



Jack O'Dwyer  
Editor-in-Chief

# O'Dwyer's Newsletter

The Inside News of  
PR and Marketing  
Communications

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## SLOANE SHIFTS TO FTI CONSULTING

Elliot Sloane, who founded [Sloane & Co.](#) financial PR firm two decades ago, has joined FTI Consulting as senior managing director in its strategic communications unit.

He reports to Brian Kennedy, head of the division's Americas group.

Sloane has represented healthcare, financial services, media, entertainment, gaming and leisure clients, working on issues such as insider trading cases, activist campaigns, restructurings and M&A transactions.

He sold S&C to MDC Partners in 2010, transitioning from day-to-day management in 2016 as part of completion of the transaction.

Most recently, he has counseled a number of clients and taught a graduate course in corporate & financial PR at the University of Southern California's Annenberg School of Communications and Journalism.



Elliot Sloane

## ISRAELI/PALESTINIAN PEACE ENVOY JOINS APCO

Frank Lowenstein, who was special envoy for the Israeli-Palestinian negotiations and senior advisor to former Secretary of State John Kerry, has joined [APCO Worldwide](#) as chief of its global solutions practice.

As special envoy, he handled policy formation, messaging, direct engagement with the players in the Middle East peace process and outreach to stakeholders in the international community.

At APCO, he'll guide clients through geopolitical issues, investment opportunities and crises. Evan Kraus, APCO global president and DC office head, praised Lowenstein as "one of the foremost foreign policy experts."

Lowenstein is a long-time advisor to Kerry, serving as his special foreign policy advisor while he was in the Senate, and director of national security policy for the Kerry-Edwards presidential campaign.

Lowenstein also did a year at [Podesta Group](#).



Frank Lowenstein

## LIVINGSTON INKS IRAQ PACT

The Livingston Group has been hired by Iraq's Ministry of Foreign Affairs to provide lobbying and government affairs services in a bid to bolster bilateral relations between Iraq and the U.S.

According to Foreign Agents Registration Act documents filed in December, TLG will represent Iraq's MFA before the U.S. Congress and the Executive branch, and will communicate information about the foreign

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## EMAIL SERVICE SEEKS PR SERVICES

Web portal and web-based email service provider Mail.com is interested in hearing from PR firms that can support the international e-mail brand's activities in the U.S.

Mail.com is one of the top free e-mail portals in the country. Founded in 1995, the service is a subsidiary of German Internet services company United Internet.

In lieu of an RFP, the company has issued a questionnaire in a bid to familiarize themselves



with agencies as well as a pre-selection method for potential partner agencies to be chosen at a later date.

Deadline to answer the questionnaire is January 12. Additional materials (including a brief presentation of the agency) is encouraged.

Prospective agencies will be invited to participate in a video conference between January 22 and January 27. Agencies are being asked whether they would be available for a video meeting during these dates.

Contact is Martin Wilhelm, senior PR manager, [martin.wilhelm@1und1.de](mailto:martin.wilhelm@1und1.de).

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

## CISION ACQUIRES PRIME RESEARCH

Cision announced Dec. 26 a deal to acquire Prime Research, measurement and analysis firm with more than 700 employees in six countries.

Prime provides real-time data across TV, print, radio, digital, online and social channels such as Facebook, Twitter, YouTube and Instagram.

Its clients include MasterCard, Jaguar and Honda.

Kevin Akeroyd, Cision CEO, said the addition of Prime to its portfolio "will improve the communicator's



ability to measure earned media ROI and better align their campaigns with paid and owned channels."

Cision said Prime has a very strong category brand that is highly recognized within the media monitoring and reporting industry.

The Prime brand will remain in place "for as long as this serves our customers and end market," according to Cision.

The transaction is expected to close by the end of January.

Cision has more than 3,000 workers. Its stock trades at \$11.86 on the NYSE. Since their listing in June, shares have ranged between \$10 and \$13.68.

## LIVINGSTON INKS IRAQ PACT

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relations cabinet ministry and its issues of concern to interested persons in the public and private sectors.

TLG will also research and analyze issues of concern to Iraq's MFA and provide counsel on U.S. policies, as well as government activities and general developments in the U.S. political scene. The work may include meetings to be arranged with members of Congress and their staff, Executive branch officials, as well as international and non-governmental organizations.

The six-month contract ends on May 31 and fetches TLG \$10,000 per month.

The pact was signed by Fareed Yasseen, Iraq's Ambassador to the U.S.

TLG is the lobbying firm founded by former Louisiana Republican Congressman Bob Livingston.

## DEFINERS QUILTS EPA CONTRACT

Definers Public Affairs quit its no-bid \$120K media monitoring contract with the Environmental Protection Agency Dec. 19, saying the work had become a "distraction."

President Joe Pounder via Twitter said the firm offered the EPA a "better and more efficient service that would give EPA employees real-time news at a lower cost than what previous Administrations paid for more antiquated clipping services."

The *New York Times* on Dec. 15 ran a critical story about the EPA, saying it uses DPA's service to track coverage of its employees who criticized the performance of EPA chief Scott Pruitt.

Calling the EPA contract a distraction, Pounder said DPA will no longer offer its Console war-room clipping service product to federal clients.

*Mother Jones* broke the story about DPA's contract with the EPA.

## BEISER COVERS KAISER PERMANENTE'S PR

Kathryn Beiser, one-time global chair of **Edelman's** corporate practice, will join Kaiser Permanente Jan. 8 as senior VP/chief communications officer.

She'll handle internal/external communications, media relations, issues management, media relations and executive visibility for the healthcare provider for nearly 12M people in eight states.

Beiser will serve as communications advisor to CEO Bernard Tyson and "be accountable for the development, maintenance, execution and coordination and measurement of the organization's communication strategy, policies and standards, activities and key messages," according to Kaiser's announcement.

Beiser currently is a senior advisor at **APCO Worldwide**. Besides Edelman, she was executive VP-corporate communications at Hilton Worldwide and VP-corporate communications at Discover Financial Services. In her more than 20 year PR career, she did stints at **Burson-Marsteller**, Golin and Hill+Knowlton Strategies.



**Kathryn Beiser**

## CRAIGSLIST FIGHTS SEX TRAFFICKING BILL

Craigslist has hired prominent Washington-D.C. law firm Sidley Austin to advocate on Capitol Hill against a new bill that aims to fight sex trafficking by going after the websites and other online platforms that publish third-party advertisements for sex acts.

The San Francisco-based online ad giant, which is infamous for its "personals" classifieds forums along with sites like Backpage.com, has retained Sidley Austin in response to S. 1693, or "The Stop Enabling Sex Traffickers Act." That bill would amend the federal criminal code and allow the government to press charges against websites that knowingly allow the promotion of sex trafficking. It would also allow users to potentially sue those sites.

S. 1693 was introduced in August by Sen. Rob Portman (R-OH). It currently has 54 co-sponsors. A House version of the bill, H.R. 1865, or the "Allow States and Victims to Fight Online Sex Trafficking Act of 2017," was introduced in April by Rep. Ann Wagner (R-MO).

Critics of the bill claim that making websites criminally or civilly liable for content posted by third parties sets a dangerous legal precedent, potentially putting Internet businesses or platforms in jeopardy while not doing anything to actually punish sex traffickers.

Currently, the Communications Decency Act, which was passed in 1996, prohibits Internet publishers or service providers from being legally responsible for content posted by its users. The ACLU and Internet advocacy group the Electronic Frontier Foundation are among organizations that have recently expressed disapproval of S. 1693.

A five-person team at Sidley Austin handles the account, including Rick Boucher, who was formerly U.S. Rep. for Virginia's 9th district; Dora Hughes, former health policy advisor to then-Senator Barack Obama (D-IL) and deputy director for the Committee on Health, Education, Labor & Pensions in the U.S. Senate under Senator Edward Kennedy (D-MA); Patricia DeLoatche, former health policy director to Senator Orrin Hatch (R-UT); Laura Cohen, former intern at the Health Subcommittee in the Energy and Commerce Committee; and Michael Borden, former legislative aide to Rep. Jim Leach (R-IA).

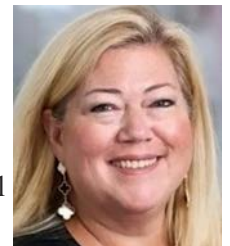
## JAPAN FOLLOWS FRITTS TO COGENT

The Embassy of Japan has retained Cogent Strategies, the firm formed by ex-**Podesta Group** CEO Kimberley Fritts, for government affairs work and any other mutually agreed upon services.

The three-month agreement went into effect December 12 and calls for a \$5,250 monthly fee.

The Embassy signed a contract with Podesta Group for work that began April 1, 2017. That one-year deal carried a \$16,000 monthly fee.

PG imploded in November after it became ensnarled in Special Counsel Robert Mueller's probe into Russia's meddling in the 2016 presidential election.



**Kimberley Fritts**

**craigslist®**



## **REVIEW OF 2017**

**Donald Trump, by far, dominated the PR agenda in 2017** through his masterful strategy of posting a barrage of tweets early each morning to set the day's national news agenda and branding stories that he doesn't like as "fake news."

**The National Press Club provided quick pushback to Trump in January. It condemned the incoming President for the continued use of the phrase fake news**, saying it "undermines news outlets and endangers the trust granted journalists by the public and is antithetical to our country's values." The NPC also took aim at Trump's refusal to answer a question from CNN's Jim Acosta because he works for a "terrible" organization. "Presidents shouldn't get to pick and choose which reporters' questions they will answer based on what news outlet for which they work. Doing so now is inappropriate and will do unprecedented damage to our democracy."

**Americans are worried and confused about the fake news phenomenon**, according to a **poll conducted in June for tech PR firm Bospar**, but disagree on what constitutes fake news and how to determine whether a story is bogus. Almost half (49 percent) of the respondents claimed that trust in mainstream media will continue to erode if fake news continues at its current levels, unchecked. One-in-five Americans said they no longer consider any news source as trustworthy.

**Chaos ruled the White House communications shop for most of the year. GOP operative Mike Dubke quit** as communications director in May after three months on the job. He had **taken over for Jason Miller**, a former aide to Texas Senator Ted Cruz. Trump installed Wall Street financier and political backer **Anthony Scaramucci to the CD post** in July. With The Mooch in charge, hapless White House press secretary **Sean Spicer called it quits**. Before White House chief of staff General John Kelly got the chance to fire Scaramucci after 10 days on the job, he had appointed the steely Sarah Huckabee Sanders as Spicer's replacement. Trusted Trump aide and former fashion model Hope Hicks, 29, took the CD job in September. She's still there.

**Trump's daily tweet-storm distracted attention from his failed political agenda**, which was highlighted by the inability to follow up on the No. 1 campaign promise of killing ObamaCare, and Special Counsel Bob Mueller's probe into Russia's meddling in the 2016 election. It wasn't until December that Trump scored his only major legislative accomplishment, the Republican party's never-ending quest of cutting taxes. Former New York City Mayor Mike Bloomberg panned the largely corporate tax cut as a "trillion dollar blunder" made at a time when companies are sitting on a trove of \$2.3T of cash. In a tough *Bloomberg View* op-ed piece on Dec. 15, Bloomberg blasted the tax bill as economically indefensible. "Republicans in Congress will have to take responsibility for the bill's harmful effects, but blame also falls on its cheerleader-in-chief, President Trump. A President's job is to get the two parties in Congress to work together," Bloomberg wrote. "Yet Trump is making the same mistake that Barack Obama made in his first two years in office—believing that his party's congressional majority gives him license to govern without the other side."

**An Edelman poll found that people want CEOs to speak out against Trump's views.** The survey was conducted after the President blamed both sides for the violence in Charlottesville that was triggered by a protest about removing a Confederate statue. More than half (52 percent) of the respondents want CEOs to take issue with the President, while 25 percent prefer corporate chiefs to stay out of politics. Nearly four-in-ten (38 percent) say their trust in a company would drop if the CEO continues to work with the Trump Administration, while 25 percent say their trust would increase. Richard Edelman wrote in his blog that while CEOs must engage with the White House and regulators in areas such as trade, immigration, taxes and security, they must also be "visible advocates for tolerance and other social issues that affect their employees and communities."

**Mueller's investigation focused a bright spotlight on PR.** The Flynn Intel Group, which was owned by former White House national security advisor Michael Flynn, got into legal hot water for **failing to properly disclose work for an obscure Turkish company** and for its contacts with Russian officials. FIG's campaign, designed to bolster the image of Turkey strongman Recep Tayyip Erdogan, occurred while Flynn was working on Trump's transition team. On Dec. 1, Flynn pleaded guilty to lying to the FBI about his two conversations with Sergey Kislyak, then Russia's ambassador to the US, and announced that he was cooperating with Mueller's probe. Mueller's investigation also reached Trump's former campaign manager Paul Manafort, who was once a player at Washington PR powerhouse Black Manafort Stone and Kelly. Manafort and his business partner Richard Gates were charged with generating millions of dollars of income from Ukrainian clients and then hiding the payments by laundering the cash through scores of US and foreign companies and bank accounts. Mueller also fingered Tony Podesta, founder of Podesta Group and a Democratic bigwig, for work with Manafort's former client, European Centre for a Modern Ukraine. Podesta resigned from his firm, a move that resulted in an executive exodus including its CEO Kimberley Fritts, who launched Cogent Strategies, and loss of clients.

**Sexual harassment became a hot button issue following New York Times and New Yorker bombshell stories about Harvey Weinstein's alleged sexual abuse.** Sitrick & Co., a top crisis firm, took on one of PR's toughest jobs, representing Weinstein. Sallie Hofmeister, who joined Sitrick after stints as *New York Times* business editor and *Los Angeles Times* reporter/editor, handles the PR defense. The Weinstein story triggered a wave of harassment stories that took down key figures in the entertainment (Louis CK), journalism (Charlie Rose) and political (Al Franken) sectors. PR firms responded by reviewing their policies on abuse and counseling clients about dealing with harassment charges. Interpublic chairman Michael Roth launched a mandatory online sexual harassment course for his 50K staffers. On Nov. 1, he released a memo slugged "A Workplace Free from Harassment" to remind staffers about the firm's "zero

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## REVIEW OF 2017

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tolerance” policy toward harassment. The harassment story hit home for the PR community when **top fashion PR pro Kelly Cutrone went public** via the *New York Post* with her allegations that hip-hop mogul Russell Simmons tried to rape her in 1991.

**Bill O’Reilly exited Fox News under the cloud of sexual harassment allegations.** 21st Century Fox announced in April that O’Reilly was not returning as Fox News anchor. It was disclosed that multiple settlements totaling \$13M were paid to settle harassment charges and settlements. More than 50 advertisers had left O’Reilly’s show due to the charges, which he denied.

**Though millions of women marched in January to protest Trump’s policies and inequality, the pay gender gap remains a problem for the PR business.** Though women represent about two-thirds of the global PR industry, 78 percent of CEOs in the top 30 PR agencies are men, according to a **study released at the Global PR Summit in Toronto**. That number is adjusted now after **Ketchum president Barri Rafferty succeeded Rob Flaherty as CEO Jan. 1**. She is the first woman to lead a Top 5 global PR firm. The Toronto Summit study found that the average salary of men in PR is \$61,284, while women earn an average of \$55,212. The gap widens at the boardroom level as 28 percent of men earn more than \$150K, compared to just 12 percent of women.

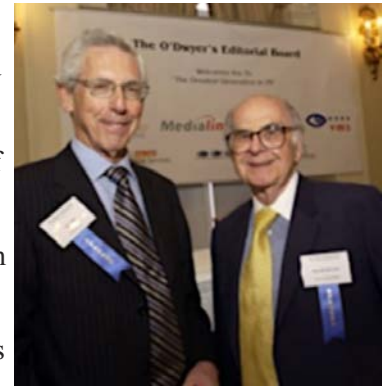
**General Electric fired Beth Comstock, former corporate communications chief** and its first female vice chairman, in one of the first moves made by new CEO John Flannery upon succeeding Jeff Immelt. He offered faint praise for Comstock, lauding her for changing the way we work. Comstock, 57, was once viewed as a potential successor to Immelt.

**Pressure rose on PR firms to come clean on their sorry record of hiring minority talent**, a problem that they had paid lip service to over the last years. Incoming PRSA/NY president Sharon Fenster called for the PR industry to release diversity data in 2018. She believes talk is cheap and only transparency and accountability will begin to deal with the inclusion problem.

**Scandal took down Bell Pottinger, which collapsed due to negative fallout from a racist campaign that it ran in South Africa.** Britain’s ethics watchdog PRCA booted BP from its membership for at least five years as punishment for the effort “that brought the PR and communications industry into disrepute.” BP’s campaign on behalf of the Gupta family’s Oakbay Capital was “likely to inflame racial discord in South Africa,” said the PRCA. The *Financial Times* reported that BP represented Oakbay as the Guptas were accused of boosting their conglomerate by cashing in on close ties with SA President Jacob Zuma while depicting opponents as agents of “white monopoly capital.” BP CEO James Henderson, the firm’s biggest stakeholder, resigned Sept. 3 and the firm went into

administration shortly after his departure.

**With the passing of Al Golin and Pam Edstrom, PR lost two of its top leaders.** Golin, who was the original PR counsel to McDonald’s founder Ray Kroc, died April 8 at the age of 87. Golin chairman Fred Cook said Golin “worked on McDonald’s until the day he died.” Edstrom, partner and co-founder of WE Communications, was 71 when she died on March 28. She was known as “the commanding voice behind Microsoft’s story.” She was Microsoft’s first PR director and joined Mellissa Waggener Zorkin to form Waggener Edstrom Communications after hearing Zorkin pitch Microsoft CEO Bill Gates.



**Al Golin (L) & Harold Burson at O'Dwyer's "Greatest Generation in PR" event in 2005.**

**New leaders emerged at Publicis Groupe and FTI Consulting’s strategic communications group.** **Arthur Sadoun, 45, took the CEO reins** from Maurice Levy, 74, to become the third CEO of the French ad/PR conglomerate since its founding in 1926. Mark McCall, an alum of Hill+Knowlton Strategies and Burson-Marsteller, succeeded Ed Reilly as head of FTI’s PR group.

**APCO Worldwide to stay independent following a cash infusion from Citibank and Monroe Capital**, said executive chairman Margery Kraus. The No. 3 independent firm had been tipped as an attractive acquisition target by one of the ad/PR holding companies. Ted Koenig, founder of MC, threw cold water on that takeover speculation, saying he expects APCO to now become an acquirer rather than an acquired firm.

**NASDAQ put its \$200M PR/digital operations on the auction block** as **CEO Adena Friedman** focuses on pushing the electronic stock trading exchange into technology, data and analytics businesses. The affected businesses are GlobeNewswire (press release distribution/media contacts database), Nasdaq Media Intelligence (monitoring, analyst-curated news reporting), and webhosting, webinars and video presentation services. They chalked up a combined \$25M in operating income for the fiscal year ended in June.

**WPP chief Martin Sorrell sees tougher times ahead as the ad/PR sector is challenged** by cost-reduction mandates, increased competition from digital/social platforms (Google, Facebook, Instagram), management consultants (PwC, Accenture) and activist shareholders. In releasing WPP’s third-quarter financials, which were down, Sorrell warned that a period of low growth might be the “new normal” for the communications business after a good run of seven years.

– Kevin McCauley