basketball diplomacy was [sic] quickly falling apart."

Bae, a tour operator in the country, was arrested in November 2012 for unspecified crimes and hit with a 15-year hard labor sentence.

Rodman, who forged a friendship with North Korean strongman Kim Jong Un and is visiting the country for a basketball exhibition, on CNN Jan. 8 suggested Bae's detention was justified: "If you understand what Kenneth Bae did ... Do you understand what he did in this country? Why is he held captive in this country? I would love to speak on this."

Bae's family ripped Rodman's remarks. "There is nothing diplomatic about his trip," Bae's sister, Terry Chung, said in a statement. "My family and I are outraged by Rodman's recent comments. He is playing games with my brother's life."

Pitching Staff PR is the firm of 5W PR and Morris + King Company alum Jules Feiler.

NEY DIES AT 88

Ed Ney, former CEO of Young & Rubicam, died Jan. 8 at the age of 88.

The ad man is remembered for adopting the "whole egg" or integrated approach to communications, which led to Y&R's acquisition of Burson-Marsteller.

"He understood it all and saw it sooner than most," said a statement from Martin Sorrell, CEO of Y&R's parent WPP.

"It was a radical concept and transformed not only our agency but the entire industry," added Y&R Global CEO David Sable, who recalled Ney's magnetic charm.

"Ed was known to walk the building, where he talked to everyone he passed, knew everyone's name and always had a question or kind observation to share," he explained.

Ney joined the advertising agency in 1951 as junior account executive for General Foods and served as chairman until 1989. He returned ten years later as chairman emeritus. Ney was appointed U.S. ambassador to Canada in 1989, where he played a role in the expansion of the U.S.-Canada Free Trade Agreement to Mexico.

He is survived by a wife, three children and five grandchildren.



PR FIRM QUILTS CHEMICAL COMPANY IN SPILL

Charleston, W.V., PR firm Charles Ryan & Associates has dropped the chemical company in a Jan. 9 spill that left 300K without clean drinking water in the Mountain State.

After handling PR for Freedom Industries in the immediate aftermath of the spill, the firm decided not to continue the work over the weekend. Managing partner Susan Levenski told *The Charleston Gazette* on Sunday that the firm decided not to represent the company. The paper reported Jan. 12 that Freedom, which uses chemicals to clean coal, was founded by a two-time convicted felon, Carl Kennedy, who pled guilty to tax evasion and failure to pay employees' withholdings to the government in 2005.

Freedom officials gave a brief press conference on Jan. 10 and released a statement through CRA, but the *Gazette* said Jan. 12 executives have "entirely avoided media requests" since then.

According to the *Charleston Daily Mail*, Freedom president Gary Southern provided little information about the accident at the press conference. "Look guys, it has been an extremely long day, I'm having trouble talking at the moment. I would appreciate it if we could wrap this thing up," Southern said, roughly five minutes into the press conference, the *Daily Mail* reported.

As much as 5,000 gallons of a chemical used to wash coal spilled into the Elk River in the disaster.

In a Jan. 10 statement attributed to Southern, the company said public safety is its first priority, noting that it is working with federal authorities to fix the issue and determine the extent of the spill. He said the company is setting up an incident command center on site and will provide more information as it becomes available.

The U.S. attorney's office for the region said it opened a criminal investigation of the spill, which is believed to have infiltrated a water treatment downstream from the Freedom facility.

President Obama on Jan. 10 signed an emergency declaration for the spill.

FIRMS WORK DIAGEO/DIDDY TEQUILA DEAL

FTI Consulting and DKC PR worked PR for Diageo's joint venture with Sean "Diddy" Combs to buy the luxury tequila brand DeLeon.

The transaction, dubbed a 50/50 partnership between the global beverage giant and Combs Wine & Spirits, follows a successful 2007 collaboration for Ciroc vodka.

DeLeon, which retails for up to \$200 a bottle, is not a widely known brand but has a celebrity and nightclub following. It has limited distribution (18 states) and sales (10K cases/year).

FTI managing director Rachel Rosenblatt reps Diageo, while DKC senior VP Keesha Johnson handles Combs at the firm, which has a long relationship with the music mogul.

In a joint announcement Jan. 8, the companies said the venture will benefit from Diageo's distribution network, supply chain and marketing capabilities, while Combs brings influencers and a track record of marketing luxury brands to the table.

The Society of Professional Journalists, asked if the 16-page undercover report on the Starkey private service school in the January *Harper's* was "ethical," has responded with an answer that tosses the question into the laps of our readers.

Kevin Smith, SPJ ethics chair and deputy director of the Kiplinger Program in Public Affairs Journalism, Ohio State University, said that while undercover reporting is to be avoided, it is O.K. if revealing one's identity would thwart coverage or if the story involved "is of vital public interest."

"If either of those are not met, it's safe to argue that this (Harper's) undercover reporting lacks a strong ethical foundation for moving forward," he said, tossing the issue to the public.

"The public is the ultimate arbiters and they can judge if Harper's work was vital information of public interest and if they could have gleaned much of their work without lying about their resumes and identities," he added.

All's Fair in Love, War, PR & Journalism

We think that although this was a "black op," writer John P. Davidson was justified in going under cover because he could not have obtained the "off-the-cuff" morsels of info that he got if he walked around with a mike, camera and hat with "Press" on it.

For instance, we think it's true that in many cases any written agreements will be disregarded by employers. Either do what you're told or leave.

Looking an owner or "principal" in the eye may be your last act. Basically, they don't even want to see you. Only a few on a staff of 50 may actually have contact with the owners. A new servant who said hello to one of the owners in the morning was gone by nightfall. Also, never speak the name of a "principal" to anyone.

Davidson quoted George Bernard Shaw on servants as saying that when they are "treated like human beings it is not worthwhile to keep them."

Any employee or contractor suspected of compromising this privacy will have a brief career.

Super Rich Are Major Factor in Adv./PR

Large swaths of the advertising/PR world show the influence of the super rich. The heads of Omnicom and WPP Group are worth in the hundreds of millions. Conglomerate ownership has had a major impact on the lifestyles of PR and ad people since their acquisition of so many agencies starting in the 1980s. WPP employs 116,000, OMC 71,000, Publicis 59,000, and IPG 43,000. Their agencies are not allowed to take part in advertising or PR industry rankings.

Creatives and account people on Madison ave. in the 1960s and 70s, as well as reporters, were welcome in the clubs, restaurants and country clubs of their bosses. Some 25 PR groups flourished, providing intellectual stimulation. The New York chapter of PR Society of America had a monthly lunch in the Waldorf-Astoria for more than 200. Employers encouraged the building of press ties by providing substantial expense accounts for their

PR people. Just about all the PR groups have vanished. Press/PR relationships are at a minimum. There were no 2013 holiday PR parties at all in New York when there used to be dozens hosted by corporations as well as PR groups. One was attempted--by PRSA/NY--but was cancelled due to low signup.

Cafeterias Replace Restaurants

A visible sign of the growing rich/poor divide in New York is the closing of a half-dozen sit-down restaurants in our area of 39-40th Sts. and Madison Ave. They have been replaced by cafeterias that have some seating but most customers just "brown bag" it back to their desks.

The steakhouse Benjamin opened in the previous Chemical Club and Overseas Press Club bldg. on 41st St. A steak is \$45 and everything else including salad, potatoes and vegetables are extra. Dinner for two would be about \$250.

The Williams Club on 39th St., which allowed us as a member for more than 10 years, gave up its historic building because not enough grads could afford the \$1,500 dues.

It is now two restaurants, "The Peacock" on the first floor, which is "more refined," and "The Shakespear" downstairs, which has lower prices.

As previously noted, apartment prices in New York have skyrocketed because of the influx of buyers from throughout the world who consider New York real estate a safer investment than stocks, gold or something in their own countries.

What Is "Ethical?"

SPJ says journalists and others should study the Harper's article and decide for themselves if Harper's and Davidson were unethical.

Breaking a written contract is unethical but apparently employers can do that with impunity. So should reporters be bound by ethical considerations when their story subjects are not?

The PR Society last year withheld IRS Form 990 from the press and members until after the Assembly Oct. 26. There was no discussion of the \$61,000 bonus given to Bill Murray, who got boosted from COO to CEO at the same meeting although 2012 revenues of \$11,083,420 were less than 2006 revenues, the year before he arrived. No explanation could be obtained for the bonus.

We sought the 990, which has the pay packages of the top six staffers, since last May 15 when this form was initially due. All such requests were ignored until a hard copy landed on our desk in early November. It was stamped "Draft" on every page and had no date on it.

Vice president of PR Stephanie Cegielski was pressed for a copy of the actual filing. When a hard copy came, it also lacked a date. The Society obviously did not want anyone to know when the form was filed with the IRS -- July 16, 2013. Cegielski says the date on the form on GuideStar is the date on a "draft" filing. She has yet to provide the actual date of the filing (assuming July 16 is not that date).

— Jack O'Dwyer