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O'Dwyer's Newsletter

The Inside News of
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PRCA EXPELS BELLPOTT FOR RACIST S.A. WORK

Britain's PR ethics watchdog has booted Bell Pottinger from membership for at least five years for the firm's **racist campaign in South Africa** that it says dealt a major blow to the reputation of PR business.

"Bell Pottinger has brought the PR and communications industry into disrepute with its actions and has received the harshest possible sanctions," said Francis Ingham, PRCA'S Director General. "The PRCA has never before passed down such a damning indictment of an agency's behaviour."

BP's campaign, on behalf of the Gupta family's Oakbay Capital, was "likely to inflame racial discord in South Africa," according to the PRCA.

The BBC noted that Chime, which is owned by Martin Sorrell's WPP and Providence unloaded their 25 percent stake in BP, as the scandal heated up earlier this year.

James Henderson, BP's biggest stockholder, stepped down Sep. 3.



James Henderson

ACLU TAPS LIBERTY FOR SURVEILLANCE WORK

The American Civil Liberties Union has hired Liberty Government Affairs in its bid to reform Section 702 of the Foreign Intelligence Surveillance Act.



Passed in 2008, Section 702 allows for warrantless surveillance of conversations between people here and overseas.

"Under Section 702, the government collects Americans' international emails and phone calls without a warrant, copies and combs through virtually all international Internet traffic, and asserts the right to use information collected in criminal prosecutions entirely unrelated to terrorism," blogged Neema Singh Guliani, ACLU's legislative counsel, on July 27.

The ACLU believes Section 702 goes against America's constitutional values and leaves the door open to surveillance abuse of religious minorities, political activists and government critics.

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ACLU is expected to lean on Liberty to gin up opposition to reauthorization of Section 702 among Republicans.

HOTWIRE TO ADD THREE OUTPOSTS IN 2017

Global tech PR specialist **Hotwire** has announced the forthcoming launch of a series of pop-up offices across North America this year.

The New York-headquartered agency, which maintains a second location in San Francisco, will open a pop-up office in downtown Minneapolis within the month. That outpost will be led by Kelsey Quickstad, an Eastwick alum who now takes the title of senior manager (Hotwire acquired Eastwick last year).

Pop-up spaces in Boston and Mexico City will follow by the end of the



year. The agency said it expects to announce additional locations in 2018.

Heather Kernahan, Hotwire's president of North America, told O'Dwyer's that the pop-up concept allows the agency to establish a local presence and provide regional support to current clients, while building its portfolio and attracting top talent in cities that are burgeoning tech markets.

"The pop-up office model provides an agile way to enter a new market, and the ability to scale quickly as needed. When we launch in an innovation hub like Minneapolis, we want to tap into the right community,

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US COC SNAGS RNC'S ARMSTRONG

The US Chamber of Commerce last week hired Sara Armstrong, who was chief of staff at the Republican National Committee, as VP-political affairs and federal relations.

Thomas Donohue, CEO of the Chamber, said Armstrong will bolster the communication shop's mission to assure the group's "voice will be heard and voters will learn where candidates stand on issues impacting free enterprise."

At the RNC, Armstrong served as CEO of Trump's inaugural committee and VP of the 2016 Republican convention in Cleveland.

Earlier, she was special assistant to President George W. Bush and deputy chief of staff to First Lady Laura Bush.

Richard Walters, RNC finance director, will assume Armstrong spot on an interim basis, while chairwoman Ronna Romney McDaniel launches a search for a permanent replacement.



Sara Armstrong

HOTWIRE TO ADD THREE OUTPOSTS IN 2017

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pools of talent and companies who have the ambition to work globally,” she said. “The rise of co-working spaces makes it easier for us to enter a new area. We have the network in the U.S. and worldwide to match those ambitions, and our being part of the business community in these cities means we can understand and work in local markets.”

Hotwire, which was founded in 2000 and is owned by Australia-based marketing and communications network Enero Group Limited, increased more than 322 percent last year to account for \$13.2 million in net fees, according to [O’Dwyer’s ranking of top PR firms](#).

MUELLER SUBPOENAS MANAFORT’S PR REP

Special counsel Robert Mueller issued a subpoena Aug. 28 to Jason Maloni, spokesperson for former Trump campaign manager Paul Manafort.

Maloni, who runs JadeRoq PR, was told to turn over records related to his work for Manafort in anticipation of a grand jury appearance.

Former FBI director Mueller is investigating Russia’s meddling in the 2016 presidential election, an action denied by the Russians.

FBI agents raided Manafort’s residence in Alexandria on July 26, seeking bank and tax documents regarding his work for the former ruling party in Ukraine, which was ousted for its pro-Russia policies.

Maloni did a ten-year stint at Levick before exiting last year as senior VP and chief of its litigation practice. He also worked at Powell Tate and Marina Ein PR.



Jason Maloni

KUSHNER COS. HIRES WPP’S FINSBURY

The family real estate business of Jared Kushner, Donald Trump’s son-in-law and advisor, has hired Finsbury, the crisis communications savvy firm owned by WPP.

Bloomberg reports that Kushner Cos. hiring of Finsbury comes as federal prosecutors probe the financing of some of its properties.

Eric Wachter, Harvard Law School grad who joined Finsbury as VP in Washington last year, is handling the Kushner business.

According to LinkedIn, Wachter specializes in crisis/issues management, litigation, government investigations, public policy and regulatory matters.

Prior to Finsbury, he did a one-year stint as associate regional director for the Anti-Defamation League and worked for 11 years as associate at King & Spalding.



Eric Wachter

Kushner Cos. parted ways with Risa Heller Communications, which is headed by the former aide to New York Senator Chuck Schumer and ex-Governor David Patterson, last week. Risa Heller also helped Ivanka Trump promote her-self help book, “Women Who Work.”

POLITICAL CORRECTNESS GONE WILD

By Fraser Seitel, author of textbook “The Practice of Public Relations”



For once, Paul Begala was right. In the wake of Charlottesville, the lesser half of the Carville-Begala Clinton apology team warned his Democrat brethren that any politically correct drive to topple “offensive monuments” would only allow Donald Trump to hijack the debate about white supremacy.

And, of course, that’s exactly what’s happened.

“Monumentgate” is but the most recent sign of the wave of political correctness that has washed over America since the election of our most anti-PC President.

Indeed, just as the nation’s first black President presided over a nation where race relations deteriorated during his presidency, so too has the nation’s first anti-PC President ushered in an unprecedented onslaught of unchecked political correctness that has touched every sector of society.

Consider the most recent examples:

In politics, the manufactured fury to rid the nation of long-standing monuments knows no bounds.

What began as a legitimate debate about the proper place for statues of slaveholding Civil War soldiers has rapidly devolved into a frenetic free-for-all to find reasons to get rid of anything that may offend anyone.

In San Francisco, it’s the Pioneer Monument that depicts an American Indian on the ground with a Spanish Vaquero above him. In Chicago, it’s the Balbo Monument in Grant Park that was donated by fascist dictator Benito Mussolini. And in New York, undaunted Mayor Bill de Blasio stands ready to cart off Christopher Columbus statues, shutter Grant’s tomb and perhaps close down FDR Drive because, as one flabbergasted City Council member put it, “President Roosevelt interred guiltless Japanese during World War II.”

Oy. Oy. Oy.

In journalism, once proud media bastions of fairness have surrendered even attempting to be objective in favor of preaching political correctness.

One can’t quarrel with openly liberal media like MSNBC or openly conservative media like Fox News, which make no pretense of their bias.

But when a formerly-trusted media stalwart like the *New York Times* abandons its long-held principles of neutrality to champion PC causes, it becomes clear why, according to the latest polls, fewer Americans (30 percent) “trust” the news media than they do the Trump Administration (37 percent).

Tuesday of last week, for example, the Times’ featured an op-ed by one of its favorite contributors, Harvard Professor Naomi Oreskes, a longtime student of climate change and equally longtime enemy of Exxon-Mobil. Prof. Oreskes, a recipient of a glowing Times profile in 2015, has been blaming Exxon, in writings and speeches, for climate change denying for a decade. Her op-ed last week blamed Exxon (surprise!) for “showing a systematic, quantifiable discrepancy” between what its scientists and executives discussed about climate change in private and in academic circles and what it presented in its op-eds to the general public.

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POLITICAL CORRECTNESS GONE WILD

(Continued from pg. 2)

The research Ms. Oreskes cited — which she modestly described as “the first academic, empirical analysis of Exxon Mobil’s 40-year history of climate change communications” — was done by Ms. Oreskes, so its damning conclusion, given the good professor’s long-held public animus to Exxon, was not altogether unpredictable. It was also not altogether particularly “empirical,” given that Ms. Oreskes used the old public relations research technique of “content analysis,” which ascribes quantitative values to qualitative words and phrases in news content.

But publishing Ms. Oreskes’ anti-Exxon op-ed wasn’t the problem. The problem occurred the very next day when the Times chose to virtually repeat the Oreskes op-ed in a “news” story: “Exxon Misled the Public on Climate Change, Study Says.”

In one fell swoop, the formerly-most trusted newspaper in the world had converted PC opinion puffery to “factual news” in consecutive editions.

Finally, in business, we have the sad example of Delta Airlines and Eazy-E.

A week ago, Jason Mitchell, an obscure Hollywood actor who played the rapper Eazy-E in the 2015 biopic “Straight Outta Compton,” arrived late for his Delta flight to L.A. and was rebooked on the next flight. Mitchell became unhinged when his rebooking wasn’t in first class and, in a graphically recorded, most “un-Eazy” TMZ tirade, proceeded to curse out the Delta captain and flight attendants who had him removed from the plane and handcuffed by police.

But then Delta — which had earlier excoriated the less profane but equally-obnoxious Ann Coulter for also acting like a horse’s patoot on a flight — decided not to press charges against Mitchell and forget the whole thing.

One wonders how the Delta captain and flight attendants verbally attacked by the out-of-control actor feel about their company’s PC decision to abandon them. Delta CEO Edward Bastian and the public relations people who “advise” him should be ashamed.

WELLS FARGO REVISES FRAUD DAMAGE

Wells Fargo announced Aug. 31 that it had identified an additional 1.4 million potential bogus accounts that may have been opened unlawfully by the bank’s former employees, a steep increase from what was previously reported during the fraud scandal that rocked the banking and financial services giant last year.

The news comes amid the San Francisco-based bank’s recent completion of an expanded third-party review that analyzed current and former consumer and small business checking, savings and credit card accounts, as well as lines of credit and online bill pay services activity at the bank going back to 2009. A previous internal review, initiated in 2015, analyzed consumer and small business banking deposit accounts and credit cards dating back to 2011.



That review identified approximately 2.1 million potentially unauthorized accounts.

The new analysis has revised those figures to stand at approximately 3.5 million accounts opened without customers’ consent, a 67 percent increase from what was previously reported.

Wells Fargo also said that approximately 190,000 of those phony accounts incurred user fees and charges, up from the initial 130,000 figure reported when news of the scandal broke last year.

“To rebuild trust and to build a better Wells Fargo, our first priority is to make things right for our customers, and the completion of this expanded third-party analysis is an important milestone,” said Wells Fargo CEO **Timothy Sloan in a statement**. “Through this expanded review, as well as the class action settlement, free mediation services, and ongoing outreach and complaint resolution, we’ve cast a wide net to reach customers and address their remaining concerns. Our commitment has never been stronger to build a better bank for our customers, team members, shareholders and communities.”

Regulators — including the Consumer Financial Protection Bureau, the City Attorney of Los Angeles and the Office of the Comptroller of the Currency — hit Wells Fargo with a **massive enforcement action** last September over “widespread unlawful sales practices” that had alleged occurred at the bank for years, involving thousands of bank employees nationwide who allegedly established fake deposit and credit card accounts in customers’ names in order to boost sales figures and meet goals.

Wells Fargo chairman and CEO John Stumpf, who was criticized by the public and a Senate Banking Committee for fostering a high-pressure sales culture and for failing to enact internal oversight measures, **stepped down from the company and its board in October**. He was succeeded by Sloan, who previously served as Wells Fargo president and COO.

In addition to the \$185 million in total fines levied against the bank — which included a \$100 million fine from the Consumer Financial Protection Bureau, the largest in that agency’s history — Wells Fargo was also forced to pay remediation to customers who incurred fees for financial products and services sold to them without their knowledge.

In the Aug. 31 statement, Wells Fargo said it would now pay an additional \$2.8 million in refunds and credits to customers in light of its updated findings.

ACCOUNTS IN TRANSIT

Finn Partners picked up **The Good Exchange**, not-for-profit cloud platform, to build brand awareness and publicize its charitable giving in the UK. The firm plans to use customer references to position the group as a thought leader on the future of funding. The Good Exchange platform has been designed to connect organizations and individuals who have money to give to good causes with those who need their help the most.



FEWER AMERICANS READING THE NEWS

Approximately one in five U.S. adults — or about 45 million Americans — said they no longer read the news at all anymore, whether it's articles found online or in print, according to a recent study on the perceived credibility of the press released by San Francisco-based tech PR firm Bospar.

Aside from the alarming notion that nearly 20 percent of American adults admitted to no longer catching up on current events, Bospar's Press Credibility Study also found that the older someone is, the less likely they are to read the news. Nearly a third — 28 percent — of Americans ages 65 or older said they never read the news, compared to about 20 percent of Baby Boomers (Americans between the ages of 55-64) and about 17 percent of Generation X members who admitted the same.

On the other hand, only 13 percent of Millennials (those between the ages of 21 and 34) said they avoid reading the news, the smallest percentage of any age group polled.

Men were slightly more likely to avoid reading the news than women, according to the study. And those who admitted not reading the news were statistically slightly more likely to reside in the Western U.S. or Midwest.

Of those who still read the headlines, 56 percent said their trust in an online or print news article is earned when the reporting relies on research derived from an unbiased source, such as a research firm or university. A journalist's perceived lack of bias came in second place, at 47 percent. The use of infographics came in third (15 percent).

Millennials were far more inclined to value unbiased research and reporting (65 percent and 50 percent, respectively) than any other age group. Americans ages 65 and over were least likely to be persuaded by these factors than any age group polled.

Nearly a quarter of this Millennials (23 percent) also said they're inspired to read an article when it contains infographics or employs a catchy headline (19 percent).

Bospar's Press Credibility Study was conducted in early August by market research company Radius Global Market Research and polled 2, 220 U.S. residents online.

NEWSEUM STRUGGLES TO SURVIVE

Jeffrey Herbst resigned Aug. 28 as CEO of the Newseum in Washington as the board considers selling the 250,000 sq. ft. Pennsylvania Ave. facility, putting the future of the hard-pressed institution dedicated to freedom of the press in doubt.

As primary funder, the Gannett Foundation pumped about \$500M into the Newseum during the past 20 years.

That level of funding is no longer sustainable, according to Jan Neuharth, CEO of the renamed Freedom Forum.

The FF has assets of \$804M, according to 2015 tax records. The Washington Post reports the Newseum building was appraised at \$667M in 2014.

The Newseum's board is also looking at joint venture opportunities and partial divestiture of the building, which includes apartments, conference center, restaurant and parking garages, as an alternative to the sale of the entire facility.

PR OPINION

Many billions will be needed for victims of Harvey but donors must be wary of where they send funds. The Cantor Fitzgerald Relief Fund sends 100% of donations to victims.

“Brand” charities like the **Red Cross** and **United Way** are sitting on “millions” and don't write checks directly to victims, say critics.

Cantor Fitzgerald Chairman Howard Lutnick set up the fund on Sept. 14, 2001, which was three days after 9/11, an attack that cost the lives of 658 of its 950 employees including brother Gary. CF was on the 101-105 floors of the North Tower of the World Trade Center.

Since then, the Fund has given more than \$300 million to victims of terrorism, natural disasters and emergencies, direct service charities and wounded members of the military.

Americares Donates 97%

Americares, founded in Stamford, Conn., in 1979, says only 3% of donations are eaten by administration costs. Its website promises that for “every \$10 donated, it can provide \$200 in aid.

It has delivered more than \$12B in medicines, medical supplies and humanitarian aid to 164 countries following natural disasters, civil conflicts and health crises in poverty-stricken locations.

Founder Robert Macauley, a Connecticut business person who died in 2010, embarked on a career of charitable activities in 1975 when a U.S. jet carrying 243 Vietnamese orphans crashed and the U.S. said it would take 10 days for rescue operations.

Macauley and wife Leila mortgaged their home to charter a Boeing 747 to Vietnam and brought the surviving children to California. Americares works with 3,000+ hospitals, clinics and local health programs that enlist donors. In one recent year, it responded to 24 emergencies in 18 countries.

Supplies for more than 400,000 people in New York, New Jersey and Connecticut were delivered in the wake of 2012's Hurricane Sandy.

Sending Checks May be Easiest

The charitable orgs, including Red Cross, United Way, Salvation Army, etc., provide web links so Contributions can be made via credit cards. But extensive info is required and donors may worry about security.

Sending a check may be the easiest and most secure way of giving. Cantor Fitzgerald is at 199 Water st., New York, NY 10038. Americares is at 88 Hamilton ave., Stamford, CT 06902.

Donors are being urged to see that their donations mostly wind up in the hands of the needy. Look for food banks, is one piece of advice. The legitimacy of a group it can be checked via Charity **Navigator.org**. Revenues grew to \$9.07M in 2015 from \$4.88M in 2011.

Founders Pat and Marion Dugan said in 2001 that because of scandals they concluded an independent source of info on charities was needed.

— **Jack O'Dwyer**