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O'Dwyer's Newsletter

The Inside News of
PR and Marketing
Communications

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August 6, 2012 Vol. 45 No. 31

B-M'S HEINONEN TO AVON

Burson-Marsteller's Cheryl Heinonen moved to Avon Products Aug. 1 as group VP-global corporate relations and chief communications officer.

She reports to CEO Sheri McCoy, who joined the struggling cosmetics company in April from Johnson & Johnson. McCoy succeeded Andrea Jung.

At B-M since 2008, Heinonen counseled consumer clients on branding, international and reputation issues.

Earlier, she was senior VP-global corporate PR at Visa International, where she managed PR for its restructuring and re-branding.

McCoy said in a statement that Heinonen is a key addition to her team because Avon's "ability to communicate effectively, both internally and externally, is critical," as it seeks a corporate turnaround. Avon's first-half net tumbled 75 percent to \$88.1M on a six percent sales decline to \$5.1B.

The New York-based direct sales company has opened negotiations with the Justice Dept. and Securities and Exchange Commission to iron out a settlement on charges that it violated the Foreign Corrupt Practices Act.

In May, Coty withdrew a bid to acquire \$11B Avon.



Heinonen

BRUNSWICK EXEC MOUNTS BAIN DEFENSE

Michele Davis, the Bush administration Treasury Dept. public affairs advisor who joined Brunswick Group in 2009, has been enlisted to bolster Mitt Romney's PR defense of his tenure at Bain Capital, according to a report by Buzz Feed's Ben Smith.



Davis

Photo: FCCBK

Davis was assistant secretary of the Treasury for public affairs under Secretary Hank Paulson during the outset of the financial crisis, her second stint in the post during the Bush administration. In between, she was a VP for regulatory policy at Fannie Mae.

Davis is a partner at Brunswick in Washington, D.C., handling clients like BP.

Smith reported that Davis will help the Romney campaign defend the candidate's private sector work, which has been a point of attack for President Obama and Democrats.

MDC SUFFERS \$20M Q2 LOSS

MDC Partners suffered a \$20.1M second-quarter loss compared to a year ago \$1.3M profit. Revenue advanced 15.2 percent to \$274.1M. The firm lost \$46.3M during the first-half, up from \$7.3M a year ago.

Despite the gloomy financial performance, CEO Miles Nadal says MDC performed "very well" during the first-half and is on a "good trajectory" to achieve overall financial 2012 targets.

Net new business wins soared 71 percent to \$80M during the first-half. Nadal likes where MDC is heading for the remainder of the year as he expects his strategic investments to show benefits.

MDC stock is trading at \$9.40, near its \$9.24 52-week low. The NASDAQ-listed parent of Sloane & Co and Kwitken & Co. had traded as high as \$20.21 during the last 52 weeks.

CHINA OIL BOLSTERS D.C. PUSH

China National Offshore Oil Corp., which is 70 percent owned by the Government of the People's Republic of China, has tapped Wexler & Walker Public Policy Assocs. to join sister WPP firm Hill+Knowlton Strategies as its D.C. lobbyist.

CNOOC is mounting its biggest bid to crack the North American market via its \$15.1B bid to acquire Nexen Inc., one of Canada's largest energy companies.

China's potential ownership of Nexen properties in the Gulf of Mexico is a major political concern here.

W&WPPA CEO Dale Snape, a 30-year veteran of the Office of Management and Budget, and chairman Bud Cramer, former Blue Dog Congressman for Alabama, spearhead the lobbying push.

They are joined by Robert Healy, former VP federal & int'l relations for ARCO and aide to Treasury Sec. Lloyd Bentsen; R.D. Folsom, who once lobbied for most favored trading status for China; Joel Malina, aide to Rep. Nita Lowey (D-N.Y.) and Malcolm Grace, aide to Sheila Jackson Lee (D-Tex.).

The National Shooting Sports Foundation has hired insurance PR executive Mike Bazinet to represent its more than 7,000 gun makers, retailers, shooting ranges and sportsmen's groups.

He takes the director of public affairs slot handling communications with general news media and government relations.

The NSSF, which doesn't have the high profile of the four million-member National Rifle Association, is closely aligned ideologically with the NRA.

Bazinet exits insurer The Hartford as assistant VP, program management and executive communications.

UN RENEWS BELL POTT SOMALIA PR PACT

Bell Pottinger has picked up a \$5.7M contract extension through November for its ongoing PR work for the United Nations in Somalia, a push the London-based firm kicked off in 2009.

The firm's work is with the African Union Mission to Somalia, known as AMISOM, and involves a range of strategic communications programs to win over hearts and minds in the embattled Horn of Africa nation.

Bell Pottinger contracts out the operation of a radio station in the country to London-based Albany Associates.

The firm's total pact is worth more than \$21M through 2013. BP has worked Africa PR efforts in Zambia, Gabon and South Africa.

While the firm works the PR beat in Somalia, the *Los Angeles Times* reported July 29 that the U.S. is the driving force behind the military effort there, training African troops from countries like Sierra Leone to battle Islamist militants linked to Al Qaeda ally Shabab.

PFIZER'S CINO SHIFTS TO HP

Maria Cino has joined Hewlett Packard in Washington as VP for Americas and U.S. government relations. She reports to Gregg Melinson, VP-global government relations.

Cino was at Pfizer, where she held the executive VP-federal government relations spot since 2008.

Previously, she served as president/CEO of the 2008 Republican National Convention, deputy chairman of the Republican National Committee, Depts. of Commerce/Transportation staffer and political director for Bush-Cheney 2000.

Cino takes command of HP's government relationships in North and South America and will partner with companies, associations and coalitions to further HP's interests.

Melinson called the new hire a "reaffirmation of HP's commitment to Washington and our businesses across the Americas." Cino took the post effective Aug. 1.

EX-MASHABLE COO MOVES TO EDELMAN

Adam Hirsch, former COO of Mashable, moved to Edelman Digital Aug 6 for the newly created senior VP/emerging media and technology post.

He joined the No. 1 independent firm because its digital practice has been "at the forefront of thought leadership and the launch of innovative programs" for clients in the social digital space, according to his statement.

In his post, Hirsch will help clients identify new digital platforms and update Edelman Digital staffers on social media developments.

Hirsch was COO of Mashable from 2007 to early this year. Most recently, he served as chief digital officer for DoSomething.org, while maintaining a consultant relationship with Mashable. Kevin King chairs Edelman Digital, which has more than 600 staffers.



Hirsch

ACHA SCOUTS FOR PR ASSISTANCE

The Adult Congenital Heart Assn. is scouting for PR help to handle media relations, marketing and possible search engine optimization analysis and implementation, according to its RFP.

Philadelphia-based ACHA serves and supports the nearly two million adults with congenital heart defects—the most common birth defect—via education, advocacy and research. It has more than 8,500 patient/family members and nearly 1,300 professional ones.

The non-profit, which recently re-launched its website and introduced a blog, now wants to get its message out to non-members. Its PR "wish list" includes cultivating/training for ACHA volunteer media experts, developing PSAs, implementing "what members want" research, and looking into lining up a celebrity spokesperson.

Terri Schaefer, communications manager at tschaefer@achaheart.org, is handling the search. She wants proposals by Aug. 24. She told O'Dwyer's that ACHA prefers its potential PR partner to be located in the Philadelphia area.

The selected firm/consultant will kick off the campaign during the fourth-quarter. ACHA will assess that effort—and, if satisfied with progress—will sign an annual, renewable contract in January.

GIFFORDS COS HEADS DHS PA

Chief of staff and spokeswoman for Rep. Gabrielle Giffords (D-Ariz.) through the 2011 Tucson shooting has been named to the top public affairs slot at the U.S. Dept. of Homeland Security.

Pia Carusone was Giffords' top staffer for three years before and after the January 2011 shooting that killed six, including a Giffords staff member, and injured 19.

Carusone was appointed assistant secretary for public affairs to advise Secretary Janet Napolitano on strategic and internal communications and oversee the PA operation which serves as the lead information office during national emergencies and disasters.

Matt Chandler, who had been acting assistant secretary for PA at the DHS, was named director of communications.

Sean Smith, a former aide to Sen. Joe Lieberman (I-Conn.), resigned from the top PA slot for a senior VP post at Porter Novelli in April 2011

ELOQUA BOOKS ICR FOR IPO

Eloqua, the B2B marketing software-as-a-service provider, enlisted ICR for communications support through its successful Aug. 1 initial public offering, which raised \$92M.

The company, which counts Genzyme, Sony and Roche among its customers, sold eight million shares at \$11.50 began trading Aug. 2 on the NASDAQ as ELOQ.

ICR senior VP Staci Mortenson, who handles software and IT accounts, and VP Sari Martin, handle the Eloqua IR and PR work at ICR. PR vet Joe Chernov is VP of content marketing at Eloqua.



Carusone

RF READS PEOPLE'S DAILY ONLINE

China's People's Daily Online, which is the Internet property of the official newspaper of China's Communist party, has a memorandum of understanding with Ruder Finn to establish an interactive platform among government, media, academics and companies.

The partnership, according to RF's announcement, will also study development of a PA communications system, assist the platform's international launch, and promote the "development of social media for online public opinion supervision."

The *People's Daily*, the world's No. 6 newspaper, founded PDO in 1998. It is published in 15 languages.

The PDO, on Aug. 3, rapped the U.S. for its "unilateral sanction of Iran" to punish those who assisted nuclear development. Kunlun Bank of China is on the U.S. sanctions list. The PDO's editorial charged the U.S. uses its domestic law in its "pursuit of international hegemony and power politics."

Another editorial criticized a "small number of western media" covering the London Olympics for making up stories about China that range from labeling Chinese athletes 'medal machines' to doping claims based on no evidence."

PDO believes elements in the west cannot deal with the rise of China to become the second biggest economy in the world.

"At the London Olympics, it is irresponsible for the Western media to pour filth on Chinese athletes who won because of hard training and years of arduous preparation," the editorial said.

NEW YORKER WRITER RESIGNS

Jonah Lehrer, a staff writer for *The New Yorker* criticized for recycling his own content for the magazine's blog earlier this year, resigned from the magazine July 30 after a report questioned the authenticity of quotes he attributed to Bob Dylan in Lehrer's book "Imagine."

In a statement from his publisher, Houghton Mifflin Harcourt, Lehrer said he lied to a reporter who questioned the quotes.

"When [journalist Michael] Moynihan followed up, I continued to lie, and say things I should not have said," Lehrer added. "The lies are over now. I understand the gravity of my position."

Moynihan's research was for a July 30 piece in *Tablet* magazine titled "Jonah Lehrer's Deceptions."

New Yorker editor David Remnick said in a statement: "This is a terrifically sad situation, but, in the end, what is most important is the integrity of what we publish and what we stand for."

HMH has pulled "Imagine" from book shelves and halted sales as it "explores all options available to us," said VP and executive director of publicity Lori Glazer.

MEREDITH REVENUE RISES, PROFIT FLAT

Meredith Corp., which owns media properties like *Family Circle*, *Fitness* and *Country Life*, along with 12 broadcast TV stations, said fiscal fourth quarter revenue rose six percent to \$375M on gains in TV and digital advertising.

"We faced a challenging magazine advertising marketplace that impacted results, but I'm confident the strategic steps taken to broaden and deepen our scale

with consumers and advertisers alike will lead to growth and margin improvement over time," said Meredith National Media Group president Tom Harty.

President and CEO Steve Lacy said Meredith, after its acquisition of AllRecipes.com, is the number one digital food company and in the top three for digital women's lifestyle content.

Advertising revenue rose 11.3% for the quarter to \$210.4M, while circulation revenue ticked up to \$78.4M. Net income was essentially flat at \$30M over a year ago, ahead of expectations.

WASH POST CROWDSOURCES READER INPUT

The *Washington Post* has launched a crowdsourcing platform that will have Post reporters asking readers questions and allowing readers to vote on aspects of stories covered by the media company.

The service, "Crowd Sourced," will, for example, have political reporters Chris Cillizza and Rachel Weiner ask readers which campaigns are using social media well and what social networks are under-exploited or poorly used by campaigns. Business reporters will solicit reader input on how companies can stay innovative or how government can help the private sector, the Post said.

The CS pages "offer an opportunity for readers to weigh in on key questions shaped by leading Post journalists who closely follow the issues," said Emilio Garcia-Ruiz, editor for strategic projects at the Post.

PEOPLE

Associated Press Miami reporter **Tamara Lush** was named Tampa Bay bureau correspondent for the AP, taking the slot of **Mitch Stacy**, who moves to the AP's Ohio bureau. Lush joined the AP in 2008 from the *Miami New Times* and is a former staff writer for the *St. Petersburg Times*.

Time magazine promoted **Steve Snyder** to assistant managing editor of Time.com. He was associate editor.

Barbara Roessner, former managing editor of the *Hartford Courant* from 2006-09, was named executive editor of **Hearst Newspaper's** group of Connecticut papers, including four dailies – *Connecticut Post*, *News-Times* (Danbury), *The Advocate* (Stamford), and *Greenwich Time* – and seven weeklies.

Shannon Davis, senior editor for Active Interest Media's *Backpacker* magazine, was promoted to editor of AIM's *Climbing* magazine, while outgoing editor, **Dougald MacDonald**, will serve a part-time role as editor-at-large.

Davis, a professional mountaineering guide, is based in Boulder, Colo. Michael Byrne was recently promoted to publisher of *Backpacker*.

Steven Hacker, president of the International Association of Exhibits and Events, was named columnist for *Association News* magazine. He steps down from IAEE on Sept. 30 and will debut his "The Association Doctor" column in the October edition of the trade pub. AN is published by Schneider Publishing, Los Angeles.

Vice magazine has added former baseball player **Jose Canseco** as a weekly columnist. Canseco, who helped spark investigations of the steroid era in

(Continued on page 4)

MEDIA NEWS continued

PEOPLE (Continued from pg. 3)

professional baseball, will pen “Jose Can Say So” to be published at Vice.com on Mondays.

Nicole Amico Smith, associate publisher for Conde Nast’s Style.com, to Zimbio, as VP of sales for the publisher of entertainment news site Zimbio.com, fashion/beauty site StyleBistro.com and home décor pub *Lonny Magazine*.

Smith, former Conde Nast Digital executive director of sales and account director for Portfolio.com, oversees advertising growth and expansion across the properties. She previously led digital sales at *Vanity Fair* and was Midwest director for TheStreet.com.

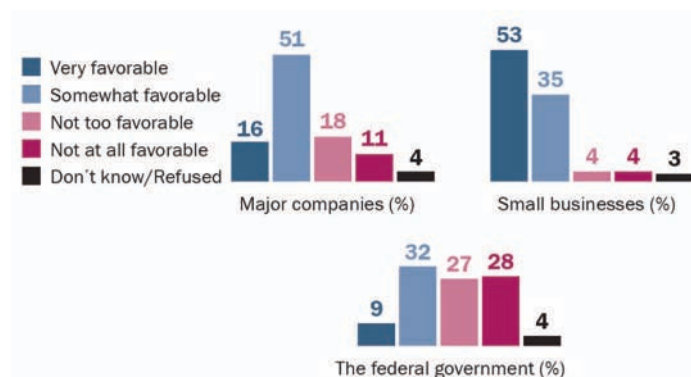
AIG PR PLAY HIGHLIGHTS ‘REBUILDING’

AIG, which has the stigma of a \$182.5 billion bailout, kicked off a YouTube-led PR offensive highlighting its efforts to shore up finances and pay back taxpayers.

“I believe one day AIG will be the icon of everything that’s right about our free economic system and the free world,” says CEO Robert Benmosche. “And I think we’ll have a different image of AIG down the road.”

The Associated Press, which first reported the video PR play by AIG, said the company believes it “now deserves a kinder view from the American public.”

“... Perhaps no other company came to represent [the financial] crisis more than AIG,” the text claims in one video from AIG, which says it made a promise to the Federal Reserve and Treasury to pay back funds “in full.”

**Public favorability views toward corporations, small business and government.**

Source: PAC

The Treasury’s stake in AIG has been reduced from 92% to about 60%.

AIG produced three sets of videos on “rebuilding,” its employees, and community service.

Christina Pretto, who joined AIG in 2009 from Citigroup, is senior VP of corporate communications for AIG. She could not be reached about the campaign.

AIG, eliciting some criticism, worked with several PR firms in the wake of the crisis, including Burson-Marsteller, Kekst and Company, Hill+Knowlton Strategies and Sard Verbinnen & Co. But the company did not use outside counsel when it pitched investors in 2011 on a \$9B stock offering.

PAC: AMERICANS TRUST BIZ OVER GOV'T

Americans don’t want corporations involved in politics but place greater trust in private business than government in urging the private sector to take on more responsibility in society, according to a survey by the Public Affairs Council.

Polling 1,750 adult Americans on attitudes toward lobbying, politics and the private/public sector split, PAC found 72% saying business should run food banks and job training, while 68% said business should help improve healthcare and 66% said the same of education.

More people said federal regulation (52%) is a greater threat to the middle class than corporate power (40%). But the public also thinks corporate executives are being overpaid (71%) and many want the government to ramp up regulations in areas like environmental protection.

Doug Pinkham, president of the PAC, said Americans have “serious doubts” about whether the federal government can handle the nation’s challenges. He said, “As a result, the public is turning to the business sector and saying, ‘The government can’t seem to manage these things, so what can you do to help?’”

PAC found that support of big companies rose from 61% last year to two-thirds (67%) in the latest survey, although concerns about corporate power and profits linger. [Edelman’s annual Trust Barometer earlier this year found business support at 47% and government trust at 38%.]

Pinkham, who discussed the results of the survey in a lengthy appearance on C-SPAN, said the fact that the economy improved slightly over the past year may account for the rise in corporate support, which is also buoyed by steadfast support for small business.

The largest support for corporate America came from Generation X (ages 36-47) with 71% favorability, followed by the 18-35 demographic (68%) and Boomers at 64%. While many see top executives as overpaid, 56% said companies don’t pay other workers fairly.

The public also showed some weariness toward outside lobbyists and corporations that get involved in the political process. Fifty-four percent said they think more unfavorably of a company that hires lobbyists, but large majorities support lobbying by business to protect jobs (81%), open new markets (78%), level a playing field (71%), or reduce costs (63%).

A solid 57% said they would feel less favorable about a company that paid for advertising in support of a political candidate.

The survey, which Pinkham said is intended to gain understanding of how Americans see the relationship between business and the federal government, was conducted for PAC by the Princeton Survey Research Associates International.

BRIEF

A federal judge has confirmed **Tribune Company’s** plan to emerge from bankruptcy and transfer ownership to senior creditors led by Oaktree Capital Management.

Tribune is expected to emerge from Chapter 11 by the end of the year.

NEWS OF PR FIRMS**RFP: PR FOR ECONOMICS, FINANCIAL STUDY**

Economatrix Research Associates seeks a freelance PR representative to publicize, to national media, a research study with potential major ramifications for the upcoming presidential election.

ERA says the study is confidential, and after receiving information of interested PR individuals it will respond accordingly.

Email correspondence preferred: Joe Larson, j.larson [at] economatrix [dot] com.

FOREST MOUNTS PR, IR DEFENSE IN ICAHN BID

Forest Laboratories has engaged outside PR and proxy counsel as it tries to fend off a slate of board nominees backed by activist investor Carl Icahn ahead of the pharmaceutical company's annual meeting Aug. 15.

Icahn fell short in a bid to stack the Forest board last year.

Sard Verbinnen & Co is working the PR front for Forest, while Mackenzie Partners is working the IR beat in support of VP of IR Frank Murdolo.

Forest on July 30 blasted Icahn's "changing story" and "continued attempts to mislead investors" amid a "fundamental lack of understanding of Forest's business." It is urging shareholders to support its white card slate of 10 board nominees and to ignore Icahn's gold proxy card.

Icahn got a boost last week as Institutional Shareholder Services said it supports two of the investor's four nominees, noting he made a "compelling case that increased boardroom representation and oversight of Forest's operating expenses are warranted."

In a statement, he said ISS' endorsement is "very good news for all shareholders."

Icahn uses the proxy firm D.F. King & Co.

U.K.'S LUTHER PENDRAGON TARGETS USA

Luther Pendragon, a London-based independent shop, is targeting U.S. growth via the acquisition of its British counterpart Lucid Communications, which has an outpost in Westfield, N.J.



Jarecki

Beth Jarecki, president of Lucid USA will now lead Luther Pendragon USA. She's a veteran of The Torrenzano Group, Ogilvy Adams & Rinehart and Gavin Anderson & Co., where she focused on M&As, special situations and financial communications.

Simon Whale, managing director of LP, says his firm now has a platform to "expand its American client base and to provide our U.K. clients with a proven communications capability in the U.S."

The deal, according to Whale's statement, "represents another vital step in fulfilling our objective of offering clients across a wide range of sectors and critical markets and complete corporate communications services."

BRIEF: Washington, D.C.-based **Kellen Company** has boosted and rebranded its public affairs unit, now called KellenAdams Public Affairs, to reflect its 2008 acquisition of John Adams Associates.

NEW ACCOUNTS**New York Area**

The Morris + King Company, New York/Aperture Foundation, 60-year-old organization for the photo community founded by Ansel Adams, Minor White and other leading photogs, to develop and execute a PR campaign for its anniversary, including a benefit gala and photography auction on October 23, 2012.

M&C Saatchi PR, New York/Alvin Ailey American Dance Theater, dance company, for strategic PR for the launch of the 2012-13 season, and UNTUCKit, men's apparel brand, as AOR.

The Brandman Agency, New York/The Setai Miami Beach, oceanfront hotel, now managed by Trevi Luxury Hospitality Group, for PR.

360 PR, New York/Savored, restaurant yield management technology, for PR targeting consumer, business and trade audiences, including the release of its first app for making discounted reservations.

Workhouse, New York/Mealku, meal cooperative, and Wantful.com, online retailer, both as AOR for PR.

Midwest

Boxing Clever, St. Louis/St. Louis Rams, as promotional and interactive AOR for the NFL franchise, including creative, promotions, events, social and digital marketing.

Southwest

MassMedia Healthcare Marketing, Henderson, Nev./Volunteers in Medicine of Southern Nevada, four-year-old nonprofit dedicated to providing the uninsured with access to medical care, as AOR for PR.

HCB Health, Austin, Tex./Sanova Dermatology, for PR, community outreach, search engine marketing, media relations, events and sponsorships.

West

The Pollack PR Marketing Group, Los Angeles/LeisureLink, revenue management, distribution, and real-time market data for hospitality properties, for PR, including trade, tech, business and consumer media outreach as well as driving LeisureLink's growing leadership position.

Blaze, Los Angeles/RingPlus, new cell phone service integrating social media and customized services, for media relations and social media strategy and execution.

J Public Relations, San Diego/Katsuya, eatery in the Andaz San Diego hotel; True Food Kitchen eatery utilizing high quality, locally and regionally sourced ingredients; Bardot Bars (La Jolla, Calif.), gourmet ice cream bars, all for PR. The firm's New York office has added lounge and eatery NOIR.

International

Caché Communications, Vancouver/Tintina Resources, base metal mining focused on Montana, for corporate comms. to increase investor awareness. Initial engagement is three months at \$8K/month with a renewal option.

Weber Shandwick, Toronto/Rdio, digital music service started by the creators of Skype, as AOR.

Cohn & Wolfe, Mexico City/Hotels.com, hotel booking website, for PR and media relations in Mexico, expanding on the firm's international work for the client in Switzerland and greater China.

Aspectus PR, London/CityIQ, for media relations via its financial services practice.

— Greg Hazley

NEWS OF SERVICES**PR NEWSWIRE 1H REVENUE, PROFIT CLIMB**

United Business Media said first half revenue at its PR Newswire operation rose more than three percent to £100.1M (\$158M) while adjusted operating profit climbed nine percent to £22.3M (\$35.2M).

UBM said its “resilient” U.S. distribution business, along with an increase in the average revenue per message and a boost in newer products were among factors contributing to the solid gains at PRN. UBM expects underlying growth for the unit in the range of three to five percent for the year.

Overall, revenue at UBM’s four business units (events, data services, marketing services, PRN) rose 6.5% for the period to £508.7M while adjusted operating profit was up 12.5% to £103.4M.

UBM said \$40M of its U.S. distribution revenue is now contracted revenue, a significant increase from 2009, when the figure was around \$5M. About 31% of PRN revenue comes from public sector clients, 30% on the agency side, and 28% private companies.

COHEN NOMINATED PRS CHAIR-ELECT

The Public Relations Society has nominated Joe Cohen, senior VP at New Jersey’s MWW, chair-elect; Blake Lewis, principal of Lewis PR in Dallas, treasurer, and Kathy Barbour, PA manager of the Mayo Clinic in Jacksonville, secretary, for service during 2013.

Each candidate must win a majority of the vote to take place at the Society’s annual meeting slated for San Francisco on Oct. 13.

Other nominees for board positions are:

Tri-State district representative – Anita Ford Saunders, communications manager at Yankee Gas, Berlin, Conn.; **Mid-Atlantic district** – Felicia Walker Blow, VP/institutional advancement at Paul D. Camp Community College in Franklin, Va.; **East Central district** – Sonja Popp-Stahly, communications manager at Lilly Bio-Medicines, Eli Lilly and Co. Indianapolis; **Western district** – Marisa Vallbona, President at CIM Inc. San Diego; **Directors at large** – Kelly J. Davis, CEO at Davis PR and Marketing in Columbia, S.C. and Susan Walton, VP/university and PA at University of North Dakota in Grand Forks.

Outgoing chair/CEO Gerald Corbett called the nominees “a passionate group of public relations professionals.” A challenger can run against the PR Society anointed candidates if he or she files ten signatures of support from Assembly delegates with h.q. by Sept. 13. The candidates have to be APR, but not the delegates.

BRIEF: The U.S. Agency for International

Development is reviewing proposals for its media monitoring account, following an RFP process that closed July 31. USAID’s Bureau for Legislative and Public Affairs plans to hire a vendor to produce daily weekday reports and summaries of English-language print, online and broadcast media content typically ranging from 60 to 100 articles per report. The federal entity declined to provide the name of the incumbent or the value of its contract but said the company was eligible to submit a proposal. A one-year contract with two options years is planned.

PEOPLE**Joined**

Ruth Bazinet, director of media relations and social media, Roger Williams University, to Matter Communications, Newburyport, Mass., as an account manager. She was previously at Schwartz MSL and the Harvard-Smithsonian Center for Astrophysics. Matter has also added GolinHarris and Ketchum alum **Susan Peters** as a director, and **Jennifer Karin**, formerly of Citigate Cunningham, Mullen and Miller Comms., as an account leader.

**Bazinet, Karin**

Jaime Griffon, former development director for the Cystic Fibrosis Foundation, to Hope-Beckham, Atlanta, as business development director, also handling internal communications. HB president Bob Hope served on the board of the CFB of Georgia for several years.

Kim Hart, senior technology reporter, *Politico*, to Neustar, Sterling, Va., as director of corporate communications. She previously launched and wrote the Hillicon Valley blog for *The Hill*, and covered tech as a business reporter and columnist for the *Washington Post*.

Kristi Gooden, PR and media relations director for five-hospital health system Saint Thomas Health, to ReviveHealth, Nashville, Tenn., as a VP. She was previously PR director for STH’s Baptist Hospital and a senior A/E at Katcher Vaughn & Bailey PR.

Tom Ashby, business editor of Abu Dhabi’s first English-language newspaper, *The National*, to Abu Dhabi National Energy Co., as group VP, corporate communications. He was previously Nigeria and Venezuela correspondent and chief energy correspondent for Reuters.

Promoted

Susan Thiele to U.S. healthcare practice leader, Hill+Knowlton Strategies, New York. She has counseled Amgen, Merck and Otsuka Pharmaceuticals, among others, in two-plus years in the healthcare unit since joining from Edelman. Earlier stints included Ketchum, Chamberlain Communications and Ruder Finn.

Jessica Epperly to senior publicist, Abel Communications, Harrisburg, Pa., handling clients like STX, Koolspan and CoPilot Live. She joined in 2010.

Jonathan Cooper to VP of media relations and employee communications, Digital First Media, New York, as. He was previously VP of content for Journal Register Co., now part of DFM.

**Thiele**

Fernando Menezes to director, corporate communications, Nissan Brazil, including responsibility for the automaker’s Rio 2016 Olympics sponsorship. He was GM, corporate and brand communications for Europe.

FTI PR REVENUE DIVES 12.9%

FTI Consulting's strategic communications revenue fell 12.9% in the second quarter to \$46.6M as the M&A and financial PR powerhouse saw declines in "one of the worst environments for capital markets activity and M&A transactions since 2009 and '04," according to president and CEO Jack Dunn.

FTI said pricing pressures and retainer fees in North America and fewer projects in Asia Pacific, among other factors, hurt its PR revenue. Fewer high-margin project engagements cut into profit, as well, despite lower compensation costs.

Overall FTI revenues at its four business units fell one percent to \$396.2M as net income was halved to \$7.7M compared with Q2 of 2011.

FTI last month cut three percent of its 3,800-member staff and took a \$28M charge for the quarter mostly centered on what it said it were two most underperforming units. Strategic communications (-12.9%) and technology (-16.5% to \$47.7M) posted the highest declines for Q2.

Dunn said based on Q2 performance and "subject to the uncertainty created by the political elections in the US and the continuing credit concerns in Europe, we expect our activities to continue at similar levels for the remainder of 2012 and to benefit from the cost reduction moves made in the quarter."

Across its other units, corporate finance/restructuring revenue was up 10.2% to \$112.3M, economic consulting rose 5.3% to \$99.5M, while forensic and litigation consulting decreased 3.5% to \$90.1M.

Geoffrey Pelham-Lane, president of FTI's global strategic communications unit, left the firm in late July.

UNIVERSITY EYES PR FOR 'MBA INDUSTRY'

The University of Illinois is open to proposals for a PR agency to burnish its three MBA programs.

The university released an RFP July 26 for a firm to increase exposure to top students through a "sustained public relations effort" targeting higher education reporters, bloggers, business and local media.

The school's three MBA programs are under new leadership and under "fierce competition from local, regional and global competitors," according to the RFP, which notes the College of Business has had success in enhancing its image through advertising and wants a PR effort to build on awareness and reputation.

Development of a national RP strategy, pitching stories, social media, media training and other tasks are expected of the chosen firm.

An initial nine-month pact will carry three year-long options.

View the RFP: <http://bit.ly/M6wzYb>.



LINC LOOKS FOR PR PARTNER

Levering Investments in Creativity, the ten-year national initiative to improve working conditions for American artists, is looking for a media relations partner.

LINC, according to its RFQ, represents working artists who make "resonant contributions to the daily lives of our communities, not only as creators, but also as entrepreneurs, educators and involved citizens." Those artists are "typically underpaid in relation to their peers with similar education and skill sets."

The group wants a PR partner with an "understanding of the current national arts environment, urban planning and community development issues and issues-based non-profit advocacy."

LINC has received funding from the Ford Foundation, John S. and James L. Knight Foundation, National Endowment for the Arts, Paul G. Allen Foundation, Rockefeller Foundation and MetLife Foundation.

Aug. 8 is the deadline to respond to the RFQ. Three firms will be invited to submit a full-proposal on Aug. 15. Presentations are penciled in for the week of Aug. 20. Taya Mueller (taya@lincnet.net) has info.

GRAY GETS \$300K PACT TO BUFF MOROCCO

Gray Global Strategies has inked a \$300K one-year pact to represent the Moroccan American Center for Policy, a non-profit group formed by Morocco's King Mohammed to foster closer ties with the U.S.

GGs is the firm of former Pennsylvania Congressman William Gray, who was the first African-American to chair the powerful Budget Committee and serve as Democratic Whip.

The ordained Baptist minister also headed the United Negro College Fund and sat on the boards of JPMorgan Chase and Rockwell International. He's a board member of Prudential Financial. His firm is to provide research and recommendations on how to develop "positive messages for U.S. public opinion and government officials," according to its federal filing.

Morocco has been involved in a long-running struggle with the Polisario Front over control of the Western Sahara, a former colony of Spain.

The MACP, which pitches Morocco as a strategic ally of the U.S., links the Polisario to Al-Qaeda.

QORVIS HIRES GOP DIGITAL GURU

Qorvis, which is Washington's second biggest independent firm, has hired Archie Smart to head its digital and interactive media practice.

The 15-year digital veteran served as chief technology officer at Targeted Victory, the interactive shop that counts Mitt Romney for President, Republican National Committee and Karl Rove's American Crossroads as clients.

Prior to Targeted Victory, Smart was at NJI Media and Young & Rubicam, working on clients such as American Express, Elizabeth Arden, Universal Music Group, Diageo and the Dept. of Indian Affairs.

Qorvis CEO Michael Petruzzello called Smart the "mastermind behind some of today's leading work in the interactive space."

The International Assn. of Business Communicators, in a move that puts it in the same bed with the stonewalling PR Society, is refusing to reveal the contract terms of its new executive director, Christopher Sorek.

Sorek joined IABC in late June, succeeding Julie Freeman in the top executive post after a ten-year term by Freeman, who had the title of president. <http://tinyurl.com/d7rezke>. IABC currently has no president. Elected chair is Kerby Meyers, a solo practitioner based in Denver. His firm is The Communications Refinery.

Paige Wesley, IABC VP-marketing and communications, said that Sorek's compensation will be in the 2012 IRS Form 990 and that this meets "both the letter and spirit of the law."

IABC is in the habit, like the PR Society, of filing its 990 late in the year. It takes three to six months for online reporting services such as GuideStar and Foundation Center 990 Finder to access such reports, convert them for use, and post them.

The 2012 Form 990 of IABC will likely not be available in electronic form to members, non-members and the press until early 2014, a year and a half after the contract signing. Only a half-year of compensation would be reported at that time.

PRS's COO Bill Murray was given a new three-year contract in January of this year but neither he nor the board will reveal its contents. His compensation totaled \$377,000 in 2010, the latest year available.

Since PRS files its 990 late in the year, the likelihood is that an electronic version of the 2012 990 won't be available until early 2014 which is two years after the contract started. Both IABC and PRS are violating the spirit if not the letter of federal law which says members of a group have the right to know what their highest paid staff members are making.

PRS Was Once Open about Contracts

The PR Society, having given Ray Gaulke a two year contract as COO as of July 1, 1993, provided full details of it to members and the press.

His salary was to be \$150,000 for each year of a two-year contract. He received a signing bonus of \$25,000 and was to receive a pension of \$14,000 yearly. Payroll taxes and benefits were to total another \$12,000 yearly.

PRS also provided the cost of the search by Korn/Ferry International: \$50,000. There were \$8,000 in expenses associated with the search.

Freeman, according to the 2010 Form 990 of IABC, had a salary of \$150,479 and received \$42,263 in pay from IABC and "related organizations." Next highest paid executive was Christopher Hall with pay of \$124,356 and other compensation of \$31,236.

IABC Payroll Is 40% of Income vs. 50% for PRS

IABC's 2010 payroll/fringes of \$237,598 is 40% of revenues of \$5,909,364.

At the PR Society, which is almost a duplicate of IABC in terms of publications and other services offered, ethical code (unenforced), accreditation process,

nationwide regular and student chapters, etc., payroll costs of \$5.4M in 2011 were 50.9% of revenues of \$10.6M.

Although IABC has dubious accounting, as evidenced by dual IRS Form 990s on record, it paid \$57,775 for accounting in 2010 vs. PRS's accounting costs of \$47,230 in the same year.

IABC has been reporting its financial results to the IRS using two different Employer Identification Numbers (EIN) since at least 2004 (earliest year available).

Under one number, 94-3046165, the one that was available to us, IABC only has about \$1.6 million in income. Pay/fringes of the top six or more staffers are not provided.

This low figure has mystified us for years but attempts to find out how this could be have gone nowhere until now. Since the group has about 14,000 members who currently pay \$324 in national, regional and chapter dues, total income had to be \$5M+.

We have now been supplied with the new EIN of 03-4080669 which shows income of \$5.9M for 2010.

IABC H.Q. Filed for Chapters

IABC's explanation is that the 03-4080669 filing is for IABC itself while the 94-3046165 is for the chapters. PRS chapters with more than \$25,000 in revenues file their own 990s. We don't understand why IABC is filing returns for its chapters.

Occupancy costs for IABC's San Francisco h.q. were \$423,100 vs. PRS's \$738,076 in New York.

Legal costs at IABC were \$24,603 in 2010 and similar amounts are reported in previous years.

PRS, which leans heavily on advice from the Washington, D.C., law firm of Venable, has spent \$400,465 on legal advice in the five years ended Dec. 31, 2010. It has yet to reveal legal costs for 2011 since they are in Form 990. PRS for the past several years has withheld the 990 from members and the Assembly until after the Assembly.

PRS Is Becoming Like IABC

The PR Society, in several ways including keeping its distance from the press, is becoming more and more like IABC—mostly an organization of house organ editors or those whose attention is focused inward at their employers.

IABC's membership is 65% corporate and institutional—39% corporate; 12% nonprofit and association; 8% government and military; 6% educational, and 14% counselors including solo practitioners. Membership is 80% female.

PRS is 69% corporate and institutional: 24% corporate; 17% nonprofit and association; 13% government and military; 15% educational, and 23% counselors including solo practitioners. Membership is 75% female.

Neither IABC nor PRS put their audits and Form 990s in the free area of their websites early in the year as recommended by the Independent Sector, an association of more than 500 non-profits.

www.independentsector.org. IS chides the nonprofits for almost automatically seeking "extensions" for their tax returns.

— Jack O'Dwyer