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O'Dwyer's Newsletter

The Inside News of
PR and Marketing
Communications

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BRANSON REVIEWS TOURISM MARKETING

Branson, Missouri, the Ozark Mountain entertainment mecca that draws millions of visitors each year, is reviewing its seven-figure tourism marketing account with an RFP process through August.

The city wants a firm to develop and run its destination marketing program to promote Branson locally, regionally and nationally on a \$1.9M annual budget funded through its tourism tax.



Advertising, PR, direct marketing and other aspects of tourism promotion are covered under the pact as the city looks for ideas to reach new segments and extend its tourist season.

Branson, known for decades as a country music destination, has more than 50 theaters hosting a range of performances.

But it also touts championship golf courses, fishing and other outdoor recreation, and the popular Silver Dollar City theme park.

Proposals are due Aug. 22. RFP: <http://bit.ly/1uz0xe2>.

PEPSICO, BIDEN PRO HEADS TO HERBALIFE

Alan Hoffman senior VP-global public policy at PepsiCo and one-time deputy chief of staff to Vice President Joe Biden, will join Herbalife on August 25.

He'll take command of corporate communications, policy, governmental affairs, community relations and philanthropy at the Los Angeles-based company, which is under siege.

The Federal Trade Commission is investigating charges that Herbalife is running a pyramid scheme. The company also is being hounded by a high-profile battle with billionaire hedge fund operator Bill Ackman.

Hoffman is a former Justice Dept. attorney who worked for Biden, when he was Delaware's Senator.

With Biden's move to the VP slot, Hoffman doubled as deputy assistant to President Obama in charge of congressional/political/intergovernmental affairs, operations and public engagement.



Hoffman

At Herbalife, he takes the newly created executive VP for global corporate affairs post and reports to CEO Michael Johnson. Meanwhile, Barbara Henderson is retiring as senior VP-global corporate communications. She announced last year her plan to step down.

PUBLICIS SUFFERS 17% PROFIT DROP

Publicis Groupe suffered a 16.9% plunge in first-half net to \$352M on flat revenues of \$4.5B due to cancellation or postponement of campaigns and lousy economic conditions in Europe and emerging markets.

Organic growth rose 1.8 percent.

CEO Maurice Levy said the figures "are not satisfactory by our standards" and "not consistent with what our operations can achieve."

He's optimistic the French ad/PR combine will rebound during the second-half, adding Publicis is "already on track for higher growth, and that should be evident as of the third quarter."

Though 2014 "will be a difficult year," Levy said the outlook "does not undermine our mid-term prospects."

The collapse of the \$35B Publicis/Omnicom acquisition was the highlight of the first six months.

On the PR front, Publicis acquired D.C.-based Qorvis Communications in January.

France turned in a strong 4.2 percent growth, while the UK fell 1.9 percent and Germany dipped 1.2 percent. Southern Europe remained in the dumps.

For Publicis, the so-called BRIC nations were a mix bag. Russia rose 5.9 percent, but China turned in a less than expected 1.4 percent growth rate. India and Brazil were in negative territories of -14.7 percent and -0.6 percent, respectively.

Levy anticipated better growth in North America than the +2.8 performance but clients cancelled or put work on hold.

HEDGE FUND BUYS UP IPG SHARES

Activist hedge fund Elliott Management said in an SEC filing it has built up a 6.7% stake in Interpublic in a bid to "engage in a constructive dialog" with IPG's board "regarding steps to maximize shareholder value."

The fund of financier Paul Singer said it is buying the stock on the "belief that such securities are undervalued and represent an attractive investment opportunity."

The No. 4 marketing conglomerate last week reported strong second quarter earnings, including a 10.9% jump in its PR operations to \$355.4M. It has been the subject of takeover speculation in the wake of Omnicom and Publicis' attempted \$35B tie-up. The Financial Times reported that Elliott wants Interpublic to explore a sale of the entire business to one of its rivals, including Publicis, Omnicom, WPP, Dentsu or Havas.

IPG's PR firms include Weber Shandwick and Golin, among others.

IPG shares were up 2% in trading after the Elliot disclosure to \$20.15 and are now around \$20.

SKIN SURGEON GROUP WANTS PR WORK

The American Society for Dermatologic Surgery is looking for publicity and media relations work for the 5,800-member group.

The Rolling Meadows (IL)-based organization says it's the "nation's primary resource and advocate for education, research and patient safety related to therapeutic, reconstructive and cosmetic surgery of the skin."



Its surgeons also are "experts in skin cancer prevention, detection and treatment."

ASDC wants "increased visibility and credibility" via placements in "top-tier" beauty/health magazines, broadcast/print and online news sources and financial outlets.

The firm will identify trends, issues and news hooks for ASDA and its association.

Interested parties must contact Jolene Kremer (jkremer[at]asds[dot]net) by Aug. 11. Proposals are due Sept. 1 with selection date set for Sept. 29. The contract will commence Jan. 1.

GLOVER JUMPS INTO CORP. TAX DODGE MESS

Glover Park is handling communications for AstraZeneca Pharmaceuticals regarding the controversial "inversion" tax dodge issue that has received great play of late due to the wave of European acquisition plays by US companies Pfizer, Walgreen's, Mylan, AbbVie and others.

A successful Pfizer deal for AstraZeneca would have the New York-based



company relocate its corporate headquarters in the UK to cut taxes. AstraZeneca told O'Dwyer's it "has no official policy position on current tax inversion legislation introduced in the US Congress. AstraZeneca has conducted monitoring activities on proposed legislation as the issue of tax inversion continues to generate a lot of attention in the U.S."

Democratic Senators Ron Wyden (OR) and Carl Levin (MI) have been the most vocal critics of the tax dodge.

Levin said US corporations "benefit from the protections and services the federal government provides, including patent protection, research and development tax credits, national security and more; they shouldn't be allowed to shift their tax burden on to others."

Wyden said inversions "hollow out the US tax system."

Glover has Joel Johnson, former aide to President Clinton; Jon Gans (ex-member of Sen. Jon Kyl's staff) and Jon Hughes (senior policy member for one-time House Majority Leader Steny Hoyer) working for AstraZeneca.

WPP owns Glover Park Group.

WEITZ EXITS H+K

Andy Weitz, president of Hill+Knowlton Strategies US, is exiting the firm to pursue entrepreneurial opportunities and spend more time with his family.

Mike Coates, a 30-year veteran of the WPP unit and CEO of Canada, becomes chief of the Americas region.

The firm says unification of the Americas is part of the global organizational revamp, which is a priority of Jack Martin, who assumed the helm in 2011.



Weitz

The uncoupling of regions and countries is intended to "allow for localized refinements of structure and process and to provide proving grounds for talent and leadership at all levels and across all geographies," according to H+K.

The Americas move follows the November reorganization of APAC and May reorganization of EMEA.

The group has more than 900 staffers in the US, Mexico, Canada, Guatemala, Brazil, Chile and Argentina.

Coates has led Canada since 1995. Goldy Hyder, president of H+K Canada, will succeed Coates, who will double as US CEO on a temporary basis.

MDC REVS UP; PROFITS SURGE

MDC Partners reported revenue for the second quarter 2014 rose 10.5% to \$317.7M, including organic growth of 7%, while net income soared nearly 68% to \$16.5M.

MDC's strategic marketing services unit, which encompasses PR, saw revenues climb 10.1% to \$221M, while its performance marketing services saw an 11.4% gain to \$96.7M, despite a 1% organic decline for the period.

CEO Miles Nadal said its MDC's PR linchpin, Allison+Partners, continued its "aggressive and profitable expansion" during the quarter that included two French offices as part of its "international build out." A+P, with 17 global offices, posted nearly \$29M in revenue (+25%) last year.



Nadal

Nadal said MDC has been a "very large beneficiary" of the proposed and aborted merger of Publicis and Omnicom, including the addition of talent, new business, and opportunities for M&A deals while the marketing giants were trying to consummate the deal.

CFO David Doft said MDC is working on a "number of promising opportunities" in the M&A realm "and hopefully we'll close on one or more of them in the weeks and months to come."

MDC overall reaped \$54M in net new business during the quarter, its best performance to date, including ADT, Bellisio Foods, BMW 7 Series, TE Connectivity and Carrera eyewear. It added Michael Bassik from Burson-Marsteller in June to head its digital operations.

Said Nadal: "Not only are we competing in a growing number of pitches, we're winning more and more of them across more and more sectors, more and more industries and a broader geography."

FORBES UNLOADED TO ASIAN GROUP

The Forbes family has surrendered control of its print/online business publication for more than \$300M.

Steve Forbes, editor-in-chief and Mike Perlis will remain at the 97-year-old publishing company, which includes 6.1M-circulation *Forbes* magazine, and the No. 3 business/financial news website after Yahoo and Dow Jones, parent of the *Wall Street Journal*.

The transaction enables private equity firm Elevation Partners to exit its \$264M investment that it made in 2006.



The Forbes family put Forbes on the auction bloc in November, but found scant interest among US media companies.

Integrated Whale Media Investments of Hong Kong, which is led by Tak Cheung Yam, is the new owner of so-called "Capitalist Tool."

Yam said in a statement that Forbes has generated "tremendous growth of digital in the past decade" and has more Internet and social media expansion projects on tap.

Forbes noted his former company now has more digital than print, which is under pressure like other publications.

He has aggressively pushed a "native advertising" program called "BrandVoice."

One challenge, he added, is to overcome the widespread perception that Forbes is only in print.

The sale includes *Forbes Life*, newsletters and conferences. Forbes is licensed in 36 countries.

The Forbes family will own about 20 percent of the sold property.

The company is moving from its Greenwich Village headquarters to Jersey City. It sold the HQ townhouse five years ago to New York University, but remained there as a renter.

MURRAY MAKES FORTUNE MOVE

Alan Murray, president of Pew Research Center and former deputy manager of the *Wall Street Journal*, is taking the editor post at *Fortune*, which is owned by Time Inc.

He will replace Andy Serwer, who held the top editor position at the magazine for eight years and spent about 30 years at the parent company.

Murray joined Pew in 2012. He did a ten-year stint in WSJ's DC bureau and served as online executive editor.

In a note to Pew staffers, Murray noted that *Fortune* was one of the two places where he applied for work after graduate school.

"The opportunity to lead this iconic news organiza-



Murray

tion into the new media world does not feel like just another job opportunity," he wrote. "It feels like a calling, and it is one I find impossible to resist."

Murray departs Pew on Aug. 1.

B-M SNAGS OBAMA'S MEDIA MAVEN

Dag Vega, who handles TV for President Obama, will join Burson-Marsteller Aug. 4 as managing director, reporting to Ann Davison, US PA & crisis practice chair.

As White House director of broadcast media, Vega manages the President's TV appearances and books for members of his administration on cable news and morning programs.

He's noted for understanding the importance of late-night comedy shows for spreading the Administration's messaging.

Prior to the White House, Vega was director of surrogate press for the Obama for America Campaign.

He has served as deputy communications director for the Democratic National Committee, director of TV News for Kerry for President and national press secretary for constituency press during Al Gore's White House run.

Vega was a member of the press office during the Clinton Administration.

B-M CEO Don Baer lauded Vega's "unparalleled background at the highest levels of strategic communications."

Vega will be based in the Washington office of the WPP property. He leaves the White House on July 25.

White House Snatches Purse

To fill Vega's role, Andrea Purse, VP of communications for the Center for American Progress, has moved to the White House in the director of broadcast media role.

Purse, who handled broadcast media and the left-leaning, Washington-based CAP before taking the VP slot, earlier led TV and radio outreach for John Edwards' presidential campaign and is a former press secretary to Rep. George Miller (D. Calif.).

"Andrea will be greatly missed, but I know that the dedication and intelligence that she has shown at CAP will be invaluable to the White House," said CAP president Neera Tanden.

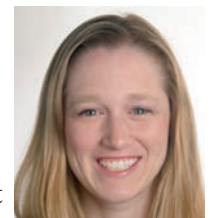
Purse is also a former media aide to House Democratic Leader Nancy Pelosi.

To fill Purse's role at CAP, Daniella Gibbs Leger, an Obama administration alum, was promoted to senior VP, comms. and strategy, and Katie Peters was named managing director of comms.

Leger was special assistant to the president and director of message events in the Obama administration. Three-year vet Peters previously led communications strategy at First Focus, a national child advocacy organization. CAP is chaired by former Clinton White House chief of staff John Podesta and publishes the ThinkProgress blog.



Vega



Purse

MEDIA NEWS**BIZO LINKS WITH LINKEDIN**

LinkedIn is acquiring B2B marketing platform company Bizo for \$175M, of which 90 percent is cash and 10 percent stock.

The San Francisco-based operation, which was founded in 2008, provides technology/products for measurable display and social advertising programs.

Deep Nishar, LinkedIn's senior VP product/user experience, said integration of Bizo's B2B solutions with his company's content marketing products would create "the most effective platform for marketing to engage professionals.

The deal is expected to close during the third-quarter. LinkedIn has more than 300M users.

GEITHNER OUT OF TIME

David Geithner, executive VP and president of Time Inc.'s entertainment group, is leaving the revamped and now independent company.

The more than 20-year publishing veteran will join Conde Nast as chief financial officer on August 17.

Geithner replaces John Bellando, who decided to move on, but will consult the publisher through the end of the year.

He'll report to Bob Sauerberg, CN president, who is now in charge of all revenue generation at the magazine company, including CN's media group.

Sauerberg is responsible for digital, technology, consumer marketing, business development, CN entertainment and corporate administration.

CN owns *Self*, *GQ*, *Vogue*, *Vanity Fair*, *Architectural Digest*, *Allure* *New Yorker*, *Wired*, *Brides* and *Details*.

TURNER UPPED TO SLATE EIC

Julia Turner is succeeding Davie Plotz as editor-in-chief of Slate, which is a property of Graham Holdings.

Plotz has been with Slate since its 1996 start-up, serving as e-i-c for the last six years. He will remain on staff as editor-at-large.

Turner, 35, is based in New York.

Slate attracts more than 30M unique visitors per month.

EX-GEORGIA PREZ: BAN RUSSIAN PR

Mikheil Saakashvili, former president of the former Soviet Union republic of Georgia, which was invaded by Russia, urged a ban of western firms like Ketchum from representing Russia in a July *Politico Magazine* op-ed.

Saakashvili served from 2004 to 2013, a period in which Russian troops invaded Georgia and occupied two breakaway regions, which were then propped up as independent states.

Russia is following a similar playbook with the annexation of Crimea region of Ukraine and the backing of "separatists" in the eastern part of the country, where the missile was fired to shoot the Malaysian airliner from the sky.



Saakashvili

Saakashvili, now lecturer at Tufts University and possible future advisor to the now western-leaning Government of Ukraine, gave six actions that the US and European Union should follow in response to Putin's mischief in Ukraine.

Point Five reads: "Help counter Russia's unending propaganda campaign in the West by banning American and European public relations and government relations firms from representing Russia or companies in which the government has shares. While the decade of wining, dining and buying European elites cannot be undone, the recruitment should at least be halted."

Russia spent \$3.1M with Ketchum in fees/expenses for the year-ended March. State-owned energy unit Gazprom spent another \$6.3M.

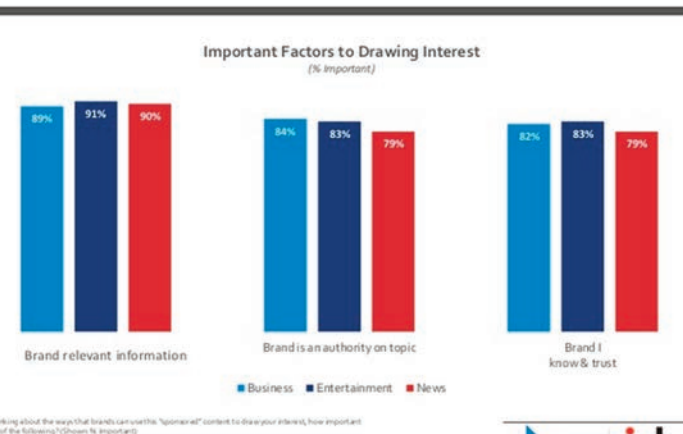
Ketchum is part of Omnicom.

SITE 'CREDIBILITY' DRIVES NATIVE ADS

News sites deemed "credible" to visitors are the best platforms for "sponsored content" or "native advertising," according to a survey of 5,000 respondents conducted by Edelman Berland and Interactive Advertising Bureau.

Pollsters found that positive views of a site's credibility significantly impact feelings about an ad, resulting

Before the click: Brand **relevance**, **authority**, and **trust** are the most important factors to driving consumer interest in in-feed sponsored content across all media verticals



in a 33 percent boost in believability of its content.

More than eight in 10 readers of business and entertainment news sites easily picked out in-feed sponsored content. Only 4% percent of members of general news outlets were able to do so.

The survey found that almost nine-in-ten (86 percent) of respondents accept advertising as a trade-off for free content.

They rated brand familiarity, trust and subject matter expertise as key in driving reader interest in reading sponsored content.

Sixty percent of readers say they are more open to content with a good story line, rather than product pitches.

Sherrill Man, IAB's senior VP-research, analytics and measurement, said in a statement the survey "shows in-feed sponsored content can be a win for brands and publishers both, when consumers' viewpoints are taken into account."

NEWS OF PR FIRMS**FINN PARTNERS GETS ECUADOR WORK**

Ecuador firm EKOS has tapped Finn Partners to support the country's ministry of tourism in its "All You Need is Ecuador" campaign.

The push is aimed at consumers and travel trade in 14 countries worldwide across the Americas, Europe and Asia.

RF managing partner Gail Moaney said the firm will pitch Ecuador as an "exciting and diverse cultural destination" through media relations focused on the country's "four worlds" – the Galapagos, Amazon, Pacific Coast and the Andes.

Ketchum has a \$35K-a-month contract with Ecuador's Washington embassy.

CIARLANTE TO HEAD KETCHUM ATLANTA

Coca-Cola's Diana Garza Ciarlante has returned to Ketchum to take the reins of the firm's Atlanta office as a director.

Ciarlante exits the VP of public affairs and communications slot at Coca-Cola North America and earlier was senior director of communications at The Home Depot, a Ketchum client. Previously, she led Ketchum/Atlanta's consumer brand practice.

She reports to partner and managing director Hilary Hanson McKean, who oversees Atlanta, Dallas and Toronto, in addition to the agency's global practices.

Michele Anderson, who previously led day-to-day management of Ketchum/Atlanta, departed for Ogilvy/Chicago in April.

Barri Rafferty is CEO of Ketchum North America.

OGILVY THROWS LIFELINE TO MIGRANT GROUP

Ogilvy PR is representing the Migrant Offshore Aid Station, which is bankrolled by high-risk insurer Tangiers Group, for immigration, maritime and foreign relations matters.

Coordinated from the Mediterranean island of Malta, MOAS' 130-ft. Phoenix I ship sails in search of boats in distress.

More than 500 migrants largely from Africa perished last year on route to Europe in search of political asylum or economic opportunity.

Phoenix carries food, water, medical supplies, life vests and jackets for distribution to the needy.

If a migrant-laden boat is in danger of sinking, the crew will attempt to stabilize the board until authorities arrive.

MOAS says its aim is to mitigate loss of life at sea, and not to act as a migrant ferry. It also supports non-migrant ships at risk. The sailing season runs from July through October.

Tangiers is a provider of specialist insurance for conflict zones, remote destinations and general travel. It boasts up-to-date intelligence on dangerous places written by people who've been there.

Gordon Taylor, former press secretary to Louisiana Republican Congressman Jimmy Hayes and chief of staff Pelican State Democrat Chris John; and Tony Bullock, one-time chief of staff to New York Sen. Daniel Patrick Moynihan, handle MOAS' business.

NEW ACCOUNTS**West**

Landis Communications, San Francisco/UC San Francisco, for PR for the opening of UCSF Mission Bay hospitals on Feb. 1, 2015. UCSF is planning hospitals for children, women and cancer patients that will provide patient care as well as clinical research. The firm also picked up Abe's Market, online marketplace for natural products; Kitebridge, college admission counseling for high school students; Museum of the African Diaspora; Out & Equal, organization focusing on ending employment discrimination for LGBT employees, and the Port of San Francisco, for on-call PR services.

Bolt PR, Irvine, Calif./Spicy City, upscale Chinese eatery with locations in Anaheim Hills and Irvine; Tamarind of London, Indian cuisine, and TriDerma, skin care products. Bolt's Raleigh, N.C., office picked up the Got to Be NC Competition Dining Series, a statewide Iron Chef-style tournament; Republic of Yoga, yoga studio, and *The Worst Times are the Best Times*, book by N.C. Central University Men's Head Basketball Coach LeVelle Moton and journalist Edward G. Robinson III.

JMPR Public Relations, Woodland Hills, Calif./Fast Toys Club, private club with access to exotic, luxury and race cars, for PR for its launch and ongoing media relations.

New York Area

Blackbird PR, New York/The Ritz-Carlton, Bali, for PR for the luxury property, which is currently under construction and slated to open this year on the Indonesian resort island.

The Pollack PR Marketing Group, New York/The Writer, London-based brand consultancy, to support its US expansion. Current TW stateside clients are Cisco, PwC and Unilever.

Beautiful Planning Marketing & PR, New York/Francis Bitonti, digital fashion designer, for PR.

Porter, LeVay and Rose, New York/Premier Biomedical, El Paso-based biopharmaceutical company focused on cancer and traumatic brain injury treatments, among others, for comms. strategy aimed at the investor community.

Child's Play Communications, New York/SoCozy Professional, haircare brand for kids, for social media and blogger relations for launch of its product collections.

East

Allen & Gerritsen, Philadelphia, Pa./Sesame Workshop, the nonprofit education organization behind Sesame Street, for PR, brand strategy and digital to support its community engagement efforts, following a competitive review.

Shift Communications, Boston/MetTel, IP-enabled communications solutions, for media relations and social media management.

Midwest

Pineapple RM, Anoka, Minn./Baker Tilly, accounting firm, for media and community relations, sponsorships and awards, and Grand Rapids State Bank, community bank, for brand communications, advertising and marketing.

GT STUDIES REPORTERS AND RELEASES

Sixty-nine percent of journalists spend less than a minute reading new press releases while more than half said it would be helpful to read key facts in bullet format, according to a study by Greentarget.

"The notion that press releases should be written as if they are going to appear somewhere word-for-word has always struck us as strange and yet most releases are still written this way," said GT founding partner Aaron Schoenherr.

Schoenherr says releases should follow the three-second rule – writers should assume they have three seconds to grab the reader's attention.

Journalists told GT they can do without jargon, extensive boilerplate and would like to see more substantive quotes that "sound like a human spoke them."

**Where stories come from**

Most story ideas come from the same place they've always come from: tips and other information imparted by sources. Sixty-eight percent of the journalists we surveyed told us that's where they get story ideas. Another 41 percent say they get ideas from other news outlets, and 34 percent get them from press releases.

GT surveyed 100 journalists and conducted focus groups with reporters and editors in Chicago and New York for the report.

Notably, more than one-third of journalists said they get story ideas from releases and 88% said they are valuable. Other wellsprings for stories included tips and sources (68%) and other news outlets (41%).

The most valuable topics of news releases were said to be through leadership pieces like surveys and report results, followed by product/service launches. Personnel announcements were seen as the least valuable.

As for time of day, 44% said they want an early morning release, although 48% said the time is immaterial. But the numbers game is daunting. Forty-five percent said they get 50 or more releases per week – 21% get more than 100 – limiting the time they have to read the dispatches. Seventy-nine percent said the subject line of an email is key to piquing their interest.

Several journalists pointed to law enforcement press releases as solid examples of brief, organized dissemination of news.

View GT's "Disrupting the Press Release" study at <http://bit.ly/1qakf9e>.

Joined

Leslie Dach, the Edelman, Wal-Mart and Clinton White House veteran, to a new senior post at the Dept. of Health and Human Services to advise Secretary Sylvia Burwell. Dach, who stepped down from the VP of corporate affairs post at Wal-Mart in 2013 after seven years, will be senior counselor to Burwell, handling policy challenges, external engagement and strategic initiatives, including the ramp-up to Obamacare's second enrollment period in November. He was executive VP and vice chair at Edelman, where he led the Wal-Mart account, after serving as a Clinton administration aide.

**Dach**

Scott Monty, global digital and multimedia communications manager for Ford Motor Company until stepping down in May, to Shift Communications, Boston, as executive VP of strategy. Shift CEO Todd Defren credited Monty with Ford's digital prowess, noting the carmakers is among the top companies "getting it right" in the social media space. At Shift, Monty will develop new services, counsel clients and represent Shift at events, among other roles. He starts July 28.

**Monty**

Peter John-Baptiste, VP-comms., New York Giants, to the Cleveland Browns in the same capacity, replacing Zak Gilbert, who left after a year. John-Baptiste, who joined the Giants as an intern 17 years ago, also held community and media relations posts at the National Football League team. Browns owner Jimmy Haslam called John-Baptiste a "high-quality individual" who handled the tough New York media market. He also guided communications through two Super Bowl championships, which Haslam believes will be a major asset as the lowly Browns rebuild under new head coach Mike Pettine and college phenom quarterback Johnny Manziel.

**John-Baptiste**

Kirsten Holguin, who handled marketing and media relations at St. Vincent Medical Center and UCLA Medical Center, to Landis Communications, San Francisco, as director focused on healthcare accounts.

Tyler Arnold joins as digital media strategist and A/E, **Natalie Petroni** and **Kristin Schellinger Cockerham** as A/Es, and **Zach Spirer** as an A/C.

Promoted

Jessica Boulanger to senior VP of comms., Business Roundtable, Washington, D.C. She joined in 2012 as VP and leads Roundtable comms. strategy, including media relations, digital outreach, advertising and member comms. Boulanger was previously VP at New Media Strategies and worked Capitol Hill for House Republicans.

Maggie O'Neill to managing director, Peppercomm, New York. She is a 13-year veteran of the firm and oversaw the integration of the firm's Janine Gordon Associates acquisition.

OMNICOM PR UNITS 6.2% IN Q2

Omnicom revenues across its PR operations jumped 6.2% in the second quarter to \$357M as overall revenues at the marketing conglomerate climbed 6.4% to nearly \$3.9B.

OMC, which owns PR firms like Ketchum, FleishmanHillard, Porter Novelli and Mercury, said PR was up 4.3% for the first half on revenues of \$682.5M. Q2 PR gains were 4.1% on an organic basis.

Omnicom net income rose 12.3% to \$325.2M for the quarter. North American revenues rose 6.6% to \$2.2B, while Europe climbed 8.3% to \$1.1B, Asia Pacific saw a 3% rise to \$401.5M and Latin American inched up 1.7% to \$112.7M.

Advertising rose 10.9% to top \$1.9B, while its customer relationship management division (Interbrand, Star Marketing, Washington Speakers Bureau) posted a 3% gain to \$1.3B.

Acquisition expenditures for the first half hit \$114.9M, including Germany-based ad agency heimat and London's brand and retail strategy firm Haygarth in the second quarter.

OMC in May scuttled its merger with Publicis.

Omnicom debt is \$4B against \$1.5B in cash and investments.

FH CATCHES SCHAD

FleishmanHillard has recruited Dave Schad for the senior VP/general manager slot at its Minneapolis-St. Paul outlet.

He's moving from the senior VP/executive director job at PadillaCRT in the city.

Schad replaces David Hakensen, GM since 2009, who will remain head of the office's corporate and media relations in his senior VP capacity.

Besides PadillaCRT, Schad was partner at VS Advertising, Group One, Carmichael Lynch and Bozell Kamstra.

Susan Veidt, serves as president of FH's central region, which includes Chicago, Detroit, Kansas City, St Louis and the Twin Cities.



Schad

UC DAVIS DANGLES CONTRACTS

The strategic communications office for the 34,000-student University of California-Davis is taking proposals to establish a pool of firms and contractors to handle services like PR, writing, marketing strategy and related offerings.

The communications operation is broken down into units covering creative comms., executive comms., marketing, news and media relations, digital and magazine consortium.

UC-Davis is the largest university in Univ. of California system. Luanne Lawrence, former VP of comms. for the Univ. of South Carolina, is associate chancellor of strategic communications.

Proposals are due Aug. 29, but intent to bid forms are due by Aug. 1.

RFP: <http://bit.ly/1pw0YxC>.

PODESTA WORKS SALLIE MAE SPIN-OFF

Podesta Group navigates the D.C. political scene for Navient Solutions Inc. as Democrats push to revamp the \$1.2T student loan sector.

Navient services Dept. of Education and private sector loans and develops asset recovery solutions. It was spun off on April 30 from SLM Corp., the predecessor corporation to Sallie Mae.

The Federal Deposit Insurance Corp. announced May 14 a settlement with subsidiaries of SLM Corp. and Navient Corp. for alleged unfair and deceptive practices related to student loans.

SLM and Navient were ordered to pay \$6.6 million in penalties, \$30 million in restitution to harmed borrowers, and fund a \$60 million settlement fund with the U.S. Department of Justice.

In its first quarterly release as a public company, Navient earned \$307M on \$11.8B total assets in the June-ended period.

On June 13, DOE extended the company's contract to handle 5.8M accounts in its Direct Student Loan Program for five years. CEO Tony Podesta spearheads the lobbying push for Navient.

Lauren Maddox (ex-assistant secretary for communications/outreach at DOE), Paul Brathwaite (one-time executive director of the Congressional Black Caucus) and Oscar Ramirez (chief of staff to former Labor Secretary Hilda Solis) join Podesta on the business.

BLACKMON ORDERS FRESHDIRECT

New York-based FreshDirect has named Larry Blackmon VP-community & government affairs to handle outreach, expand partnerships and cultivate new relations ties for the fresh food delivery grocer.

The 15-year communications veteran joins from New York City Parks Department, where he was deputy commissioner for community outreach.

Earlier, he was chief of staff and deputy commissioner for intergovernmental affairs and the NYC Dept. of Small Business Services, and senior manager/PA for the New York Jets professional football team.

FreshDirect serves the NYC, New Jersey, Connecticut and greater Philadelphia, which includes Delaware.

It has partnerships with Food Bank for NYC, City Harvest, RED, Brooklyn Workforce Innovations, Drills Build Skills and others.

Blackmon reports to Mike Brizel, executive VP & general counsel.

FreshDirect, bolstered by \$120M in subsidies, is moving its Long Island City base of operation to the South Bronx.

The impending shift has drawn vigorous opposition and lawsuits from community groups, who believe FreshDirect's delivery trucks will snarl streets/roads and increase pollution.

Brizel said Blackmon's duties include expanding ties and partnerships with FreshDirect's new neighbors.



Blackmon

There is a “MidEast Propaganda War” as well as a battle of rockets and bombs and PR is performing as it should: principals debating in the open.

Prime Minister Benjamin Netanyahu is leading the battle for “share of mind” for Israel, appearing on four U.S. Sunday July 27 TV news shows in addition to earlier media stops.

He said that Israel cannot tolerate incessant rocket attacks by Hamas and must insure the safety of its citizens. Israel is doing everything it can to avoid civilian casualties but that Hamas militants hide among civilians and are responsible for those deaths, he added.

“We’re telling the civilians to leave, Hamas is telling them to stay,” he said. “Why is it telling them to stay? Because it wants to pile up their own dead bodies. They not only want to kill our people, they want to sacrifice their own people.”

Palestine’s Ashrawi Charges Spin

Palestinian legislator Hanan Ashrawi, appearing on “Fox News Sunday,” said Israel is not only conducting “state terrorism” with “unbridled military power” that has killed more than 1,000, but is “adding insult to injury” by accusing the Palestinians of killing themselves. The “victims are being blamed,” she said. Palestinians are being treated as though they are a “subhuman species,” she added.

Netanyahu, appearing on Fox News Sunday, NBC’s “Meet the Press,” CBS’s “Face the Nation” and CNN, said each Palestinian civilian’s death costs Israel in its fight for world opinion but that security trumps PR considerations.

An AP story by Philip Elliott was headlined, “Netanyahu: Israel can lose on PR but not security.”

Palestinians are saying that the images of wounded and dead children and other civilians, of large swaths of Gaza being destroyed, will impact public opinion more than words. The images are being spread on social media as well as traditional media.

Media Under Fire for Bias

Media covering the battle are under close examination for possible bias towards either side.

MSNBC contributor Rula Jebreal touched off a storm of criticism when she said on the July 21 edition of “Ronan Farrow Daily” that U.S. media is “disgustingly biased” against the Palestinians.

Eli Lake, national security correspondent for The Daily Beast and *Newsweek*, said “Israel has experienced terrible press.” He dismissed claims by Jebreal that Israel has a powerful lobby in the U.S. and stressed the “cultural affinity” of the two countries.

He noted that Jebreal was able to express her views on national TV.

President Obama, in a phone call July 27 to Netanyahu, said the U.S. is concerned about the death totals (1,030 Palestinians and 40 soldiers at that point) but that Israel has a right to defend itself. He condemned the rocket attacks that have killed Israelis but pushed for an immediate cease-fire, the AP reported.

Netanyahu said Israel is not targeting civilians. Israel is showing “little willingness to ease its military actions against the Islamic militant group Hamas,” said the AP. Both sides accuse each other of violating numerous cease-fire agreements.

A major goal of Israel is closing tunnels in Gaza that can be used to hide rockets and can serve as entrance points into Israel for Hamas militants.

Ashrawi, according to Wikipedia, was a leader of the first Intifada against Israel and was the spokesperson for the Palestinian Delegation to the Middle East peace process. She has been elected numerous times to the Palestinian Legislative Council.

Israel Losing PR War: Baltimore Sun

David Zurawik, *Baltimore Sun* columnist, wrote July 25 that words “can no longer compete with the images of Palestinian suffering in driving the dominant narrative.”

“Israel is losing the public relations war over its action in Gaza in a way I cannot remember seeing in any of its recent military actions,” he wrote. “And part of that is due to the suffering of Palestinian civilians being depicted with unprecedented sensitivity and prominence—at least, in American media.”

Huffington Post senior media reporter Michael Calderone wrote there were only a couple of Western journalists in Gaza during the 2008 invasion by Israel but “Now, there are dozens covering every air strike in real time through social media, complete with graphic images of Palestinian civilians, and even children, being killed... So there’s a disconnect between Israeli officials’ repeated claims on TV about fighting terrorism and extensive footage we’re seeing of Israel bombing schools, shelters and hospitals in Gaza.”

New York Times media reporter David Carr wrote July 28 that social media is delivering horrific scenes of war “in the crucible of real time, without pause for reflection.” Netanyahu and other Israel officials have countered that such facilities are being used to store rockets and other weapons and are legitimate military targets.

Yale law Prof. Paul Kahn has written that both the Israelis and Palestinians are busting international law which since World War II has focused on protecting civilians in military actions.

Palestinian supporters say the puny, primitive, inaccurate rockets being sent to Israel have little value militarily and do not constitute “terror.” It is Israel that is terrorizing the citizens of Gaza, they say.

Observer Piece Raps NYT

Jerold Auerbach, author and Professor Emeritus of History at Wellesley College, wrote in the July 23 *New York Observer* that the *New York Times* had provided “weeks of shallow, facile oral equivalency” in covering the story of Israel vs. Hamas. He said it is “a story with only one side. And Israel is always wrong.”

NYT has “relentlessly pursued a story line of moral equivalency that equates Israeli retaliation with Hamas provocation,” he wrote.

— Jack O’Dwyer