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O'Dwyer's Newsletter

The Inside News of
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WALMART GETS NEW PR CHIEF

Dan Bartlett, CEO of Hill+Knowlton Strategies/US, is moving to Walmart next month for the executive VP-corporate affairs post.

He succeeds Leslie Dach, who exits next month.

The Texas native takes on external communications, government relations, sustainability and the charitable activities of the world's largest retailer.



Bartlett, Dach

Prior to H+K, Bartlett was senior counselor to president George W. Bush for strategic communications. He also was in charge of the office of communications, media affairs and speechwriting.

At Walmart, Bartlett reports to Mike Duke, CEO of the Bentonville, Ark., retail giant.

H+K has promoted Andy Weitz, executive VP and co-chair of its global corporate advisory practice, to US president. Danner Bethel, executive VP, is upped to US COO. Jack Martin remains global chair and CEO of H+K.

DEPT. OF ENERGY SEEKS PR FIRM

The Dept. of Energy is preparing to release an RFP to handle PR for its \$2B division fostering energy efficiency and renewable energy technology.

Expected to cover public and media relations, digital com-

munications and public affairs, among other tasks, the DOE slates a one-year contract with three option years for a firm in the Washington, D.C., area to work with its Energy Efficiency & Renewable Energy office.

The U.S. Senate this month confirmed Ernest Moniz, a strong supporter of renewable energy, as Secretary of Energy.

The EERE office administers loan and grant programs, produces media campaigns, and fosters administration plans for clean energy in sectors like manufacturing and transportation.

The RFP is slated to be released on June 6 with work expected to begin in late October.



REVAMPING ERICSSON INSTALLS PR/IR

Ericsson, the restructuring global telecom equipment giant facing an SEC probe, has installed new heads of corporate communications and investor relations.

The company tapped Scandinavian Airlines media relations chief Elisabeth Manzi to lead communications, a vacant post.

Peter Nyquist, senior VP of IR at Electrolux, is slated to join Ericsson in September to head IR, taking the reins from Asa Konnbjer, acting head since February.

The U.S. Securities and Exchange Commission is probing Nasdaq-traded Ericsson following media reports on its former system of making payments to win contracts in Romania. The company also said this month it is following layoffs of five percent of its workforce with the closure a Swedish factory amid shrinking European demand for cables, a \$150M business for Ericsson.

The announcements followed a disappointing first quarter earnings report in April that saw net income fall 86% to \$180.7M amid the restructuring.

U.S. revenue, however, was strong as it sold lucrative network equipment to top mobile operators like Verizon and AT&T. The *New York Times* reported in April that Ericsson is benefitting in the U.S. as its biggest rival, China's Huawei, is blocked from selling to American telecom companies over national security concerns.

Kathy Egan-Wummer, VP of external comms. in New York, is North American spokeswoman for Ericsson. The 136-year-old company had 2012 revenue of \$33.8B.

PATTON BOGGS ADJUSTS LIBYAN PACT

Patton Boggs, which began work for Libya in 2011 with fees capped at \$50K-per-month, has renewed its contract to an "as-needed basis," while maintaining a 20 percent discount for its legal representation.

Those fees range from \$100-per-hour for a legal assistant to \$995 for a partner.

In a May 7 letter, PB partner David Tafuri notes that representation will follow receipt of written notice from the Libyan Government.

The Libyans "are not obligated to pay any fees or costs to Patton Boggs, unless our firm receives a request for such services," wrote the one-time "rule of law coordinator" for the State Dept. in Baghdad, who leads the account. Tommy Boggs had headed the Libya business.

During 2012, PB received \$262K from Libya for its work geared to presenting the former rebel grouping as the "legitimate government of Libya" and the "protection of Libyan assets in the U.S. and abroad for the benefit of the Libyan people," according to the new engagement letter.

IRAN'S 'PARLIAMENT IN EXILE' TARGETS DC

The National Council of Resistance of Iran, the Paris-based group that bills itself as the “parliament in exile of the Iranian resistance,” has registered its Washington outpost as a lobbyist.

The three-member office, according to a federal filing, will advocate for human rights, counter-terrorism, non-proliferation and freedom of expression in Iran.

NCRI is an offshoot of the People's Mujahedin of Iran, which last year won delisting from the State Dept.'s list of terror organizations.

In February, a U.S. Congressional delegation led by Dana Rohrabacher, chairman of the House Foreign Subcommittee on Europe, Eurasia and Emerging Threats, met NCRI's leadership in Paris. The California Republican has urged the Obama administration to work with the PMI to foster regime change in Iran. Former New Jersey Sen. Bob Toricelli has counseled the group.



Photo: NCRI

LAW SCHOOL WANTS TO RAISE PR BAR

Connecticut's only public law school, and one of only four in New England, is reaching out to PR firms to burnish its image.

The University of Connecticut School of Law in Hartford has released an open RFP for a firm to support the law school's office of communications with regional and national PR planning and counsel.

The UConn School of Law wants a firm to establish relationships with reporters and thought leaders, arrange interviews, pitch story ideas, and develop crisis planning.

Firms will be weighed based on law school and national law firm experience, PR and crisis experience, fee structure and references, among other factors.

A one-year pact with two option years is planned. Proposals are due May 30. RFP: <http://bit.ly/10Eshu0>.

SENAY TO GRADS: FAVOR INDEPENDENCE

In an open letter to the class of 2013, Fleishman-Hillard CEO Dave Senay urged graduates to break away from community in favor of independence.

“Our society needs more constructive disagreement . . . and ‘in the moment,’ not necessarily the organized discontent fomented by political movements. It’s more of this kind of courage that we need in the world. It’s also needed in our profession of public relations.

“In many ways, our clients are asking us simple questions: how does the world work? Are we doing the right thing? And often, the issue won’t come in the form of an obvious question. Instead, it will come in the hooded and mundane form of a half-baked decision just waiting for someone to step forward and ask ‘why’ or ‘why not?’” Read his full letter at <http://bit.ly/13WJoeT>.

KETCHUM MARKS 90 YEARS

Ketchum marked its 90th anniversary May 22, kicking off a 90-day period of pro bono PR service to non-profit organizations around the world.

The firm, which claims to be the longest tenured PR operation in the world, was founded on May 22, 1923 by George Ketchum and became Ketchum, MacLeod & Grove, handling PR, advertising and fundraising. Its first PR work was focused on Natural Gas Companies and People's Natural Gas in the region.

Senior partner and chairman Ray Kotcher recalled some of the firm's most memorable assignments, including feeding Stouffers products to the Apollo 11 crew, developing and coordinating the Atlanta Olympic Games Torch Relay, helping Doritos pioneer consumer-generated Super Bowl advertising, and promoting IBM's centennial.

“With some of the longest-standing relationships in the communications industry, our clients

have placed their trust in us to help them advance their brands and build their reputations,” he said.

Westinghouse’s sponsorship of the first telecast of NCAA football in 1951 was Ketchum's first national assignment and preceded its opening in Westinghouse's home base (and Ketchum's future headquarters) of New York in 1956. A D.C. office followed two years later and the acquisition of Botsford Constantine & McCarty put the firm on the West Coast (San Francisco and Los Angeles) in 1959.

In addition to the pro bono service, the firm will also be paying for 90 young women in Tanzania and India to complete secondary school through a partnership with Room to Read. Groups taking part in its pro bono offering include the Leukemia & Lymphoma Society and Habitat for Humanity (New York), Born in Africa (Belgium), and the Turkish Diabetes Foundation.

“To keep our focus on the future, we will be celebrating our anniversary by improving the lives of those less fortunate,” said senior partner and CEO Rob Flaherty.

Ketchum was acquired by Omnicom in 1996. It has 130 offices around the globe. The firm is planning anniversary events in New York and Cannes in June, as well as a global virtual staff meeting.

George Ketchum died in 1975 at 82. By the late 1970s, Ketchum’s revenue surpassed \$4M and it dropped the KM&G name in favor of Ketchum Communications in 1981. Its first global account was FedEx in 1994.



L-R: Gwilyn Price, chairman of Westinghouse, Roger Bolin, advertising director of Westinghouse, Walter Cronkite (seated), and George Ketchum circa 1952.

POLITICO'S MARTIN TO NY TIMES

Jonathan Martin, one of the first reporters hired by *Politico*, is joining the *New York Times* as national political correspondent.

Carolyn Ryan, political editor at the NYT, via a staff memo called Martin a "natural for the role: he has unending passion for politics, an intrepid journalistic spirit and an astonishingly extensive Rolodex."

Martin, who was hired by Politico at the end of 2006, had been at *Hotline*.

He succeeds Jeff Zeleny, who left the NYT for ABC News.



Martin

MENKES NAMED FASHION ED OF INT'L NYT

Suzy Menkes, fashion editor of the *International Herald Tribune*, will be the international fashion editor of the *International New York Times* when the rebrand debuts later this year.

Jill Abramson, executive editor of the NYT, called Menkes a "force of nature in the fashion world" who produces "unrivaled fashion coverage."

Stephen Dunbar-Johnson, publisher of the IHT, said Menkes is a "distinctive and authoritative voice" with a big opportunity to reach a "wider global audience across print, mobile and web platforms."

Menkes joined the IHT in 1988. She rounds out the team of Cathy Horyn, chief fashion critic; Eric Wilson, reporter, and Stuart Emmrich, styles editor.



Menkes

DISCOVERY TO LAUNCH VIDEO NETWORK

Discovery Communications slates an online video network aimed at young men aged 18-to-34.

The offering called "Test Tube" will feature edgier versions of Discovery's science and adventure programming. The original 15 shows will air free on YouTube, xBox and on its own website.

The show will tap into the resources of online video producer, Revision3, that Discovery purchased last year.

Discovery's current target market audience is in the 25-54 age bracket.

The cable TV business has been hit with a decline in young audiences as members of that group opt for online options.

**NBC NEWS TAPS TURNES**

NBC News has hired Deborah Turness, former editor of Britain's ITV News, as president effective August. She takes over for Steve Capus, who resigned.

Turness will report to Pat Fili-Krushel, president of NBC Universal News Group.

The 46-year-old Turness joined ITV, the U.K.'s largest commercial network, in 1988. She covered Washington for four years and became editor in 2004.

NBC has a partnership with ITV.

BRUNSWICK PARTNER TO NEWS CORP BOARD

Ana Paula Pessoa, a partner at Brunswick Group, will serve on the board of the new News Corp. when it becomes an independent newspaper company anchored by the *Wall Street Journal*, *New York Post*, *The Times*, *The Sun* and Australian properties.

The Brazilian citizen has media experience gained from an 18-year stint at South American media combine Globo Organizations.

She had served as CFO and news business development officer at the newspaper, Internet, cable/telecom and satellite TV operator.

Earlier, she worked at the World Bank and Inter-American Development Bank and United Nations Development Programme.

Pessoa joined Brunswick in May 2012 from Black-Key Participacoes, a digital investment firm that she launched a year earlier.

Rupert Murdoch and sons James and Lachlan will join Pessoa on the 12-member board.

Robert Thomson, former WSJ managing editor, will be CEO of News Corp. when it opens on June 28.

ESPN CUTS STAFF

ESPN, which is part of Walt Disney Co. is cutting up to 400 of its 6,500 workforce. The reductions are a mix of lay-offs and not filling open positions.

ESPN says it is slicing staffers "to enhance our continued growth while smartly managing costs." It's confident the moves will make the sports network "more competitive, innovative and competitive."

Disney had credited ESPN's performance with a 15 percent rise in operating income of its cable group.

BARON TO OVERSEE DEFENSE ONE

Atlantic Media has named Kevin Baron executive editor of *Defense One*, the digital brand set for a summer debut. He joins from *Foreign Policy*, where he was national security reporter and chief writer of its E-Ring blog.

Earlier, Baron was *National Journal* staff writer, *Stars & Stripes* reporter and investigative reporter for the *Boston Globe* in Washington. He's VP of the Pentagon Press Assn.

Tim Hartman, president of AM's government executive media group, called Baron a "rising star in defense media" who is the "perfect fit" to lead the new brand.

MERKEL IS 'MOST POWERFUL WOMAN'

German Chancellor Angela Merkel, Brazil President Dilma Rousseff and philanthropist Melinda Gates top *Forbes'* annual list of the 100 Most Powerful Women.

First Lady Michelle Obama and former Sec. of State Hillary Clinton round out the top five. Facebook and exec and author Sheryl Sandberg was No. 6.

MEDIA NEWS

BONNIER GOES MACHO

Bonnier is acquiring nine motorcycle magazines from Source Interlink Media following its announcement to shutter *Parenting* and *Babytalk* and sell their subscriber lists to Meredith Corp.

The SIM group includes *Street Chopper*, *Motorcyclist*, *Dirt Rider* and *Super Streetbike*.

They will form the core of the newly created Bonnier Motorcycle Group, which includes existing property *Cycle World*.

Bonnier is selling ten of its active interests magazine to SIM, including *TransWorld Business*, *Sound + Vision* and *Transworld Skateboarding*.

FAILURE IS WAY TO SUCCESS, SAYS NYT CEO

The *New York Times*' decision to introduce an online pay model ranks as the "most important and successful decision" made by the company in many years, CEO Mark Thompson told Columbia Business School's commencement ceremony held May 19.



Thompson

That decision, which pre-dated his ascension to the helm, was faced with "initial widespread skepticism" but now has the rest of the newspaper world scrambling to introduce their own online pay editions.

His theme dealt with the importance of risk-taking and acceptance of failure as the price of innovation and "transformational success"

He told the students that following conventional wisdom is an outdated notion in today's "disruptive age."

Thompson's said of the current era: "The disruptive age is one in which the discontinuities outnumber and overwhelm the continuities and in which predictions based on the past or the smooth projection of current trends into the future frequently prove unsound.

"Conventional wisdom tries valiantly to keep up, to recalibrate in the light of recent developments, but because it cannot foresee transformational breakthroughs or the kind of behavioral and business-model pivots which digital technology makes possible, it never can."

Said Thompson, "In modern media, you could make the case that the best way forward is to listen carefully to what the industry has to say and then do the exact opposite." To him, the NYT's 700K paid electronic subscriber base and "nine-figure revenue stream" proves as bunk the belief that "people won't pay for news."

The NYT, which embraced digital during the 1990s, has gone through several generations of new online products and services. "It will need innovators and entrepreneurs every bit as much as digital start-ups down the road and fortunately we have the brand appeal and the creative challenges to attract them," said Thompson.

He likened the digitalization of The Old Grey Lady—which he labeled the transformation of an iconic and precious cultural institution—"as being like skateboarding down a flight of stairs holding a Ming vase."

The paper's success "depends both on holding firm to unchanging values and on opening ourselves to new and inevitably uncertain business opportunities," con-

cluded the CEO.

Thompson, a BBC veteran, was appointed to lead the NYTC last November. He described his accent as "Bond villain."

CONTENT-SHARING APP MOVES IN SPOTLIGHT

Snapchat, the fast-rising photo and video messaging app, was thrust into the spotlight this month when a major marketer used it to help launch a new menu item and a privacy complaint put it on PR defense.

The Snapchat app, which allows users to send content like videos or photos which are only available to an individual or group for a set amount of time, has logged more than five million downloads. It is popular with teens and young adults and drew the mass attention of marketers this month when Taco Bell used the app to send a snapshot of a burrito to fans to introduce a new menu item.



Mary Ritti, founding partner of Burson-Marsteller tech start-up North of Nine Communications, has moved in-house at Snapchat as VP of communications for the San Francisco-based photo messaging app.

Ritti was a nine-year veteran of Burson-Marsteller, handling Intel and H-P, before moving to North of Nine when it was set up in early 2011.

Snapchat logged a reported 150M daily photo shares in April.

A forensics examiner this month sounded an alarm when he reported that Snapchat photos do not disappear when they expire.

Snapchat responded May 9 that content is deleted from its servers but can remain on mobile devices in some situations the same way data remains on a hard drive after being deleted. The examiner's report, and subsequent media pickup, sparked a complaint to the Federal Trade Commission by the Electronic Privacy Information Center.

"We're really not paying much attention to it," Ritti told *U.S. News & World Report* when asked about the report. In a statement to the *Los Angeles Times*, she said: "There have always been ways to save snaps, not the least of which would be to take a screenshot or a picture with another device. We do not intend to make any further comment about this complaint."

"Also, if you've ever tried to recover lost data after accidentally deleting a drive or maybe watched an episode of CSI, you might know that with the right forensic tools, it's sometimes possible to retrieve data after it has been deleted," the company said on its blog May 9. "So... you know... keep that in mind before putting any state secrets in your selfies :)"

BRIEF: The *Washington Post* promoted **Emilio Garcia-Ruiz** to managing editor, responsible for "driving innovation" in the newsroom. He will be the newsroom's primary liaison with the business side on all digital efforts.

NEWS OF PR FIRMS

SEQUESTRATION FORCES PR JOB CUTS

Weber Shandwick has cut six percent of its Minneapolis-area staff as the effects of sequestration ripple through the firm's government work.

The firm's Bloomington office is the hub for its U.S. Army PR work. The Pentagon budget is a major target of the sequester cuts.

Twin Cities Business magazine, which first reported the WS layoffs, said nine jobs were cut across the office of 149 in the move.

Ogilvy PR last month trimmed its Washington workforce, citing budget freezes and government apprehension to award new contracts.

The sequester cuts started on March 1 and will squeeze \$85B from federal spending by September. Government contractors will likely feel the cuts as options on existing or expiring contracts are declined, budgets are submitted at the lower end of guidelines, and new contracts are not awarded, according to *Federal Times*.

BLUESHIRT WORKS HIT IPO

Marketo, the Silicon Valley marketing software which scored a hit IPO May 17, worked with The Blueshirt Group for financial communications support through the offering.

Shares jumped 69% over six-year-old Marketo's opening price of \$13. It raised \$78M in the debut.

Erica Abrams, co-founder and managing director at Blueshirt, handles Marketo.



InformationWeek credited growing demand for systems that support digital marketing for the strong debut.

Marketo focuses on B2B marketing departments for its customer base. Its shares, listed a MKTO on Nasdaq, were trading around \$24.50 on May 23, up nearly 89% over the IPO price.

BREAST CANCER GENOME CO. EYES IPO

Life sciences shop Bioscribe works the PR beat for NanoString, the Seattle genomics company slating an initial public offering.

NanoString wants to use proceeds from a share sale to "commercialize" its Prosigna gene analysis, which estimates a patient's risk for recurrence of breast cancer.

NanoString filed its IPO statement May 20 indicating a share sale potentially worth more than \$86M. The company reported revenue of \$23M in 2012 on a net loss of \$17.7M. Its accumulated deficit as of March is nearly \$103M.

Bioscribe, which specializes in biotech PR, is based in the Bay Area. It was founded by Ketchum alum Nicole Litchfield. Maruissa Messier, a former Chandler Chicco Companies hand based in San Diego, handles the NanoString account.

Prosigna launched in Europe and Israel and February. NanoString filed an application with the FDA approval in December. The company also wants to expand use of its nCounter Analysis System used in research and clinical settings.

NEW ACCOUNTS

New York Area

Ketchum, New York/Avocados from Mexico, newly formed combine of the Mexican Hass Avocado Imports Assn. and the Mexican Avocado Producers and Packers, as AOR for PR, following a review. AFM also tapped Havas' Arnold Worldwide as integrated AOR. Ketchum previously worked with the MHAIA. Fifty-two proposals ended with 11 presenting firms. Mexico supplies about 60 percent of avocados consumed in the U.S. CRT/tanaka has previously worked with AFM.

Padilla Speer Beardsley, New York/AIRBAC, a new backpack company aimed to relieve the stress and weight of heavy bags, for PR for the product and brand, including message development, media relations, events and social media. Greg Tarmin heads the Minneapolis-based firm's New York outpost, which also serves national client Coppertone.

The Brandman Agency, New York/Tourism Council of Bhutan, for PR focused on the North American market.

M&C Saatchi, New York/Ubersence, video analysis apps for sports coaches and athletes, for PR.

Blink PR, New York/Paulaandchlo.com, handbags, shoes, jewelry and cosmetics collection, for PR.

KTCpr, New York/The Society of American Travel Writers, which includes more than 1,100 writers and PR pros, to increase the Society's profile within the travel and tourism industry, following an RFP. Fourteen proposals were narrowed to six finalists.

East

Calypso Communications, Portsmouth, N.H./Detroit Renewable Energy, consortium of renewable energy assets including a 68-megawatt municipal waste-fired power plant, for PR and marketing.

PAN Communications, Boston/Bandwidth, telecommunications, as AOR for its corporate and wholesale & enterprise divisions.

Southeast

República, Miami/Barbara Bush Foundation for Family Literacy, for a national bilingual campaign focused on creating an advocacy movement to raise awareness for family literacy, including advertising, media, branding, digital, PR and social media.

Midwest

Hanser & Associates, Des Moines/Coach USA/Megabus.com, for PR and marketing communication in North America, following an RFP among eight firms. H&A was the eight-year incumbent for megabus.com. Media relations, social media, events, and advertising are in the scope of work.

Southwest

The Abbi Agency, Reno, Nev./HomeAdvisor, online destination for home repair and improvement, for PR, including new product launches, positioning spokespeople, and social media campaigns.

West

JMPR, Woodland Hills, Calif./Stack's Bowers Galleries, numismatic (currency) auction and retail company, as AOR, including media outreach beyond the coin-collecting world.

NEWS OF SERVICES**'PR THINKING,' CONTENT TO DRIVE MARCOMMS**

"PR thinking" and content marketing are going to dominate the next-generation of marketing communications firms, according to a survey released by France's Publicis Groupe.

Seventy percent of the more than 2,000 advertising, marketing, PR, design and special events students quizzed by Europe's MediaSchool Group either agree or strongly agree that within ten years PR thinking, where word-of-mouth and trust for brands are paramount, is going to lead the way firms relate to clients.

Eighty-one percent say content marketing, where brands become publishers, will guide overall strategy in ten years. Eight-in-ten of respondents expect stand-alone social media and digital marketing firms will disappear as that channel becomes a discipline for all marketers.

Seventy percent say the focus of advertising will shift from "hard sell" to one that entertains an audience.

Ogilvy PR is the most admired (31 percent) PR firm, according to the survey, followed by Edelman (15 percent) and Hill+Knowlton Strategies (13 percent).

The respondents, aged 20 to 25, do not consider themselves "digital natives." They apply that description to their younger brothers and sisters.

WYDEN AIDE OPENS PUBLIC AFFAIRS SHOP

Jennifer Hoelzer, former communications director and deputy chief of staff for Oregon Senator Ron Wyden has opened IOC Strategies in Los Angeles.

She is targeting interest groups, celebrities, local governments and companies in need of PA and issues management services.

The six-year vet of liberal Democrat's office is remembered for pushing his bipartisan "Healthy Americans Act," which was pitched as an alternative to Obamacare and his OPEN Act aimed at copyright reform.

Hoelzer says her Los Angeles base will be a "real game changer as few in Hollywood seem to understand the power their national profiles could command in Washington."

NIRI/DALLAS NAMES BOARD

The Dallas/Fort Worth chapter of the National Investor Relations Institute has elected GERALYN DeBUSK, president of Dallas-based Halliburton Investor Relations, as president for 2013-14.

Ernesto Alegria, IR manager for Denbury Resources, was named executive VP. Three VPs appointed include Hill+Knowlton Strategies' Rick Black, Liz Kline of Eisenberg & Associates, Diane Stephens, VP for SharePlus Federal Bank, and Mark Trinske, for VP-IR of Norit NV. The new board begins its term on June 1.

LINK: **Neville Hobson** reviewed the new digital bi-monthly magazine of the **International Association of Business Communicators**, commending the group for its transition but noting it has "some major work to do" on the format and app itself. Hobson says IABC has about three months while the publication is free to iron out the kinks. Read his review at <http://bit.ly/12fAnzP>.

PEOPLE**Joined**

Brad Langley, formerly of Blanc & Otus and Porter Novelli, to Trainer Communications, Pleasanton, Calif., to open a San Francisco outpost for the firm as general manager. Trainer focuses on enterprise software, security, telecoms. data storage and other tech clients.

**Langley**

Sydney Rubin, senior counselor for Chandler Chicco Companies, to CCC parent company inVentiv Health, Burlington, Mass., as chief communications officer, overseeing corporate reputation, internal communications, media relations and public affairs for the marketing communications group. Rubin, a former foreign correspondent for the Associated Press, joined CCO in 2005 when the firm bought her shop, Ignition Strategic Communications. **Danielle DeForge**, a former Ignition staffer, joins as director of corporate comms.

Ravi Suynnak, managing director, corporate, Grayling, to Havas PR North America, New York, as executive VP, corporate and cause, heading its corporate communications unit and CSR offering. He also leads global account work for beauty client Coty.

Brian Walsh, a veteran GOP strategist most recently running Townline Strategies, to Singer Bonjean Strategies, Washington, D.C., as a partner. Walsh was communications director for Sen. John Cornyn (R-Tex.) and Rep. Bob Ney (R-Ohio), handling Ney's scandal in the Jack Abramoff affair that led to his resignation from Congress.

Ekaterina Walter, author and social media guru, to influencer marketing platform Branderati, New York, as partner and chief marketing officer.

James McGregor, former CEO of Dow Jones China and bureau chief for the *Wall Street Journal*, to APCO Worldwide, Beijing, as chairman for the greater China region. Also, Jennifer Hart was promoted to deputy managing director for the Beijing office.

Promoted

Jenn DeMartino Callister to senior VP, DKC PR, New York, to lead the firm's expanding Los Angeles office, which recently picked up Syco Productions, FremantleMedia ("The X Factor" TV competition), and Exploring the Arts. DKC also added Noah Gold (Brenner Zeikel & Assocs.) and Marina Beck (Rogers & Cowan) to the West Coast operation, which continues to handle DKC clients like Yahoo! Sports and Airbnb. Callister is an eight-year veteran of the firm. The firm also recently guided the release of Clive Davis's memoir, "The Sountrack of My Life."

**Callister**

Marina Stenos to VP and director of Widmeyer Communications's PreK-12 team, based in Washington, D.C. The firm has also added Tracey Bryan, former president/CEO of the Bridge of Southern Mexico, as VP in D.C. and Autumn Dunn as an A/E in New York. **Claire Sullivan** to AA/E, DVL PR & Advertising, Nashville. **Catherina Davidson** to account svcs. assoc.

PRSA REVENUES UP 4% TO \$11M, 2006 LEVEL

PRSA, recovering from years of recession and helped by a \$30 dues hike (13.3%) to \$255, posted revenues of \$11,083,420 for 2012, up 4% over 2011 and close to the \$11,426,867 that it recorded in 2006. Dues rose 9.9% to \$5,133,776. Expenses were \$10,688,213 for an operating profit of \$395,207. Profit in the previous year was \$11,330.

Net assets rose to \$4,153,951 from \$3,524,847. The Society's unorthodox bookkeeping provides only \$301,710 for deferred dues income. Usual accounting practice, although not mandatory, is for associations to book dues month-by-month as they are earned. That is the practice followed by medical, legal and CPA associations. Net assets would only be about \$1.6M if followed.

Helping the Society's cash position is that it did not pay the first year's rent at 33 Maiden Lane in 2004. That is kept on the books as a "deferred rent" liability of \$507,837. CPAs call that an unusual practice. Seminar/webinar income plummeted 31% to \$576,568, a decline of \$262,741. Free webinars worth up to \$2,000 were promised to members in return for accepting the dues hike. There were fears that loss of members and loss of webinar income might make the dues hike a wash. But a net gain of \$200K appears to have been made. The Society's website refers to membership as being "21,000." It was 20,266 in 2000. Members are dropped if their dues are not paid within 30 days of expiration. No leadership statements accompany the financial report that was posted on the website May 20. Accreditation program income declined 13% to \$161,933. Costs were about the same at \$149,319 for 2012 and \$146,973 for 2011. Seminar expenses declined to \$423,447 from \$463,080. Society has \$2.4M in Stocks, Bonds

The Society had common stocks worth \$1,389,723 as of Dec. 31, 2012 and corporate bonds and preferred stock of \$1,012,160 as of that date.

The fair value of the investments was \$283,854 more than their cost as of Dec. 31.

Investments included consumer industry stocks worth \$246,106; hedge investments, \$109,284; power & energy industry, \$23,299; information tech, \$128,857; healthcare, \$65,244; financial industry, \$36,530; international, \$60,620; U.S. mutual funds, \$339,901, and international mutual funds, \$195,304.

Total investments, including U.S. government bonds and certificates of deposits, were \$3,900,883.

The Society collects revenues for the PRSA Foundation with which it has "interrelated directors" and with which it shares "common facilities." It charged the Foundation \$28,750 for management fees in 2012 and \$30,000 in 2011. As of Dec. 31, 2012, \$110,714 was due to the Foundation. In the previous year, \$12,177 was due to the Foundation.

Salaries and fringes for the Society declined 2.1% to \$5,305,447.

Pay packages of the seven highest paid staffers are not in the audit but are in IRS Form 990 that the Society in recent years has withheld until November and after the Assembly.

MAGIC HAT BREWS PR SUPPORT IN BATTLE

Magic Hat Brewing, the national beer maker, is leaning on outside PR support in a marketing-turned-legal battle with Kentucky's West Sixth Brewing, a so-called craft brewer which Magic Hat says uses a logo too similar to its own.

Magic Hat, acquired by upstate New York's North American Breweries Holdings in 2010, works with Syracuse, N.Y.-based Eric Mower + Associates, which had previously worked with NABH. Mower partner Mary Beth Popp is advising Magic Hat.

Magic Hat, which wants West Sixth to drop a prominent "6" symbol that closely resembles Magic Hat's well-known "#9" mark, said talks between the two companies which started in September 2012 broke down.

"They agreed in principle to modify their design," said MH brand manager Ryan Daley. "And now they're going back on their word, and are attempting to tarnish our image instead."

Magic Hat on May 16 filed a trademark infringement suit against West Sixth in federal court.

West Sixth is using a social media campaign to portray itself as the victim of a larger "corporate bully" and "ridiculous" legal action. North American Breweries Holdings was acquired by Cerveceria Costa Rica in 2012.

"We know that as a company owned by an international conglomerate, the only value Magic Hat will listen to is their pocketbook, so that's the only way we know to get them to stop," the company said in a statement urging its customers to buy West Sixth beer, sign a petition and boycott Magic Hat.

WS DEALS WITH SEX SCANDAL

Weber Shandwick is helping iGate deal with fallout surrounding the firing of its CEO for his failure to report a sexual relationship with a subordinate employee.

CEO Phaneesh Murthy, a 10-year veteran of the California-based outsourcing company, was terminated after iGate's outside legal counsel investigated a sexual harassment charge lodged against him.

No harassment was uncovered, but iGate's board determined that Murthy had engaged in a relationship with a female staffer and the failure to report that tie violated his employment contract.

In a statement, iGate co-chairman Sunil Wadhvani praised Murthy's contributions to the company's growth, but said he was asked to step down due to a violation of company policy.

Murthy denies his violated company policy, claiming he reported the affair to the board after it ended a couple of weeks ago.

Gerhard Watzinger, a former iGate vet, has been named interim president CEO. He has exited the executive VP and chief strategy officer slot at Intel/McAfee.

iGate has a search committee looking for a new CEO.

Weber Shandwick senior VP Liz Cohen (New York) and Santanu Gogoi (India) work the iGate business. Gutenberg Communications handles iGate's product/service PR.

It was with some satisfaction that we saw IRS agent Lois Lerner being bounced from her active duties May 23, the day after she took the Fifth Amendment on whether her office improperly targeted conservative groups.

Asking questions and not getting them acknowledged or answered is highly annoying and that's just how the Senators felt who got snubbed by Lerner.

Rep. Mike Turner (R-Ohio) snapped: "Ironically, Ms. Lerner invoked her constitutional rights about denying Americans their constitutional rights."

IRS officials were able to vent their frustrations by relieving Lerner of her duties.

Reporters, who are running into lots of stonewalls these days, can't "fire" stubborn story subjects or force them to answer questions by issuing subpoenas. The quality of public dialog has taken a big hit because of this and is one reason for the decline of traditional media.

Press is "Criminalized"

An editorial in the same issue of NYP by Michael Walsh had the headline, "The 'Criminal' Press."

The Justice Department's secret seizure of phone records of the AP and its monitoring of Fox News reporter James Rosen are "nothing less than thuggish attempts to criminalize the practice of journalism—the only profession specifically protected by the U.S. Constitution," wrote Walsh.

An ally of the press is supposed to be the PR industry. It should spring to the defense of reporters mashed by government or business. Very few, if any, PR people are championing press freedom these days. Instead, Twitter, Facebook, etc., are being promoted as freedom from the press.

Do the "Right Thing," Says Senay

A ray of hope flashed on our horizon when we read Dave Senay's address May 22 to graduates throughout the U.S. titled, "A Call for Courage."

Senay, CEO of FleishmanHillard, which is rebranding as "channel agnostic," meaning using all forms of communication, and who is this year's chair of the Council of PR Firms, said grads must have the "courage" to do the "right thing." He told them to avoid "pack mentality" and exercise "critical thinking."

For example, he said, "Would the banking crisis have occurred if more people exercised their critical thinking?"

Justamminute! The ones who failed to exercise critical thinking were the bankers themselves who gave large mortgages to anyone with a pulse and then dumped them on Fanny Mae and Freddie Mac.

Since Senay is so interested in "the right thing," we asked him what was right about our being barred from the exhibit hall of the last two PRSA conferences and chased out of the Marriott lobby in San Francisco in 2012 by hotel security.

Senay, a member of the Society, says it's not right to drag him into our dispute with the Society. But it is. Senay is a member and so are more than 30 FH employ-

ees including nearly 30 regional presidents, partners, SVPs, VPs and managing supervisors. Only five are A/Es or assistant A/Es. So far he is following the press-intolerant policies of Omnicom which have already infected OMC purchases Ketchum and Porter Novelli, turning press-friendly cultures into the opposite.

Gillette Loss Puts Spotlight on OMC

The loss of the Gillette account by OMC's BBDO unit after 80 years resulted in BBDO announcing on May 16 "significant" staff cuts. No numbers were revealed but Advertising Age said as much as 10% of the staff could be cut.

This caused ad veteran Avi Dan (Saatchi & Saatchi, Euro RSCG) to say in a Forbes column that the takeover of ad agencies by the conglomerates has been "devastating."

Human values have been squashed by bottom-line oriented financial buccaneers, he wrote. In previous times, owners would take the financial blows themselves, "hanging on to people until they won a new account." Such an approach bred "loyalty, trust and stability," he added.

Vast sums of money now wind up in the hands of administrators in secure jobs instead of the creatives.

Total compensation of OMC CEO John Wren was \$14.8M in 2012. He owns 851,962 shares. CFO Randall Weisenburger's package was \$10.5M (687,962 shares). Both started as accountants. Wren has a \$25 million "golden coffin" and another package has OMC execs getting \$1.25M yearly for 15 years after they leave the company. Amalgamated Bank opposed the schemes to no effect at the 2010 annual meeting in Wilmington. OMC's current debt is \$4.46 billion. Debt of the four conglomerates including WPP, Interpublic and Publicis is \$15.46B.

A *Wall Street Journal* front pager June 12, 2002 accused OMC of buying its earnings via acquisitions made with stock and borrowed money (73 in the previous two years) and withholding details of the purchases. Director Robert Callander had resigned after posing questions about Seneca, the off-balance sheet entity created for OMC's 16 internet investments.

The stock crashed to \$36.50 as of June 27 2002 from a high of \$93 in mid-May. Described were alleged high pay of insiders, debt of \$2.9 billion, and what Merrill Lynch called "a staggering" amount of options for insiders. CNBC's Jim Cramer in 2002 put OMC "at the top of his list of stocks to avoid," saying he was fed up with OMC telling everyone they are wrong about the stock.

The stock recovered, split, and in recent weeks has topped its 1999 high of \$53.50 by reaching \$63. It has taken more than ten years to win back Wall Street's favor.

Reporters for O'Dwyer's, which has stock in OMC, had gone to its annual meeting at 437 Madison Ave. until 2003 when it was shifted out of town, never to return. Contact with anyone from OMC ceased as of that year. "Spokesperson" Patricia Sloan has been succeeded by Joanne Trout, who was with MasterCard from 2005 to 2012.

— Jack O'Dwyer