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O'Dwyer's Newsletter

The Inside News of
PR and Marketing
Communications

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NEWS CORP CALLS IN EDELMAN

Embattled News Corp. has called in Edelman to handle fallout from its phone hacking scandal that has engulfed its British operation.

The No. 1 independent PR firm is providing communications and PA counsel to News International's management and standards committee handling the internal inquiry into the hacking of a murdered 13-year-old girl's voicemail, allegations of snooping into the calls of family members of soldiers killed in Afghanistan/Iraq and victims of the London terror attacks.



Murdoch

Alex Bigg, Edelman's managing director for corporate affairs, and James Lundie, managing director for PA, handle the account.

They report to Will Lewis, general manager of News International, which is responsible for Rupert Murdoch's British papers.

(More on the News Corp. crisis on page 3)

THEME PARK OPERATORS SEEK PROPOSALS

The Virginia-based, global trade group for amusement park operators is on the hunt for a PR firm with an RFP open through Aug. 3.

The International Association of Amusement Parks and Attractions represents the interests of 4,000 individual members from entities like zoos, theme and amusement parks, museums and aquariums.

The Alexandria-based group, led by new CEO Chip Cleary, is looking for media relations support with experience in crisis communications and the travel/tourism PR sector as it proactively engages consumers through the media and reacts to situations ranging from financial, legislative and operational issues. The IAAP wants two on-site staffers to assist its press team and one team member versed in crisis support.

Colleen Mangone, manager of media relations, is taking pitches with in-person meetings slated for mid-August in Virginia for potential key account personnel. Work is expected to begin in early December.

Download the RFP at odwyerpr.com/rfps.

APCO Worldwide has recruited Colin Mackay, former communication and partnerships director at the European Federation of Pharmaceutical Industries and Assns., as director of its healthcare practice in Brussels.

Mackay is a 20-year veteran of the healthcare scene, holding posts at Weber Shandwick, Aventis and Organon Laboratories.

F-H SHUFFLES MANAGEMENT DECK

Fleishman-Hillard named Jack Modzelewski to the newly created president of the Americas post to coordinate activity of the unit chief of regions in the U.S., Canada and Latin America.



Modzelewski

The founding general manager of F-H/Chicago also served as COO for Europe and South Africa. Modzelewski was president of client relations since 2004 with responsibility for F-H's practice groups and strategic planning.

F-H CEO Dave Senay also upped J.J. Carter, GM/San Francisco, to the U.S. western president slot. Nancy Seliger, executive VP and former eastern president assumes global client relations duties. Bob Winslow, managing director for global technology, is now in charge of F-H's more than 30 practice groups and new product development.

CHIME RINGS UP HEALTHCARE DEAL

Chime Communications has acquired healthcare specialist Reynolds-MacKenzie for an initial payment \$4M, a package of \$2.5M cash and stock.

R-M says it generated \$2.4M in revenues last year and earned an operating profit of \$1.2M.

It's the firm of Alison MacKenzie and Eva Reynolds. The duo counsels clients such as Pfizer, Amgen, Bristol-Myers Squibb, Roche and Medtronic. R-M will be part of Chime's OPEN Health group that was formed in January.

The acquisition could cost Chime up to \$11M based on R-M's performance. Lord Bell's operation retains the right to pay up to a quarter of that contingent comp in newly issued shares.

Chime is parent of Bell Pottinger.

DISCOVERY BAY DISCOVERS MWW

Discovery Bay Games, the Seattle-based company that produces game, apps and accessories for Apple's iPad, has selected MWW Group as agency of record.

DBG is developer of Duo, the first integrated device for iPad. Duo makes it possible for multi-person games such as "Smithsonian Artifact or Fiction." MWW is to position the client as the top brand of gaming "accessories" for the Apple tablet.

Craig Olson, CEO of DBG, said it hired MWW for its "proven record of crafting communications programs that directly influence the bottom line."

DBG becomes part of MWW's consumer tech practice with Samsung, Nikon and Celestron, among others.

MONITOR CLOSES BOOKS ON \$6.7M LIBYA BIZ

Monitor Company Group, which officially terminated ties with Libya and Jordan on July 1, received \$6.7M in fees/expenses from Col. Gaddafi's government from October 2006 to January 2009, according to its just-released Justice Dept. filing.

On April 27, Jordan paid Monitor \$871K in fees/expenses.



Gaddafi

In its activities report, Monitor says it arranged personal meetings with Gaddafi for luminaries such as Richard Perle, President Reagan's Assistant Secretary of Defense and noted neoconservative pundit, Francis Fukuyama, political scientist and author of "The End of History & The Last Man," and Benjamin Barber, professor and Bill

Clinton advisor.

Perle discussed developments in the war in Iraq, possible U.S./Libya collaboration, strategies to combat terrorism and the need for Libya to boost its human rights record.

Fukuyama lectured at Gaddafi's "Green Book Center" on the challenges of building a democracy in Libya.

Barber served on a panel discussion organized by David Frost, met with Libya's Constitutional Committee and talked about applying the philosophy of Gaddafi's Green Book to modern Libya.

Monitor paid Perle \$50K in fees and \$11K in expenses for his first trip to Libya in 2006. He received five \$10K payments to cover additional visits. Barber received about \$102K for his visits. Frost's production company got a payment of \$91K. Fukuyama received a payment of less than \$350, though Monitor did provide him copies of Gaddafi's Green Book for use in his political science course.

Monitor also relied on the services of Larry Weber's Rappaport, which received \$300K for PR services.

KELLOGG GETS LABELING HELP

Kellogg Co. has retained powerful Republican government relations firm Fierce, Isakowitz & Blalock as battle lines form in the nutritional labeling tussle between food marketers and Uncle Sam.



Jarvis, Piper

Kellogg is a member of the Children's Food and Beverage Advertising Initiative, which announced July 14 a set of voluntary guidelines, to cover foods like the snacks and sugary cereals sold by the Battle Creek, Mich.-based marketer.

Those standards are not as tough as ones recommended by the government, though Federal Trade Commission chairman Jon Leibowitz called the proposals a "step in the right direction."

Kellogg relies on FI&B's Alex Jarvis, former legislative director for Sen. Lindsey Graham, and Billy Piper, special assistant to Senate Minority Leader Mitch McConnell, for counsel on nutritional labeling and food safety matters.

ENVIROS TAKE AIM AT SHELL'S ARCTIC PLAN

A coalition of environmental groups has launched a year-long PR campaign aimed at stopping oil drilling in the Arctic Ocean. It kicked off the drive with launch of the OurArcticOcean.org website and a full-page ad in *Politico* on July 12.

Shell Oil plans to begin drilling for oil off the Alaska coast next year after receiving Clear Air Act permits.

Shell Alaska VP Peter Slaiby told a D.C. forum on Arctic drilling last week that the company is confident of getting federal okay for drilling five wells in the Beaufort and Chukchi seas.

The greens' "United for America's Arctic" campaign says there is "lack of scientific information about the Arctic Ocean" and its fragile ecosystem that supports coastal communities and "iconic wildlife" such as polar bears, beluga/bowhead whales, walrus and seals.

They believe it would be nearly impossible to clean up a spill due to sea ice, extreme cold, hurricane-strength storms and pervasive fog. The Arctic also lacks a port big enough to support large response vehicles, they say.

Coalition members want their educational campaign to peak July 4, 2012 with a declaration of the Arctic Ocean's "independence" from drilling.

The group includes Greenpeace, Sierra Club, Audubon, Wilderness Society, Natural Resources Defense Council, Defenders of Wildlife, Earthjustice and Credo Action.



OurArcticOcean.org

SCHWARZENEGGER, SHRIVER TURN TO PR

Arnold Schwarzenegger and Maria Shriver have turned to longtime PR aides as the high-profile couple splits with a public divorce.

The spotlight turned up last month when it was revealed that Schwarzenegger fathered a child with a household aide years ago, apparently unknown to his wife, Shriver.

Adam Mendelsohn, a longtime Schwarzenegger PR and political aide and former SCI Group staffer, is advising and speaking for the former governor.

Mendelsohn, who left the ex-governor's administration in early 2008, is now a partner at Mercury Public Affairs in Sacramento.

Shriver is leaning on Los Angeles PR strategist Matthew DiGirolamo to handle the press.

DiGirolamo, who counsels clients through his Cause Catalysts firm and has worked PR duties for Shriver and her projects for years, was recently director of brand and communications strategy for Griffin|Schake, the L.A. firm of Chad Griffin and Kristina Schake, who was Shriver's communications director during the latter part of her term as First Lady of California.

Schake is now First Lady Michelle Obama's communications director.

Shriver filed for divorce on July 1 after 25 years of marriage to Schwarzenegger.

NEWS CORP. YANKS \$12B BSKYB DEAL; BROOKS, HINTON OUT

News Corp. on July 13 dropped its \$12B bid to acquire the remaining 60 percent-plus stake in British Sky Broadcasting satellite TV operation after U.K. Prime Minister David Cameron, an ally of Rupert Murdoch, called for the media combine to pull the offer due to the national uproar surrounding the phone hacking scandal of the shuttered *News of the World*.



Carey

Deputy chairman and president Chase Carey said the bid for BSKyB was yanked because it "has become clear that it is too difficult to progress in the climate."

"News Corporation remains a committed long-term shareholder in BSKyB. We are proud of the success it has achieved and our contribution to it," said his statement.

Members of Britain's Liberal Democrat party are calling for a probe to weigh whether News Corp. is "fit and proper" to continue its current BSKyB ownership.

Cameron called for a broad inquiry into the ethics of the British media led by senior judge, Lord Justice Leveson. That probe also will investigate media payments to the police and law enforcement's alleged cover-up of illegal activities by the media.

Rebekah Brooks, CEO of News International and protégé of Murdoch, resigned her post on July 15. She was arrested July 17 and questioned by police before being released.

Brooks is eager to "concentrate on correcting the distortions and rebutting the allegations about my record as a journalist, an editor and executive."

Tom Mockridge moves from the helm of Sky Italia to the hot seat at NI. He also was CEO of News Corp.'s European TV operations beyond the U.K. He's been with News Corp. since 1991, working in Australia and New Zealand before heading for Europe.

Les Hinton, a 52-year employee of Murdoch, has stepped down as CEO of Dow Jones & Co., a post that he held since its 2007 acquisition by News Corp.

As former CEO of NI, Hinton said he felt it's his duty to resign though he claims ignorance of what "apparently happened" under his watch.

Upon exiting NI in 2007, Hinton said he believed the "rotten element at the News of the World had been eliminated; important lessons had been learned and journalistic integrity was restored." Dow Jones president Todd Larsen will now report to News Corp. COO Chase Carey.

Murdoch accepted Hinton's resignation with the

"heaviest of hearts," noting that "Les and I have been on a remarkable journey together."

He also stressed: "News Corp. is not Rupert Murdoch. It is the collective creativity and effort of many thousands of people around the world, and few individuals have given more to this company than Les Hinton."

Murdochs Re-Think Snub of Parliament

Murdoch and son James, deputy COO of News Corp. and chairman of NI, reversed themselves on July 14, and agreed to testify before a parliamentary hearing slated for July 19.

The senior Murdoch had written a letter to John Whittingdale, chair of the House of Commons' culture, media and sport select committee, declining the invite, while James asked for a different date. In response, the committee decided to issue summons to the duo.

The younger Murdoch then sent a follow-up letter to Whittingdale, to confirm his and father's attendance at the session.

The Justice Dept. is launching its own probe after the *Daily Mail* reported that News Corp. journalists attempted to hack the phones of victims of the 9/11 terror attacks.

News Corp. Int'l ran ads in the U.K.'s national newspapers to apologize for its activities.

Rupert Murdoch personally apologized to family members of the murdered girl, whose phone was hacked by the News of the World.

OPRAH TAKES OVER

Oprah Winfrey has named herself CEO and chief creative officer of OWN: Oprah Winfrey Network, a joint venture of Winfrey's Harpo Studios and Discovery Communications.

She succeeds Christina Norman, who was bounced two months ago in a management shake-up. Norman did a four month stint as the third chief of OWN since it was formed in 2008.

Winfrey says she is ready to dedicate her "full creative energy and focus as the full time CEO of OWN."

She had held the chairman spot.

Her two lieutenants and Harpo Studios presidents Erik Logan and Sheri Salata are taking the same titles at OWN. They maintain their Harpo roles.

Logan joined Harpo in 2008 from XM Satellite Radio. Salata moved to Harpo in 1995 as promotions producer and became executive director of "The Oprah Winfrey Show" in 2006 though its finale this year.

Logan and Salata are to work with OWN's interim CEO, Peter Liguori, Discovery Communications COO, to ensure a smooth transition to the fall takeover of Winfrey.

OWN launched Jan. 1 on the former Discovery Health Channel. It is available in 80M homes.



Brooks makes front page news in the July 8 Guardian.



Winfrey

MEDIA NEWS continued**NYT CO. SLIPS SLIM \$279M**

The New York Times Co. is paying off its \$250M loan from Mexican billionaire Carlos Slim three and half years early, a move that saves the company \$39M in annual interest.

On Aug. 15, the Times will pay \$279M to cover the notes and unpaid/accrued interest. The notes carry a 14 percent interest rate and are due Jan. 15, 2012.

Janet Robinson, CEO of NYTC, says her company's strengthened cash position and focused efforts enable it to pay the notes ahead of schedule.

She thanked Slim's Inmobiliaria Carso and Banco Inbursa for providing financing "during a volatile time in the U.S. economy and in our industry."

Slim's companies hold warrants to purchase 15.9M NYTC shares at \$6.36 each. That stock current trades at \$9.06.

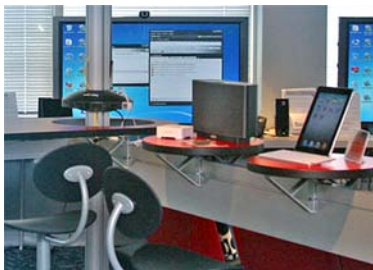
Slim and his interests own a 6.9 percent stake in the NYTC.

FCC GOES HIGH-TECH

Federal Communications Commission chief Julius Genachowski opened the "Technology Experience Center" at its D.C. headquarters July 13 to highlight innovation in the broadband economy. The idea is to expose FCC staffers to the latest in communications technologies.

The TEC is to feature a different theme each month.

The kick-off schedule includes communications innovations in education, public safety, healthcare, small business and energy.



FCC's Technology Experience Center

Genachowski believes the TEC will

serve as a "window into the world" of the broadband revolution. The operation is to "help the FCC staff stay on the cutting-edge and help drive innovation in the broadband ecosystem."

S.D. UNION-TRIBUNE PUT ON BLOCK

Platinum Equities, the Beverly Hills-based private equity firm, has hired Evercore Partners to explore "strategic alternatives" for the *San Diego Union-Tribune*.

Mark Barnhill, spokesperson for PE, told the *Los Angeles Times* that his firm manages a "large and complex investment portfolio" and routinely considers "a range of options that will best position our companies in the future."

PE acquired the newspaper from the Copley family, which ran it for more than 80 years, in 2009. The price was put in the \$15M range.

Copley Executive Vice President Harold Fuson said at that time that Platinum was the "bidder best equipped to maintain the Union-Tribune's position as one of San Diego's leading institutions."

**SMITH SHIFTS TO NBC**

Harry Smith, a CBS veteran of more than 30 years, is moving to NBC News on July 18 to contribute to its prime-time news magazine program that will be led by Brian Williams, anchor of the "NBC Nightly News."

Steve Capus, NBC News president, called Smith a "highly regarded journalist" who "brings a well-earned reputation for being a great colleague and co-worker." Smith's "vast experience, covering everything from interviews with world leaders to wars and natural disasters makes him a perfect fit for this new broadcast," said Capus in a statement.



Smith

Smith served as host of CBS News morning shows "The Early Show," and "CBS This Morning" for 17 years. Most recently he was senior correspondent, and substitute anchor for "CBS Evening News," "Face the Nation" and "CBS News Sunday Morning."

SLOAN SHELLS OUT \$3M TO WIKIMEDIA

The Alfred P. Sloan Foundation is awarding another \$3M grant to Wikimedia Foundation, the non-profit group that runs Wikipedia.

The New York-based philanthropy gave the money as part of its universal access to knowledge effort that is component of its digital information technology push.

Doron Weber, VP/programs at Sloan, says Wikipedia "embodies the ideal values of the worldwide web" and that the Foundation is proud to be part of its push to use the wisdom of crowds to create the "most open global encyclopedia in human history."

The Foundation granted a \$3M award to Wikimedia from 2008-10, money that helped bootstrap the organization.

Wikimedia intends to use the money to increase the diversity of its editors and reach more readers in developing nations.

LIVINGSOCIAL PICKS AOL VET FOR COMMS.

LivingSocial, a major Groupon challenger in the deal-a-day online shopping realm, is bulking up its PR apparatus with the hire of a top corporate communications staffer after changing its PR agency this spring.

Andrew Weinstein, VP of corporate communications at AOL in a nine-year stint through late 2007, has been tapped as senior communications director for Washington, D.C.-based LS. Weinstein has led Ridgeback Communications in the capital since his AOL days.

LS, which is reportedly considering a multibillion-dollar IPO, brought in Fleishman-Hillard in April to replace Atomic PR after a review.

The company's director of communications, Maire Griffin, is an F-H alum.

Rival Groupon filed June 2 to go public with a valuation in the \$30B range. The company hired Verisign alum Bradford Williams this month to lead global communications and brought in Brunswick Group to shore up its financial PR.

CNBC reported that an LS IPO could range from \$10B-\$15B as it heads toward \$1B in revenue for 2011.

NEWS OF PR FIRMS

PROI REPORTS GROWTH

Public Relations Organisation International, the global PR agency network, said net fee revenue grew 14 percent last year to \$382M among its 55 units.

Outgoing president Philip Roffey of France-based i+e provided the figure at the group's annual meeting in Singapore this month.

"We saw a significant increase in revenue in our Asia-Pacific region, moderate growth in our EMEA region and we maintained our revenue overall in the Americas Region, even though revenue was up in South America," he said. "Whereas the effects of the 2008 recession are still being felt in many markets, our partners generally saw an upswing as clients renewed budgets and, in many instances, dedicated more budgets to below the line activities, including public relations."

PROI agencies are in 40 countries.

PR SNAPSHOT

Rosica PR, Paramus, N.J., and Bergen Community College's School of Continuing Education recently sponsored "An Evening With Charles Grodin," featuring the actor, author, commentator and humanitarian to benefit his Lend-a-Hand Foundation and Project Literacy of Bergen County.



L-R: Sandra Sroka, assistant dean, School of Continuing Education, Bergen Community College; Charles Grodin, and Chris Rosica.

"Mr. Grodin accepted our invitation to come to New Jersey to share his memories and experiences in show business," said Rosica president Chris Rosica, who noted nearly 200 people supported the event.

EDELMAN MAKES RESEARCH DEAL

Edelman's StrategyOne unit has acquired PluggedIN, the Rochester-based firm that conducts market research of online communities.

Five-year old PluggedIN says it counsels companies on how to "connect with the voice of their customer through online communities for market research and customer insight."

PluggedIN was founded by Ben Werzinger and Matt Foley, who will continue to lead the group with Lail Brown. The firm has worked with blue-chips such as General Mills, Shell, Kraft Foods and T-Mobile.



Werzinger, Foley

NEW ACCOUNTS

New York Area

MediaLink, New York/Merlin Media, new media company formed by private equity firm GTCR with Emmis Communications which is buying up radio stations; MyWeather, consumer brand of Weather Central; MarketShare, cross-media analytics; HealthiNation, consumer health and wellness media; Out There Media, mobile advertising, and The W.P. Carey Foundation, for strategic communications.

Porter Novelli, New York/Prix Galien USA Awards, given for excellence in biopharmaceutical research, as AOR for PR to raise awareness in the U.S. and drive submissions. Event is set for Sept. 27, 2011 at the American Museum of Natural History in N.Y.

East

Buffalo Communications, Vienna, Va./FarmLinks Golf Club at Pursell Farms (Sylacauga, Ala.), for a publicity and media relations program.

V.K. Fields & Company, Raleigh, N.C./Hemisphere Beverages, as AOR for PR to promote its hibiscus beverage ZOBO.

Southeast

Ron Sachs Communications, Tallahassee/National Solar Power, Melbourne, Fla.-based provider of utility scale solar power solutions, as AOR for PR.

The Publicity Agency, Tampa, Fla./Lt. Col. Andrew Allen (USMC, Ret.), former NASA astronaut, for PR as he books speaking engagements and interviews.

Max Borges Agency, Miami/Archos, portable media players; G-Form, impact protection accessories for sports and electronics; Cadence Watches; Qmadix, electronics accessories; Cocoon Innovations, bags and accessories; NetSecure, online security for transactions; Bracketron, mounting devices for mobile electronics, and Wattbike, fitness bikes, for PR and social media.

Mountain West

Wall Street Communications, Salt Lake City/LiteTouch, lighting control products, as AOR for PR and social media.

Southwest

Zelo PR, McKinney, Tex./Nancy Lieberman, women's basketball player and coach, for speaking engagement, branding and PR for her, the "Lady Magic" brand and the Nancy Lieberman Foundation.

Lieberman is managed by Interpublic's Octagon unit.

Zion & Zion, Phoenix/Distinctive Roofing, for "overhauling" the company's brand, PR/social media, collateral materials, web development and media strategy.

West

Burditch Marketing Communications, San Francisco/Inn at the Presidio (S.F.), for PR for launch, slated for spring 2012, and PRESS Restaurant (St. Helena), for PR.

Vesper PR, Los Angeles/Diego Schoening, musician, actor and speaker; Telemundo + Mun2 Descarga 2011; COFEM Expo Mexico 2011; East Los Angeles Parade, and 4th Annual Feria de Los Moles.

Canada

Gabriel Press and Relationships, Toronto/The Learning Disabilities Association of Toronto District, for social media and media relations. — *Greg Hazley*

NEWS OF SERVICES**PRN, CMI TEAM WITH NEWS SITE**

PR Newswire has teamed with the Content Marketing Institute to host an online news “channel” for content marketing news and information.

The site will feature both original and aggregated content with from 10 to 15 stories per day, as well as a daily e-newsletter under the direction of tech journalist Gary Kim.

CMI Executive Director Joe Pulizzi said there are hundreds of sources online for content marketing without a single place for such information. “Our job with this news channel is to be that one place and make it easy for marketing and PR professionals to educate themselves on what is going on with content marketing,” he said.

Rachel Meranus, VP of marketing and communications at PRN, said the company's offerings are evolving into the CM space as marketing departments are “growing into publishing and news operations.”

Info: news.contentmarketinginstitute.com.

SYRACUSE TAPS VID FIRM FOR WELCOMES

Media technology firm StarGreetz is working with Syracuse University's S.I. Newhouse School of Public Communications to welcome its incoming 2011 freshman with personalized welcome videos from high-profile alumni.

The school said it is the first time that students will receive a “hyper-personalized” video message rather than a standard text email welcoming them to the school. Alumni Contessa Brewer '96, MSNBC anchor, and Dennis Crowley '98, co-founder of foursquare, are among participants that will congratulate the new recruits personally via video.

SG was started by a Newhouse alum, Eric Frankel.

BRIEFS: The **NASDAQ OMX Group** unveiled two new offerings – a social media aggregator and IR outreach tool – as part of its corporate solutions suite of services. SocialStream aggregates SM content for corporate websites while QTarget contains an online module to give a qualitative investor assessment, the company said. Demetrios Skalkotos, senior VP in the corporate solutions unit, said the new services provide an opportunity to “engage shareholders, consumers and investors in a more focused and successful capacity.” ...**Business Wire** was the exclusive newswire partner for the National Association of Hispanic Journalists' convention last week in Orlando. The event ran from July 15-18 at Disney's Coronado Springs Resort with more than 800 journalists, entrepreneurs, and students in attendance.

...**PRSA/N.Y.** will hold its monthly networking event July 26 at 6:30 p.m. at The Australian, 20 West 38th Street (between 5th & 6th Avenues, 2nd Floor).

...“**Maximizing Corporate & Nonprofit Relationships**,” a cause marketing conference at the Staples Center in Los Angeles backed by Allison & Partners. A Connecticut Sun vs. Los Angeles Sparks WNBA game will follow the event and is included with the entry fee -- \$45 in advance, space limited. RSVP to Marilyn Finegold by July 22. marilyn@allisonpr.com or 310/496-4449.

PEOPLE**Joined**

Craig Rexroad, president of Blaze PR, to CRT/tanaka as VP and general manager to manage its West Coast presence in Los Angeles. He takes over for **Marcy Walsh**, a 15-year veteran of CRT/tanaka who has moved to New York for the firm. Rexroad was previously with Rogers PR, MS&L, Rogers & Cowan and Edelman.

**Rexroad**

Todd Morgano, who oversaw external communications for the Federal Reserve Bank of Cleveland, to Marcus Thomas, Cleveland, as senior VP, director of PR. He was VP, corporate communications, National City, and did stints at Northlich, Progressive Insurance and Dix & Eaton. At MT, he succeeds Beth Hallisy, a long-time partner who announced her retirement earlier this year.

Ignacio Carrillo, independent consultant, to Flowers Communications Group, Chicago, as VP to lead its Latino practice and head the MillerCoors account. Previous stints include Experiencia Agency, Weber Shandwick/Axis, and The Jeffrey Group, with clients like McDonald's, the U.S. Army, AT&T, Adidas, and Diageo. He had recently consulted for Fleishman-Hillard and Schwartz Comms.

**Carrillo**

Anne Erhard, VP of cause branding, Cone, to MSLGROUP, Boston, as senior VP in its cause marketing/CSR practice to support the expansion work with clients like Kellogg's and Procter & Gamble.

Interns **Caroline Smith** (Federal Reserve Bank of Atlanta), **Erica Holland** (Lattimer Comms.) and **Lauren Coppage** (The Coca-Cola Co.) were named full-time professionals at Jackson Spalding, Atlanta.

Jaclyn Grossfield social media specialist for Noodles & Co., to Carmichael Lynch Spong, Minneapolis, in that same role.

Rob Holderness, staffer at Vox PR Public Affairs and former reporter for the *Statesman Journal* in Salem, Ore., to LiveRez.com, as marketing and PR manager for the developer of software for vacation rental managers based in Boise, Idaho.

**Truitt**

Dick Truitt, a veteran PR counselor and author, to TOBIN & Associates, San Rafael, Calif., to provide editorial services under a long-term agreement. Principal Gary Tobin said he shared office space with Truitt when he was based in New York and noted the two have collaborated over the years.

Promoted

Keira Lombardo to VP of investor relations and corporate communications, Smithfield Foods, Smithfield, Va. She had been director.

Mindy Rubinstein to chief communications officer, a new post at Ketchum, New York, with responsibility for the firm's global branding, marketing, advertising and communications.

GOOGLE ADDS DEM, GOP LOBBYING POWER

Google has ramped up its defense in the government's antitrust push, adding a powerful Democratic firm, Gephardt Group, and Republican juggernaut, Crossroads Strategies, to its lobbying team.

The firm of former House Majority Leader and Presidential candidate Dick Gephardt has represented heavyweight clients such as General Electric, U.S. Chamber of Commerce, Anheuser-Busch, Visa, Peabody Energy and Boeing.

Gephardt spearheads Team Google of Tom O'Donnell, former chief of staff to the Missouri Congressman, Kyle Mulhall, senior policy advisor, and Catherine Goode, a recruit from Quinn Gillespie.

Crossroads Strategies has handled the National Rifle Assn., AT&T, Verizon, Southern Co., Mars Inc. and Altria. Its Google lobbyists worked for three powerful southern Republican Senators, including John Green, (Trent Lott of Miss.), Stewart Hall (Alabama's Richard Shelby) and Hunter Moorhead (Mississippi's Thad Cochran and Bush II White House).

USTOA BOOKS REDPOINT

The U.S. Tour Operators Assn. booked Redpoint Marketing PR for communication duties due to its diverse travel client base and the dynamic personalities of principals Vickie Feldman and Chris Miranda, Terry Dale president of the New York-based group, told O'Dwyer's.

He referred to Feldman and Miranda as a "good cultural fit" with USTOA.

Dale, who assumed the helm earlier this year, considered nine firms and heard final pitches from four of them before opting for Redpoint. He praised the work of former USTOA shop, Kundell Communications, as "solid and professional," but felt it was a time for fresh PR thinking.

Redpoint is to pitch the benefits of using a tour operator to travelers and travel agents via increased exposure in consumer and trade publications.

B-M PUTS CHINA LEADER IN NYC

Burson-Marsteller has shifted Daisy King, former market leader of its Shanghai, Guangzhou and Chengdu outlets, to New York City to counsel firms interested in cracking the China market. As China-focused managing director, King reports to Jason Schechter.

King is to help U.S. companies break down barriers to China market entry, counselling on regulatory and environmental regulations and advising on cultural nuances. She also will collaborate with B-M's China-headquartered clients that want to push into or expand their American operations.

B-M has tapped Brian Cronkhite, managing director of Shanghai, to the acting market leader post. Christina Wu was upped to market leader for Guangzhou and Chengdu.



Google

NAHB NABS PPG

The National Assn. of Home Builders has retained Prime Policy Group to handle regulatory and tax reform issues for the trade group that represents more than 160K construction companies and housing remodelers.

The NAHB has warned that the scheduled Oct. 1 drop in mortgage loan limits for government sponsored Fannie Mae, Freddie Mac and Federal Housing Administration loans could deal a blow to the market that is "still struggling to get back on its feet," according to a statement from NAHB chairman Bob Nielsen.

PPG, which is a Burson-Marsteller unit, fields Charlie Black, former Republican National Committee spokesperson and aide to former presidents Reagan and Bush I; Mark Disler, ex-staffer for Utah Senator Orrin Hatch and Erin Graefe, aide to former House Speaker Nancy Pelosi, on the NAHB team.

The Commerce Dept. reported that sales of newly built single-family homes declined 2.1 percent in May to a seasonally adjusted rate of 319K units.

NAHB says the April and May numbers represent "some very slow improvement, which should continue as expected economic gains boost consumer confidence."

QG PROMOTES INDONESIA CULTURE IN D.C.

Quinn Gillespie & Assocs. handled the Indonesian Cultural Festival that ran on the National Mall July 9 on behalf of the country's D.C. embassy.

Footing the bill was Asian Pulp and Paper, which is under fire from Greenpeace for allegedly damaging the rainforests of Sumatra.

Greenpeace, last month, targeted AP&P customer Mattel by draping a huge banner on its California headquarters that featured Ken declaring that it's over with Barbie because he doesn't "date girls that are into deforestation."

Mattel says it is reviewing its packaging policies. AP&P blasted the Greenpeace action as a publicity stunt.

The Mall festivities featured more than 5,000 people breaking the Guinness World Record for playing the angklung, a traditional Indonesia instrument made of bamboo. "We are the World" was the tune.

QG handled media outreach, social media, monitoring, strategic marketing and digital media outreach for the project. Fee was \$20K. It was subcontracted by AP&P's PR firm, Cohn & Wolfe.

PORTER TAKES LIPPIN POST

Lisa Porter, who was deputy political director at ABC News and executive producer at WashingtonPost.com, has joined The Lippin Group. She takes the VP title, focusing on corporate entertainment and emerging media clients.

Since exiting journalism in 2005, Porter directed media relations and PR at the Miller Center for Public Affairs at the University of Virginia.

Most recently, she worked in Los Angeles handling Paramount Pictures and non-profit organizations like Lamp Community, which works with the homeless on the city's Skid Row.

Lippin, which is based in L.A., has offices in New York and London.

PR OPINION

Stung by our blog last week that showed that PR Society of America is deficient in its financial reporting, VP-PR Art Yann has mounted a defense of the such practices.

Although his letter was posted in full on the O'Dwyer website, the Society has never posted any of our blogs on its website.



Yann

PRS launched a full-page personal attack on is in Tactics in 2008 but refused to supply any rebuttal space.

Yann's letter says that booking dues as cash is "acceptable."

It may be permissible under GAAP (Generally Accepted Accounting Principles) but is not permissible under rule 958-605-2-1 of FASB (Financial Accounting Standards Board).

The word "acceptable" begs the question of why isn't PRS following the "best practice" in this regard?

PRS literature is loaded with the phrase "best practices," meaning do the best possible thing and not just something that meets minimal or legal requirements.

Since PRS repeatedly cites what other groups are doing, and especially the professional groups, it should note that the ABA, AICPA, AMA, ASAE and IABC all defer at least half of their dues. That is the "best practice."

Big CPA Firms Duck PRS

Yann says it's false to say none of the "Big Four" CPA firms will work for PRS.

They used to, but not any more.

Ernst & Young was the CPA firm for a number of years until 1991 when PRS suddenly decided to drop 324 dollar figures from the "audit" (27 categories of spending in 12 headings).

For some reason never given, E&Y departed the next year, replaced by Deloitte & Touche. Howls from members brought back about two-thirds of the numbers for the 1992 audit.

Among numbers left out: staff travel, hotels and meals; legal costs, and board of directors' costs.

D&T departed in 2001 after chair Steve Pisinski's one-year effort in the 2000 audit to "be in compliance with the method used by the ASAE" by booking dues income as earned."

PRS went back to the old system for 2002. The DD plummeted from \$813K in 2000 to \$566K in 2001 (artificially boosting "net assets").

Sobel & Co., Livingston, N.J., replaced D&T. The DD for 2002 was reported as \$389,941.

PKF Is Not a \$2.4B Firm

Yann says current auditor PKF "is a well-respected firm working in 125 countries and with \$2.4 billion in aggregate fee income."

PKF/New York is part of an international network of independent PR firms with offices in 470 cities in 119 countries. The network has \$2.4B in income, not PKF/NY.

The website of PKF/NY does not say how many employees it has. It has a practice in the hospitality as well as other industries.

CPAs Wracked by Scandals

Yann and fellow PRS staffers may regard work of CPAs as Holy Writ but not us.

E&Y was fined a record \$400 million in 1992 because it falsely audited federally insured banks and S&Ls that failed. Four of the banks alone cost the U.S. about \$4.5B.

The 11/25/92 *New York Times* said that E&Y got a "bargain" because it faced hundreds of millions in lawsuits that could have put it out of business.

D&T, meanwhile, was hung out to dry in a cover story in the Dec. 14, 1999 *Forbes* entitled "Tax Shelter Hustlers."

Forbes showed a pitch letter of D&T that promised companies relief from federal and state taxes for up to five years with D&T getting 30% of the savings as commission.

Getting such a cut is an unethical practice.

D&T created complex tax shelters that skirted legality and took years for the government to analyze. If caught, the companies merely had to pay the taxes.

Accounting columnist Floyd Norris of NYT has repeatedly blamed CPAs for the economic meltdown. His column of July 15 said the rating services of "Moody's, Standard & Poor's and Fitch came across as incompetent, conflict-ridden and craven" for their roles in the collapse. His 9/11/09 column was headlined, "Accountants Mised Us into Crisis."

The fifth big CPA Firm, Arthur Andersen, was erased in 2002 for its role in the Enron scandal.

Far better than any CPA firm or on-staff CPA would be a group of senior members working at h.q. who could see how the money is spent and who would speed financial reports.

PR pros for many years have been banned from their own h.q. unless their loyalty to fellow staffers is unswerving. There was only one PR pro at h.q. from 1982 until 1993—Donna Peltier.

Where Is Audit Chair Ball?

Yann does not address the problem of audit chair Cheryl Ball not being on the national board.

PRS told strumpette.com in 2007 that it is "committed" to the principles of Sarbanes-Oxley. They demand an audit chair with financial expertise who is on the board supported by two financially-savvy assistants.

Ball has some financial background since she passed the Series 7 and 24 of the Financial Industry Regulating Authority.

However, her website refers to the "NASD" which was merged in 2007 into FINRA. So how up-to-date is she on financial matters? Her website characterizes her as a "visionary marketing communications professional."

Yann, instead of debating us in e-mails, which the Society's own Dave Rickey says is a "klunky" way to debate, should do so in person. The least Yann could do is put this blog on the Society website. — Jack O'Dwyer