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O'Dwyer's Newsletter



The Inside News of
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ZTE TAPS TRUMP'S LAW FIRM, LIEBERMAN

ZTE Corp, the Chinese telecom that President Trump in April sanctioned for selling American technology to Iran and North Korea, has hired his law firm Kasowitz Benson Torres, for legal matters.

Former Connecticut Senator and Democratic VP nominee Joe Lieberman heads KBT's team. He's senior counsel there. Lieberman, who is working with his former Senate chief of staff Clarine Nardi Riddle, is putting together an assessment of concerns that Members of Congress, Executive Branch and US businesses "may have about any national security vulnerabilities and risks that ZTE products may pose in the US," according to KBT's federal filing.



Joe Lieberman

Following completion of the assessment, Lieberman's team will submit a report to ZTE about existing concerns and "appropriate measures that may be taken to resolve/or ameliorate them."

Though KTE will not be lobbying for ZTE, it registered the work with the government "in the interest of transparency and caution because we will be talking with Members and other covered officials."

Trump reconsidered the sanctions in May "as a personal favor to Chinese president Xi Jinping," according to Bloomberg. In July, the Commerce Dept. lifted its sanctions after ZTE paid a \$1.4B penalty.

HALLIBURTON VET MORAN JOINS FTI

Bob Moran, who spent a dozen years at Halliburton directing the energy services giant's PR and government affairs, has joined FTI Consulting as senior managing director and co-head of its government relations offering.

He'll pair with former Alabama Democratic Congressman Bud Cramer in the GR unit, part of FTI's strategic communications offering.

Most recently, Moran ran his own consulting firm. Until exiting Halliburton, he handled energy, environmental, tax, regulatory matters, government oversight and investigations.

Earlier, he was DC lobbyist for the American Petroleum Institute and National Ocean Industries Assn.

Based in Washington, Moran and Cramer report to Jackson Dunn, who heads the PA/GR practice for the Americas.



Bob Moran

JACK O'DWYER, CHRONICLER OF PR, DIES

Jack O'Dwyer, who launched his pioneering *Jack O'Dwyer's Newsletter* 50 years ago, died Dec. 19 of a chronic lung issue. He was 85.

Respected and sometimes feared by leaders in the PR business, O'Dwyer took pride in his role as an old-school reporter dedicated to chasing down stories and revealing the good and bad of PR.

The *New York Times* and *Washington Post* lauded *Jack O'Dwyer's Newsletter*, which was printed on distinctive yellow pages, as the "bible of PR."



Jack O'Dwyer

O'Dwyer was a fierce advocate for transparency in PR. His annual financial rankings, which required the submission of financial proofs, chronicled the growth of the industry.

He believed the rankings contributed to the "professionalism" of PR, which helped the business earn the respect that is so richly deserved.

O'Dwyer was an advocate for the "little guy," and railed against the acquisition wave by conglomerates that not only reduced the number of independents in the business, but robbed it of some of its heart and soul.

He published the annual *O'Dwyer Directory of PR Firms*, which was found in every agency, library and career center throughout the country, and *O'Dwyer's*, a monthly magazine launched 32 years ago.

Jack is survived by his wife, Lucille; son John, publisher of O'Dwyer's, and daughter Christine, research editor of O'Dwyer's.

EDELMAN'S KOFFLER JOINS BCW

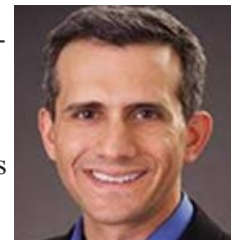
Larry Koffler, who spent more than 25 years at Edelman, will join BCW as executive VP in its brand solutions practice in New York.

He had headed the No. 1 independent firm's business + social purpose unit.

During his time at Edelman, Koffler handled integrated communications for consumer packaged goods, financial services, entertainment/sports clients, as well as executive positioning, citizenship counsel and digital programs.

When he joins BCW on Jan. 4, Koffler will report to Thomas Bunn, executive VP/managing director, brand solutions.

WPP owns BCW.



Larry Koffler

REMEMBERING JACK O'DWYER

Anyone who knew Jack O'Dwyer has a story to tell. The last 13 years have given me a lifetime of them.

I met Jack during a difficult time. I was 29 years old and had moved to New York on a whim. No employment, no permanent place to stay, no prospects. \$850 in the bank. To call it a foolishly impractical venture would be an understatement. Then, three weeks after I'd arrived, the impossible happened: The Topps baseball card company wanted to hire me to oversee their production department. They offered a salary with benefits, from a well-appointed office in lower Manhattan. That quixotic dream of wayward romantics everywhere had fallen into my lap. A respectable and secure workaday career in New York with the chance of upward mobility. Truth be told, that was the very life I'd run away from.

Several minutes after I'd gotten off the phone with the recruiter, this guy who'd seen my résumé phoned me up. I'd met him at his office the day before and thought he was nuts. He'd rambled on about the publishing con-



glomerates that were trying to put him out of business and this industry group I'd never heard of called PRSA. He liked the fact that I'd written for a daily paper but also had a newspaper production background. He wanted to know: could I cover stories and put them on the web

quickly? Could I come up with new design concepts for their printed products? Sure. He asked if I leaned left. I didn't get a chance to respond. "We're Bolsheviks over here!" The red flags came flapping into view, but I was intrigued. "Well, do you want the job or not?"

To this day, I'm not entirely sure why I didn't take the Topps gig, but I have an idea. I gravitate toward eccentrics. For a person like me, there's not a lot of daylight between a corporate job and a prison sentence. I didn't like baseball.

At first, I didn't know what my job was. I went on reporting assignments. I paginated sections of the magazine. I mailed entry forms for our annual directory. In my experience, this just wasn't how publishing worked. It was bare-bones, we wore a lot of hats, and being there made you feel like you were part of some transgressive, underground operation. I liked it. A few months later, Jack gave me the monthly magazine. He wanted me to redesign it from the ground up. This was the moment I'd been waiting for. I didn't sleep much during that time. I worked long hours, late nights and weekends. I developed ulcers. I got the sneaking suspicion that I wasn't very good at my job. I got better at it, but that impostor syndrome that comes with being gifted an undertaking I didn't think I deserved never left. I'm still wrestling with those feelings 13 years later.

We didn't always see eye-to-eye. We argued a lot in the beginning. Truthfully, I said some things that would've gotten me fired anywhere else. I was also one of the few people who was able to walk him back from the ledge on decisions I disagreed with, which, as anyone who knew Jack can attest, was no easy feat. This is something about Jack I don't hear enough. He was a

tough nut to crack, but if you were in his corner, you were family. And family knows where the buttons are (boy did we push them). The question soon became not why I picked him, but why he picked me. I'm still trying to figure that out.

Jack didn't like my writing in the early days, and he didn't mind letting me know. During one meeting he read aloud a 2,000-word article I'd stayed up writing the night before about a panel of pharmaceutical executives I'd covered. He said it was overwritten, unpublishable. He suggested I read Hemingway, specifically, "The Old Man and the Sea." I thought Hemingway was outdated and prosaic. Nevertheless, I bought the book and read it in a day. I saw what Jack was getting at. Cut down on your modifiers. Use simple sentences. Don't equivocate. Get to the point. I've taught a writing class for six years now and this is the first lesson I tell my students. Quality writing is clear writing. Write with passion or find something else to do.

Jack was fearless. When I'd get my hands on an RFP announcement that wasn't intended for public consumption, I'd get the predictable litany of angry calls from middle management toadies threatening to sic their lawyers on us. Jack would take the phone away from me, tell them off about the First Amendment and spell out his name so they'd get it right on the cease and desist before hanging up. That's how he was. Old school. He didn't give a shit. It's a quality that most of us don't have.

Jack was a legend. I can't tell you how many people have told me that Jack O'Dwyer's Newsletter was where they signed their first client account or landed their first PR job, or how we broke stories the other trades were too scared to touch. His voice was authoritative. He did it first. He was a reporter's reporter, and he understood that doing the job meant saying things you might not personally agree with. He pissed off a lot of people, which is a pretty good sign that you're doing something right.

Jack was crazy. I've got stories to fill a book. The library he wanted to build to commemorate his career chronicling the PR industry. His screeds about PRSA. The Post-It notes paneling the walls, with detailed instructions on everything from how to use the fax machine to reminders to defrost our break room freezer. His conspiracy theories about cell phones. That was part of his charm. It said something about you if you got a kick out of being around him. Guilty as charged.

Jack was a lot of things. An industry watchdog. A fierce advocate of free speech. A stalwart supporter of the press. He changed the communications world and the publishing industry forever. He was my boss. He was my friend.

In July, we celebrated the company's 50th anniversary. Jack made it a half-century, in the same office, with much of the same staff, doing things his way. It's a milestone by any metric, but for an independent, family-owned publisher, it's virtually unheard of. We will continue carrying on his mission, operating under Jack's credo that the truth is all that matters.

All these years later, I've never regretted my decision. And I never got into baseball.

Rest in power, Jack.

—Jon Gingerich

MANY LUNCHTIMES WITH JACK O'DWYER

I was Jack O'Dwyer's lunch buddy.

In fact, going to lunch with Jack was among my most important responsibilities as editor of O'Dwyer's print and online newsletters, especially if fireworks were expected. It was the best part of my job.

Once Jack realized that I "got" PR, after I spent a few years of reporting and editing for O'Dwyer Co., he deputized me as lunch partner, available for escort duty when a meeting was set to either hash out differences with a top PR executive or to drive some sense into someone.

Since hard-nosed Jack rubbed some tender PR souls, who objected to our coverage, the wrong way, those lunches were plentiful. Enlisting me as ally made perfect sense to Jack. He saw it a matter of fairness.

He no longer wanted to be outnumbered, saying his lunch adversaries usually invited their trusty PR aides for both cheerleading duty and to gang up on him. My presence was supposed to even up the score. It usually did.

But what an adventure! Prior to entering a restaurant or PR firm headquarters—which Jack referred to as the "belly of the beast"—I thought of only one thing: expect the unexpected.

Boy, was I right. We had some doozies.

'Why does everybody hate you?'

Our 1994 session with then Hill & Knowlton CEO Howard Paster immediately went south, when President Bill Clinton's former lobbyist asked Jack right off the bat, "Why does everybody hate you."

Say what? Talk about cutting to the chase.

To be fair to Howard, he took over H&K during a turbulent time. The shop was reeling in the aftermath of its representation of the phony front group, Citizens for a Free Kuwait, that helped snooker the Bush White House into invading Iraq.

Responding to Paster's question, Jack didn't miss a beat, basically telling him to "shove it."

He explained that the O'Dwyer name may not be held in high regard among H&K's management, but the PR industry and the firm's staff were better served with our straight-up coverage of H&K's work, rather than ignoring or sugar-coating the assignment.

After some back and forth, Jack and Howard hammered things out. Following the meeting, Paster and the O'Dwyer Co. enjoyed a very cordial relationship, which extended well into his corporate posting at WPP in charge of its PR units.

Leaving in a snit

Things didn't turn out as well with a CEO of another Top 10 global firm, who stormed out of the restaurant in a snit, minutes after we placed our lunch order.

The meeting was designed as a peace summit. We thought the plan was for the CEO (who is nameless because he's still viewed as a leader in PR) to make a pitch for more favorable coverage for a trade group (it wasn't PRSA) that he was involved with at that time.

Boy, were we wrong.

After an exchange of terse pleasantries, he railed against Jack as an out-of-touch scribbler who either gets all of his facts wrong or pulls them out of thin air.

That got O'Dwyer's Irish up.

He rose in defense of his coverage and then both now red-faced men rose from their seats, leaned over the table until practically eye-to-eye.

Action was needed. The trade group's PR director calmed down the CEO, and I did the same with Jack.

I thought sanity was restored at last... but no, no, no. With a grand theatrical flourish, the CEO announced that he was finished dealing with Jack and bolted.

A ton of damage control followed the meeting, resulting in my assuming all contact with the CEO.

Jack cut him off because he had better things to do than to deal with a blowhard.

Burson rolled out the red carpet

Of course, not all of our lunches were rough and tumble affairs. O'Dwyer had many friends in PR who respected his body of work and rolled out the red carpet for his visit to their offices. Harold Burson and Dan/Richard Edelman topped the list.

I joined Jack on his lunch dates with Burson at B-M headquarters.

Harold would turn out the entire B-M management team. They would update us on global developments at B-M. The B-M people, in turn, wanted to hear Jack's assessment of the state of PR.

The Edelmanns socialized with the O'Dwyer family and were available via phone to Jack 24/7. They also were his powerful industry allies.

I remember Jack telling me days after I joined his firm to "give Dan Edelman a call" on some story that we were working on. An even bigger surprise: Dan apologized for not being immediately available when I placed the call. That was a sign of respect for Jack and the people that he hired.

Get your butt out of the office

O'Dwyer treasured his image as a hard-nosed, old-school, shoe-leather reporter. Journalism, to Jack, ranked among life's highest callings.

I always marveled when Jack, then in his late 70s or early 80s, would simply identify himself on the phone as a "reporter from New York." This was from a guy who did as much as anybody to professionalize the PR business and earn it the proper respect that it deserved.

Tough-guy O'Dwyer though was a social butterfly.

He encouraged staffers to get out of the office and meet people, either at lunch or after work.

When I joined O'Dwyer Co. in the early 1990s, Jack would reminisce about the good old days, when he and members of the media were showered with gifts and outings from PR people, or as he put it, "Broadway tickets, ballets and nights on the town."

Golf and tennis abounded, offering opportunities for Jack to schmooze with PR bigwigs.

But those days of "wine and roses" were pretty much over when I signed on. As tennis/golf outings, baseball tickets, Broadway shows, ballets and nights on the town disappeared, lunch became Jack's way of keeping his finger on the pulse of the PR world.

He made the most of out of every beat.

I'm forever grateful that he let me in on the action.

—Kevin McCauley



REVIEW OF PR WORLD 2018

Donald Trump once again dominated the media landscape, soaking up many placement opportunities for PR people.

Supplementing his Twitter strategy of 2017, the president staged rallies throughout the US, purportedly to support local Republican Congressional politicians, but they turned out to be PR platforms for Trump and his assault on the media.



The president wrapped up the year with a surprise visit to US troops in Iraq. It was his first visit to a combat zone. He looks ahead to an uncertain 2019 as the Democrats take control of the House and counsel

Robert Mueller wraps up his investigation.

The *Financial Times* ran an editorial on Dec. 27 calling the Trump presidency “a garish spectacle that could just as easily lead to his impeachment in the months ahead—or his resignation in exchange for immunity—as in his re-election in 2020.”

Through 2018, the *Washington Post* gamely chronicled the burgeoning number of lies and deceits spewed by Trump, but the reporting made no impact on his base which dismissed the reports as nothing but “fake news.”

Highlights, Lowlights of Year

SKDKnickerbocker, which is part of Mark Penn's Stagwell Group, joined with Time's Up Legal Defense Fund to represent victims of sexual misconduct, including assault, harassment and abuse. With West and Sunshine Sachs, the firm coordinated communications for the Time's Up Umbrella organization that kicked off the year with a “Dear Sisters” letter published Jan. 1.

Joe Lockhart, who was President Clinton's White House press secretary, left his high-profile executive VP-communications post at the National Football League in January after a two-year stint. He re-emerged later in the year as Edelman vice chairman.

Burson-Marsteller merged with **Cohn & Wolfe** in February as WPP chief Martin Sorrell worked to simplify the conglomerate's management structure. C&W chief Donna Imperato assumed the helm of the revamped BCW.

ICR, a top financial communications shop, sold an investment stake to New York-based Investcorp as CEO Tom Ryan grabbed an opportunity to expand the offerings of the shop with about \$65M in 2017 billings.

WPP, on April 3, announced the hiring of an independent counsel to probe claims of “personal misconduct” by Sorrell, who rejected any allegations that he misused corporate assets. He did recognize the company's right to launch an investigation.

On April 14, Sorrell resigned as WPP CEO. With his exit, WPP wrapped up the investigation, “which did not involve amounts that are material.” Mark Read, Wunderman CEO, and Andrew Scott, corporate development director, were elevated to COO roles.

Lambert, Edwards & Assocs. of Grand Rapids acquired financial powerhouse Owen Blinksilver PR to move into the New York market.

Michael Nyman exited as co-chairman & CEO of

PMK*BMC, a top entertainment firm, to launch Acceleration, investment advisory. He unveiled Bragman Nyman Cafarelli in 1991, sold it to Interpublic in 2000 and engineered the merger with PMK in 2009.

Fahlgren Mortine merged with SBC Advertising to form Fahlgren Mortine SBC, which began life with annual revenues in the \$35M range. The transaction followed the acquisition of FM by Eastport Holdings Inc.

Weber Shandwick won global lead PR responsibilities for the \$15M IBM account following a competitive pitch triggered by the arrival of chief communications officer Ray Day from Ford Motor. Ketchum and Text100 had the IBM account since 2001.

AT&T chief Randall Stephenson said hiring Michael Cohen, president Trump's former lawyer, was a “big mistake.” Ma Bell paid \$600K to Cohen's Essential Consultants, shell company, for advice on its \$85B acquisition of Time Warner, a deal opposed by the president.

Dennis McGrath, former president/CEO of Mona, Meyer McGrath & Gavin, died May 13 at age 81. Weber Shandwick had acquired MMM&G, which became its Minneapolis office.

Mercury Public Affairs, which is part of Omnicom, landed a \$75K monthly retainer from China's ZTE Corp, the smartphone company sanctioned by the Trump administration for selling gear to Iran.

Sorrell put his comeback in motion as his S4 Capital acquired corporate shell company, Derriston Capital. He kicked in \$53M of S4's \$67M in funding. His strategy is to duplicate the 1980s formula used to build WPP from the corporate shell of Wireless and Plastic Products.

Qatar, which is under an economic and blockade by its Persian Gulf neighbors, hired Blueprint Advisors to a \$1.2M contract. Blueprint's leadership has close ties with Rudy Giuliani, president Trump's lawyer. The firm will rebut claims by Saudi Arabia and the United Arab Emirates that Qatar has ties to terrorist groups.

Paul Manafort, president Trump's campaign manager, went to jail in June to await trial for violating federal lobbying laws, after a judge revoked his bail. He had been under house arrest after posting \$10M in bail.

Netflix fired chief communications officer Jonathan Friedland for his “descriptive use of the N-word on at least two occasions,” according to a memo from CEO Reed Hastings. On Twitter, Friedland admitted to being “insensitive in speaking with his team about words that offend in comedy.”

Larry Weber returned to the helm of Racepoint Global in July following the surprise resignation of CEO Peter Prodromou. Tech guru Weber, who founded Weber Group, has advised Microsoft, IBM, GE and Verizon Wireless. Prodromou held the top post for about two years and served as president for three years prior to that.

Interpublic shelled out \$2.3B for Acxiom Corp.'s data management unit, a transaction designed to help units of the holding company compete against Google and Facebook.



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REVIEW OF PR WORLD 2018

(Continued from pg. 4)

Bill Shine, who was a Fox News executive pushed out of his post for his handling of sexual harassment claims against the company, become the fifth communications chief of the White House. He took over for Hope Hicks, who quit in March and joined Fox.



Bill Shine

Dolphin Entertainment, parent of 42West, acquired The Door for \$11M, which includes a performance management contingent consideration of \$7M..

Sitrick And Company represented Papa John's founder and former chairman John Schnatter, who was asked to step down as the company launched a probe into his use of the N-word. Schnatter, who now regrets his resignation, said he used the N-word during a diversity training course, not as a racial epithet.

Huntsworth gobbled up a 90 percent stake in Giant Creative Holdings for \$72M cash from Shamrock Capital Growth Fund. San Francisco-based Giant has 150 staffers involved in biopharmaceutical, media device and diagnostics work

CRC Public Relations promoted the drive to win support for Judge Brett Kavanaugh's confirmation to the Supreme Court. CRC is the firm of Greg Mueller, who was communications director for Pat Buchanan's presidential runs in 1992 and 1996.

Avenir Global of Montreal acquired **Padilla**. With that addition, Avenir becomes one of the 25 largest PR outfits worldwide with 760 staffers and 21 offices across Canada, Europe and the US.

Burson-Marsteller Washington picked up public policy duties for Hikvision, the Chinese-government affiliate that makes video surveillance systems. Critics of the deal expressed concern that Hikvision cameras could send footage to Chinese security officials. China's government owns a 41.6 percent stake in Hikvision.

Edelman helped CBS handle the bombshell exit of 15-year CEO Les Moonves amid allegations of sexual harassment, revamp of its board of directors and agreement with majority shareholder Shari Redstone's National Amusements Inc.

The British government launched an investigation of scandal-rocked **Bell Pottinger**, which collapsed in 2017 in the aftermath of its racist campaign in South Africa on behalf of Oakbay investment firm of the Gupta family.

Brunswick Group named Nik Deogun CEO of the Americas. The CNBC veteran served as editor-in-chief and senior VP for business news in charge of content for daily programming, specials and documentaries.

MDC Partners, parent of Allison + Partners, Sloane & Co., Hunter PR and KWT Global, announced a strategic review in September following a flood of red ink,

client cutbacks and the exit of CEO Scott Kauffmann.

SeaWorld's former VP-communications settled a fraud charge for his role in misleading investors about the negative impact of the 2013 film Blackfish on the company, according to the Securities and Exchange Commission. The deal with Fred Jacobs was part of the \$5M fraud settlement with SeaWorld.

Gil Schwartz, long-time CBS chief communications officer, called it quits Nov. 1 In the CCO post since 2000, Schwartz joined CBS in 1996 as senior VP-corporate communications after a 14-year run at Westinghouse Broadcasting before its merger with CBS.

WPP unveiled the merger of Young & Rubicam and digital marketing shop VML in September. VMLY&R is set to debut in 2019.

Hill+Knowlton Strategies announced it will spin off its SJR content marketing/strategic storytelling shop on Jan. 1 under the leadership of Alex Jutkowitz and Mitch Stoller. SJR is to maintain a "special attachment" to H+K on common clients within the WPP operation.

Harbour Group and **Gladstone Place Partners**

were among the first PR firms to sever ties with Saudi Arabia following the Oct. 2 torture, murder and dismemberment of Jamal Khashoggi, *Washington Post* contributor.

Facebook announced in October that British politico Nick Clegg would become its global affairs chief. The 51-year-old, who lost his seat in parliament in 2017, will succeed Elliot Schrage.

Gary Ginsberg, most recently executive VP for communications and marketing at Time Warner, joined Japan's Softbank telecommunication outfit as senior VP-head of corporate communications.

Finn Partners acquired MFA Marketing and Public Relations, which was formerly known as Missy Farren & Assocs.

Facebook cut ties with Definers Public Affairs following a *New York Times* Nov. 14 blockbuster about its effort to smear political opponents.

Amazon hired SKDKnickerbocker to defuse growing opposition to its plan to open a 4M sq. ft. campus in Long Island City, Queens. The New York City Council held a meeting on the facility on Dec. 12 and plans more hearings in 2019.

WPP CEO Mark Read announced during a Dec. 11 "investor day" session that he plans to cut 3,500 jobs in his three-year "radical evolution" plan to restore health to the ad/PR conglom.

Jack O'Dwyer, who launched the pioneering *Jack O'Dwyer Newsletter* 50 years ago, died Dec. 19. He was 85. The *Washington Post* remembered O'Dwyer as the "soul and conscience of the PR industry."

—Kevin McCauley



Jamal Khashoggi