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O'Dwyer's Newsletter



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IOWA ISSUES ECONOMIC DEVELOPMENT RFP

Iowa Economic Development Authority has issued an RFP to position The Hawkeye State as a good place to work, live and do business.

The PR firm will focus on business influencers in the biosciences, insurance/financial services, advanced manufacturing and information technology sectors.



IEDA will give preference to firms located in Iowa. Local firms may forge partnerships with PR agencies outside of Iowa.

Work begins Aug. 1. The contract has a one-year option. Proposals, which are due June 1, go to Jacquie Matsen, Marketing and Communications Division Administrator; Iowa Economic Development Authority; 200 East Grand Ave.; Des Moines, IA 50309.

Matsen is at jacque.matsen@iowaeda.com.

BRUNSWICK HANDLES TGI FRIDAYS SALE

Brunswick Group will handle the potential sale of the TGI Fridays restaurant chain, which owner Electra Private Equity investment firm put on the auction block.

TGIF operates more than 900 restaurants in 60 countries. Its market valuation is in the \$200M range.

EPE has retained Greenhill & Co. investment banker to shop TGIF and other investments including Hotter Shoes, Knight Square (property management) and Photobox (personalized products/gifts) operations.

Brunswick's Ammerance Ozioro represents EPE.

ROGERS & COWAN'S BLOCH DIES AT 78

Paul Bloch, who was chairman of Hollywood PR powerhouse Rogers & Cowan, died May 25 after a long illness. He was 78.

After a stint in the army, Bloch joined R&C in its mailroom in 1961. Mentored by founders Henry Rogers and Warren Cowan, Bloch served an array of stars including Tom Cruise, Eddie Murphy, Kevin Costner, Danny Glover, John Travolta and Sharon Stone.

Bloch, a Brooklyn native who moved to Los Angeles as a child and graduated from UCLA, was named head of R&C's music division in 1975.

R&C, which is an Interpublic unit, said Bloch "remained relevant over the decades, always working with the newest talent of the current generation."

Plans are underway for a memorial service.



Paul Bloch

WPP TAKES \$400M HIT

HSBC has shifted its \$400M global media account to Omnicom's PHD from WPP's Mindshare unit following a competitive review.

The loss of the prestigious account serves as a blow to the No. 1 ad/PR conglomerate, which is trying to regain its footing following last month's "extraction" of founder Martin Sorrell from the helm.

Sorrell, who is plotting a return to the communications scene, reportedly had close ties with HSBC execs.

Europe's largest banking operation launched the review, which was handled by IDComms, in January.

Japan's Dentsu also bid on the business.

SOFTWARE COMPANY SEEKS PR SERVICES

Software company DOmedia is seeking an agency partner to serve as a go-to provider for a series of PR services-related projects.

The company offers a cloud-based platform that connects buyers and sellers of out-of-home advertising.

DOmedia requires a PR partner to promote its business to national advertising trade and business publications as well as trade press in key target verticals.

The chosen partner would be paid per project and would be retained for 6-12 months — pending outcome and performance — with the purpose of assigning one or two projects per quarter. Budget for the work should not exceed \$60,000 per year.

Deadline for submitting proposals is Friday, June 8 by 4:00 PM. Contact is Cody Riebe, public relations and content specialist, 419/290-6451 or cody@domedia.com.

[Download the RFP \(PDF\).](#)

CHURBUCK TO HEAD SITRICK BOSTON OFFICE

Sitrick and Company has named David Churbuck head of the agency's newly opened Boston office. Churbuck will also be a member of the firm. He joins Sitrick from software-as-a-service company Acquia, where he was VP, corporate marketing. He also served as founder and editor-in-chief of Forbes.com.

Michael Sitrick, the firm's founder, chairman and CEO said that he has long wanted to expand into the Boston market, but had not found the right person to run an office there until Churbuck. The Los Angeles-based agency's Boston office joins its other outposts in New York, San Francisco, Denver and Washington, DC.



David Churbuck

DIGITAL GROUP TO MONITOR POLITICAL ADS

The Digital Advertising Alliance, an independent non-profit organization led by advertising and marketing trade associations, has issued a new series of rules intended to ensure a greater level of transparency in digital political ads.



The rules include a special icon used to identify digital political ads, and also require a link to the advertiser's name and contact information, as well as to a government database containing the advertiser's contribution or expenditure records. The "PoliticalAd" icon is similar in size and appearance to the "AdChoices" logo that is currently used to give consumers information about other advertisers.

According to DAA executive director Lou Mastria, the purpose of the rules is "to make sure that consumers understand who is bringing an ad to them." The organization will encourage compliance through the Council of Better Business Bureaus and the Data & Marketing Association, both of which are DAA founding members.

NFL TAPPED GPG FOR KAEPERNICK POLL

The National League Football League hired Glover Park Group for a poll conducted in 2017 that asked whether ex-San Francisco 49er quarterback and free agent Colin Kaepernick, who took a knee during the playing of the national anthem, should be signed by a team, according to Yahoo Sports.

Yahoo reports that GPG's survey asked whether fans thought Kaepernick should be picked up by a team, and whether his free agency is due to on-field performance or the refusal to stand during the anthem.

GPG found that a majority of white fans backed disciplining players for not standing for the anthem while black and Latino fans didn't. Republican fans backed disciplining players for kneeling during the anthem. A majority of Democrats did not.

Joe Lockhart, who was executive VP communications and PA for the NFL at the time of the poll, founded GPG. He joined Edelman this month as vice chairman for PA.

WPP owns GPG.



Colin Kaepernick

ITALY DEFENSE GIANT HIRES TRUMP-TIED FIRM

Leonardo DRS, the US arm of Italy's top defense, aerospace and security contractor, has hired Trump-connected Ballard Partners for military procurement matters.

Brian Ballard, a Republican fundraiser who chaired the Trump Victory organization in Florida, heads the lobbying team that includes Daniel McFaul, who was campaign manager for ex-Florida Republican Congressman and now "Morning Joe" Trump critic Joe Scarborough.

Earlier this month, Leonardo DRS replaced Northrop Grumman as incumbent on a \$65M contract from the US Navy and Japan for radars designed to detect low-flying cruise missiles. If all contract options are exercised, the pact's value could increase to \$265M.

PEOPLE ON THE MOVE

Litzky Public Relations has appointed **Josslyne Welch**, a 20-year veteran of the agency, to the role of president. Welch was previously executive VP and director of client services. Michele Litzky, who founded LPR in 1988 and has served as president for three decades, will now become CEO. LPR has also brought on Marie Baker, formerly a senior manager at Bayer and a VP at Coyne PR as director of strategy.



Josslyne Welch

Marino has brought on **Marty Berman** as a senior content strategist. Berman joins Marino from Discovery Communications, where he created social-first content for Animal Planet and helped grow the network's social media audiences. Previously, he was senior producer for SpaceX – the company founded by Elon Musk in 2002 – which designs, manufactures and launches advanced rockets and spacecraft.

APCO Insight, the in-house research consultancy of APCO Worldwide, has named **Bill Dalbec** managing director. Dalbec, who joined APCO Worldwide in 2006, most recently served as deputy managing director of the consultancy. In his new role, he will lead a team including Katie Sprehe, senior director of reputation research; Chrystine Zacherau, senior director and head of APCO Insight's health care portfolio; Chris Levy, director and head of APCO Insight in Europe; Lauren Compton, director of corporate communication research; and Steve Makadok, senior director and lead for APCO Insight's work in New York.

NEWS OF FIRMS

Weber Shandwick has launched CultureShift, a unit designed to help organizations connect business strategy to corporate culture. Kate Bullinger, executive vice president and global head of employee engagement & change management, leads the offering with a team that includes Alison Quirk, who joins Weber Shandwick as a senior advisor. Quirk was most recently State Street's chief human resources and citizenship officer.



Newell Public Relations, an independent PR firm with offices in Hong Kong, Beijing and Shanghai, has established a dedicated practice group focused on the Greater Bay Area, the Chinese government's plan to link Hong Kong and Macau with several southern Chinese cities to form an integrated economic and business hub. The new practice group will be headed up by Maggie Chan, director, China, who will lead a team of five.

Ketchum is re-organizing its North American business based on a model inspired by management consulting firms. Effective June 1, North America presidents Mike Doyle and Hilary Hanson McKean will expand their scope of responsibility to oversee 14 industry sectors, each of which will be led by a newly appointed managing director. Ketchum plans to implement its industry-focused model globally in 2019.

CHAMBERS RATES LEGAL PR FIRMS

Brunswick Group, Sitrick And Company, Ripp Media, Sard Verbinen & Co. are at the top level in London-based Chambers and Partners' debut rankings of PR firms doing legal and litigation support work.

Chambers, which has ranked the world's top lawyers since 1990, commended Brunswick's litigation team for its "breadth and depth of experience" and "sophisticated understanding of the media," as well as for their expertise in cybersecurity.

RM was singled out for its work in such high-profile cases as Smith & Mullin's representation of former Fox News commentator Gretchen Carlson in her suit against Roger Ailes.

SV&C drew high marks for its handling of litigation related to M&A transactions.

S&C won praise for advising defendants facing high-profile litigation and on bankruptcies and restructurings.

Chambers named Mike Sitrick, Allan Ripp and Trident DMG's Lanny Davis top (e.g., Band 1) counselors.

NPC TO ADDRESS HOSTILITY TOWARD MEDIA

The National Press Club and its Journalism Institute plan a summit this fall to tackle the Trump Administration's hostility toward the media.

The NPC's call for a summit follows the May 21 incident at the Environmental Protection Agency at which an Associated Press reporter was shoved by a security guard and other reporters, including representatives from CNN and Politico, were barred from a meeting on water pollution that featured embattled EPA chief Scott Pruitt.

"Pushing reporters around is what happens in dictatorships, not in a democracy where the press's right to represent the public is enshrined in our Constitution," said Andrea Snyder Edney, NPC president.

The EPA apologized to the AP and via an email to the NPC maintained that it was only trying to manage a crowded room.

POLITICO TARGETS ASIA

Politico has partnered with the 115-year-old English language *South China Morning Post* of Hong Kong to report on the Asian political scene.

The move follows its European launch three years ago in a venture with Germany conglomerate Axel Springer.

Acquired in 2015 by Chinese billionaire Jack Ma of Alibaba Group, the *Post* is seeking to expand its market by dropping its paywall and beefing up US coverage in California, DC and New York.

Politico/SCMP will initially share content but their arrangement will eventually evolve into combining resources on original stories covering politics, national security, trade, finance and technology, according to a note from Politico editor-in-chief John Harris and editor Carrie Budoff Brown.

Politico has 250 reporters and editors, while the SCMP has more than 300 editorial staffers.



MEDIA MANEUVERS

Univision Communications has named **Vincent Sadusky** CEO. Sadusky is on the board of Hemisphere Media Group, a broadcast and media company targeting Latin American and U.S. Hispanic audiences. Until last year, he was CEO at Media General. Sadusky also served as CFO at Telemundo, the NBC Universal unit that is one of Univision's main competitors.



Vincent Sadusky

Rather than comply with the European Union's new **General Data Protection Regulation**, which is meant to protect the privacy of people visiting websites, such publications as the *New York Times*, *Los Angeles Times* and *Chicago Tribune* are opting to cut off access to users in EU countries. A&E Television Networks has blocked several of its websites, including those for its History and Lifetime channels. But blocking users does not automatically get companies off the hook as regards GDPR violations. Julian Saunders, CEO of software startup Port, told Bloomberg that companies "still hold data on EU citizens and therefore they are required to comply and respond to subject access requests like everyone else."

ACCOUNTS IN TRANSIT

Cheryl Andrews Marketing Communications earned media communications duties from hotel management and guest engagement software company Nuvola. CAMC will lead media relations strategies in the North American market, concentrating on business-to-business communications. The agency has also recently signed on to handle the grand opening of The Santa Maria, a hotel and golf resort in Panama, and the introduction of Club 1 Hotels, a travel club offering wholesale rates to members.

Geoffrey Weill Associates has added **Ovolo Hotels**, **Classic Journeys** and **Heckfield Place** to its client roster. Weill will handle PR for Ovolo Hotels' four Hong Kong hotels, as well as for some of the group's properties in Australia. The agency has been appointed PR agency of record for tour company Classic Journeys and is representing the opening of Heckfield Place, a Georgian Manor estate in Hampshire, England.

Laura Davidson Public Relations has picked up **Tidal New York**, a New Rochelle, NY-based company that makes flip-flops from materials used in high-performance running shoes. The company employs a workforce primarily composed of veterans. It works with Heroes In Transition, a 501(c)3 organization dedicated to helping veterans and the families of veterans who are in need.



Diffusion is now the PR agency of record in North America for **Engage Studio**, a direct-to-consumer jewelry company. Diffusion will introduce Engage to U.S. audiences, building brand awareness and mainstream media attention for its online ring-buying experience. It will execute media events offering previews of real and replica rings and campaigns educating consumers on the myths of the traditional engagement ring buying process.

INDEPENDENT OR EMPLOYED?

With the rise of independent contractors in the new, shared economy, distinctions between employees and contractors are increasingly blurred, especially at public relations firms. The tax implications of misclassification can be significant.

Tax advantages

PR firms often prefer to classify workers as independent contractors. Employers must pay the employer portion of FICA taxes for employees, but not for independent contractors. They must also withhold income taxes from employee pay, but not from independent contractors. Independent contractors do not have to be included in benefit plans or receive compensation for “family leave” among other examples.



Richard Goldstein

Other obligations associated with employees make independent contractors appealing to business, but they draw attention to taxing authorities.

Useful questions

IRS guidelines say that no single factor typically determines whether a worker should be classified as an employee or independent contractor. Instead, the decision hinges on an “economic realities” test.

The following are some of the issues that can help make the employee independent determination:

Is the work performed by the worker an integral part of your business? The more integral the work, the more likely the worker is economically dependent on the firm and is most likely an employee.

For example, your PR firm may be serving the New York City marketplace and, therefore, you rent office space in town. You’re also expanding in the California market and just secured a new client. Rather than renting office space and hiring employees in California, you engage a freelance person to help serve the California client.

Does the freelance person’s opportunity for profit or loss depend on his or her managerial skill? A key word is “managerial.” An independent contractor demonstrates managerial skill by, for example, deciding whether to hire employees or other freelance, or purchase equipment.

Has the worker invested in the work? A truly independent contractor will invest in his or her business, the investment will go beyond simply purchasing equipment to perform the servicing of clients.

What role does the worker’s skills and imitative play? Just because workers are technically proficient at a task does not mean they’re independent contractors. Operating as an independent business generally means that the worker exercises business judgement, is in open market competition with other PR firms and isn’t economically dependent on an employer.

Is the relationship between the worker and your PR firm permanent or indefinite? Many at-will employees are considered permanent or indefinitely employed, rather than employed on a project or contract basis.

What is the nature and degree of your control versus the worker’s? A truly independent contractor will exert

control over a meaningful part of the work and relationship with an employer. It’s almost impossible for PR firms — due to client demands or regulations — to prevent contractors from exerting control over the work and relationship.

Possible penalties

The question of proper classification is urgent for employer PR firms due to potentially harsh tax penalties associated with misclassification. Costs can be steep and may include back taxes and interest. In New York, the cost of failure to secure worker’s compensation insurance, as an example, can be extremely high if there’s a misclassification.

Potential tax issues

This section will review some important tax issues.

Above-the-line Charitable Contribution Deduction: Rep. Chris Smith (R-NJ) and Rep. Henry Cuellar (D-TX) have introduced the “Charitable Giving Tax Deduction Act,” a bipartisan bill that would make charitable tax deductions “above-the-line” such that all taxpayers would be able to write off charitable donations without limitation if they choose to itemize.

The proposed legislation would address concerns that changes made by “TCJA” will result in fewer taxpayers itemizing deductions, reducing the tax incentive to make charitable contributions.

Booster club donations: Under pre-TCJA law, you may have donated money to a college or other program entitling you to buy tickets at an athletic event and receive preferred seating. As a result, you were entitled to deduct 80 percent of the cost of the donation. However, that part of the payment for the cost of actual tickets was not deductible. The new tax law repeals this write-off.

However, there’s nothing in the new tax law to prevent you from donating to a booster club that benefits the college athletics program. If you do not receive a benefit in return, the donation will be deductible assuming you itemize deductions.

Richard Goldstein is a partner at Buchbinder Tunick & Company LLP, New York, Certified Public Accountants.

FUJITSU ALUM CLAUSER TO ANALOG DEVICES

Mike Clauser, who did a nearly five-year stint at Japan’s Fujitsu Global as the lead American for government affairs in the US, has joined Analog Devices, \$5.2B semiconductor company in Norwood, MA, as head of government affairs.

Clauser expects to monitor government policy and its implications for semiconductors used for military radar, driverless cars, telecommunications, drones and consumer electronics.

Clauser, US Navy Reserve officer, served as national security legislative assistant for Congressman Mac Thornberry prior to joining Fujitsu.

The Texas Republican chaired the Armed Services Committee with oversight on military, cybersecurity, homeland security and intelligence legislation.

Prior to Thornberry, Clauser worked in the Pentagon as special assistant to the deputy under secretary of the Navy.



Mike Clauser

COMMENTARY

NFL KNEELING POLICY; A PR PUNT TOO LATE

I love Steve Kerr; I really do.

The outspokenly liberal, anti-Trumpian coach of the National Basketball Association's Golden State Warriors possesses a rare plainspoken wisdom. When Steve Kerr talks, people properly listen.

But in admonishing the National Football League for its just-announced, revised policy to fine teams whose players take a knee during the national anthem, Coach Kerr misses the point.

"It's just typical of the NFL," Kerr said of the NFL's revised policy, "Basically just trying to use the anthem as fake patriotism, nationalism, scaring people. Our leadership in the NBA understands that the NFL players were kneeling to protest police brutality, to protest racial inequality. They weren't disrespecting the flag."

Nah, Sorry Steve, but in this case, you're way off.

The NFL's new policy, in fact, moves in the direction that any smart public relations advisor would suggest.

The problem is, it comes two years too late.

The time to confront the issue of what to do about players taking a knee during the anthem should have been confronted the day soon-to-be-disenfranchised quarterback Colin Kaepernick first assumed the position during San Francisco 49ers 2016 preseason games.

But NFL Commissioner Roger Goodell and the bumbling billionaires who own the 32 NFL teams couldn't quite get their act together in terms of what to do about the Kaepernick protest.

So, Commissioner Goodell — who must have been a kicker in high school because he's always punting! — did just that. He punted the pigskin down the road by wishy-washily declaring that players "should" stand for the anthem, and that it would be left to each team to handle its kneeling players however they deemed appropriate.

Predictably, some players rebelled, some owners complained, others rolled over and President Trump got into the act by squawking vociferously. All of which led to September 24, 2017 — forever to be known as "dark Sunday" in NFL history — when 200 NFL players sat or kneeled before their games for all the world to see.

What the league should have done at the time is what Mr. Kerr's NBA did; that is, meet with the players, suggest to them that protesting the national anthem would send the absolute wrong message — whether rightly or wrongly — to the people who pay for their inflated salaries and jointly agree to mandate that every player "must" stand when the American flag is raised.

Meanwhile, the league would contribute to and speak out for racial equality in multiple forums. League leaders LeBron James, Chris Paul, Steph Curry and their colleagues quickly fell in line behind the policy. And the NBA and its public relations-savvy Commissioner Adam

Silver shimmied right by the controversy.

Not so the NFL, which finds itself still mired in crisis two excruciating years later. So much so that as soon as Commissioner Goodell had announced the new kneeling policy, the NFL Players Association criticized it for not taking the players' views into consideration and threatened to challenge it in court.

Although his overall take on the NFL's new policy was fundamentally flawed, Steve Kerr did say one thing, in summarizing the league's history of crisis management, with which no one can quibble.

Concluded the coach, "That's how the NFL has conducted their business. It's idiotic."

Fraser P. Seitel has been a communications consultant, author and teacher for 40 years. He may be reached directly at yusake@aol.com. He is author of the Pearson text "The Practice of Public Relations," now in its 13th edition, and co-author of "Rethinking Reputation" and "Idea Wise."



Steve Kerr

TRUMP IS WINNING PR WAR WITH MUELLER

Donald Trump's relentless attacks launched against Robert Mueller (e.g., "phony collusion," "witch hunt") have apparently diverted the public's attention from the achievements of the Special Counsel.

Sad. They are missing a great performance.

Mueller's team has delivered 17 criminal indictments, which have resulted in guilty pleas from bigwigs such as national security advisor Michael Flynn and Trump's former campaign manager Paul Manafort.

Yet a poll conducted by Global Strategy Group found that though 81 percent of Americans either "heard a lot" or "heard some" about Mueller's investigation, a whopping 59 percent don't know that he's uncovered any crimes.

GPG found that Americans want Mueller's investigation to continue by a 55 percent to 35 percent margin.

A sizable group, 37 percent, though says if Mueller doesn't wrap up the investigation soon then Congress or Trump should shut it down.

Trump's lawyer Rudy Giuliani, who must have Labor Day Weekend travel plans, gave Mueller Sept. 1 to complete the probe.

Rudy has a good point.

The longer Mueller's probe drags on, the more time Trump has to fire up tweets to discredit the investigation and erode public support for it.

It's time for Mueller to deliver the goods. Time is running out for the Special Counsel. —Kevin McCauley