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O'Dwyer's Newsletter



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QATAR INKS PACT WITH GIULIANI-TIED FIRM

Qatar, which has faced an economic blockade for the past year, has signed a \$1.2M pact with Blueprint Advisors, a firm that has close ties with president Trump's lawyer Rudy Giuliani.



Rudy Giuliani

Blueprint is to rebut claims by blockade leaders Saudi Arabia and the United Arab Emirates that Qatar's cozy ties with Iran foster terrorism and hinder peace in the Gulf region.

The firm's founder Chris Henek, who signed the Qatar contract, was a senior advisor to the Rudy Giuliani Presidential Committee. He also did a

four-year stint as business consultant to Giuliani Partners.

Blueprint co-chairman Tony Carbonetti served as NYC Mayor Giuliani's chief of staff, presidential political advisor and co-founder of Giuliani Partners. He leads the Qatar engagement.

The firm will assist Qatar's attorney general Ali Al-Marri to keep American decision-makers informed of his country's anti-terrorism and pro-peace policies. It also will work for economic development.

On June 4, Qatar's foreign minister dismissed threats of military action from Saudi Arabia over its plan to buy a Russian-made air defense system.

ALTRIA TAPS MERCURY FOR TOBACCO WORK

Altria, parent of Philip Morris USA, has hired Omnicom's Mercury as its Washington lobbyist on tobacco product regulations.

The \$25.6B Richmond-based giant says it's committed to marketing "reduced risk products" to the 40M adult Americans who continue to smoke.

PM has focused its sights on e-vapor, smokeless/oral nicotine products and heated tobacco items as platforms with the potential to drive adult smoker conversion.

Meanwhile, PM's flagship Marlboro cigarette showed a 0.7 percent slip in retail share and an 8.8 percent drop in shipments during 2017.

Mercury managing directors Stephen Aaron and Al Simpson handle the Altria business.

Aaron joined Mercury from Levick following an eight-year stint as federal liaison for the National Rifle Assn.

Simpson is former chief of staff to Mick Mulvaney, director of the Office of Management & Budget and ex-South Carolina Congressman.



SORRELL DENIES PROSTITUTE PAY LINK

Martin Sorrell, who was "extracted" from the helm of WPP in April, was under scrutiny by the ad/PR firm about whether he used company funds to pay for the services of a prostitute, according to the June 9 *Wall Street Journal*.

Sorrell has "unreservedly" denied misusing any of WPP's financial assets.



Martin Sorrell

His shocking departure from the helm of the company that he launched more than 30 years ago will be front and center at WPP's general meeting slated for June 13.

WPP dropped its investigation into Sorrell once he stepped down from the helm.

A spokesperson for Sorrell noted that he signed a nondisclosure agreement, which he has adhered to. The firm also is "prohibited by data protection law from giving such details," it was noted.

The 73-year-old Sorrell, who will receive more than \$25M in incentives from WPP, did not have a non-compete clause in his contract.

He is planning to use a corporate shell company to forge a technology/data-focused marketing communications company via acquisitions.

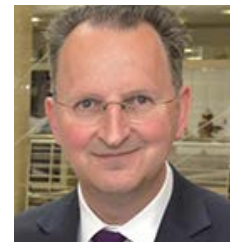
BRUNSWICK HIRES EX-WEBER EXEC MCLEOD

Brunswick Group has hired Jon McLeod, who chaired Weber Shandwick's UK corporate, financial and PA group, as head of its London PA operation. He'll start in September.

McLeod stepped down from the Interpublic unit last month following a more than 20-year run of guiding clients through regulatory, financial and legal matters.

His goal at his new job "is to ensure that leadership and innovation in public affairs is right at the heart of Brunswick's sustained evolution as a world-class advisory firm."

Prior to joining Weber Shandwick, McLeod spent more than six years as board member of the East Midlands Regional Development Authority in Nottingham and two years as associate director of Westminster Strategy in London.



Jon McLeod

NYSE MAKES BIG MOVE IN VIDEO BUSINESS

The New York Stock Exchange is acquiring Radiate, a leading producer of short corporate videos featuring lessons from business leaders.

Betty Liu, founder of Radiate and 10-year veteran of Bloomberg TV, will join the NYSE as executive vice chairman effective July 9.



Betty Liu

Working with NYSE chairman Stacey Cunningham and COO John Tuttle, Liu will produce content and live events to cultivate connections among the NYSE's 2,400 listed companies. The goal is to make an NYSE listing more valuable than one on arch-rival NASDAQ.

Most recently at Bloomberg, Liu co-anchored "Daybreak Asia" and "Daybreak Australia." She's also worked for the Financial Times, CNBC and Dow Jones.

Atlanta-based Intercontinental Exchange Inc. owns the NYSE.

GOP POLITICO GILLESPIE TAKES SV&C POST

Ed Gillespie, who narrowly lost the 2017 Virginia governor race to Ralph Northam and the 2014 Virginia Senate race to Mark Warner, will chair Sard Verbinen & Co.'s freshly launched public affairs group in DC.

The former chairman of the Republican National Committee founded powerhouse Quinn Gillespie & Assocs lobbying firm with Jack Quinn, VP Al Gore's chief of staff and President Clinton's White House counsel.

Gillespie also served as White House counsel to George W. Bush.

Former deputy US Trade Representative Miriam Sapiro and Purple Strategies co-founder Bruce Hayes head SV&C's Washington outpost and vice chair the PA group, which is to offer strategic counsel on high-stake events.



Ed Gillespie

JOELE FRANK REPS CATTERTON'S HONEST

Joele Frank is working L Catterton's \$200M investment in The Honest Co., the Los Angeles natural beauty products marketer founded by actress Jessica Alba.

The Greenwich, CT, private equity firm has \$15B in assets and ranks as the No. 1 consumer-focused PE operation.

THC, which is active in e-commerce, 17,000 retail North American retail outlets and direct-to-consumer markets, plans to expand in Europe next spring via a deal with Douglas, the No. 1 beauty retailer on the Continent with 2,500 stores.

Alba said it was always her dream to grow the company into a global brand.

Joele Frank, Wilkinson Brimmer Katcher's Andi Rose and Andrew Squire represent L Catterton in the deal for THC. The firm also is working Catterton's investment in Spain's Goiko Grill.

Zeno Group, which is a Daniel J. Edelman Co., has Courtney Urban handling THC.

APCO GOT SUNSHINE

APCO Worldwide has hired Booz Allen Hamilton healthcare consultant Jennifer Sunshine as a director in DC.

She handled knotty regulatory, issues and communications matters, spending more than four years guiding the State Exchange Group as it established parameters for local insurance exchanges and open enrollment.



Jennifer Sunshine

Sunshine also supported BAH's Food and Drug Administration team on Congress' generic drug user fees amendment.

Prior to BAH, Sunshine served as senior health policy analyst at America's Health Insurance Plans, trade group for insurance companies, and policy & regulatory affairs manager at the Generic Pharmaceutical Assn.

Evan Kraus, global president, expects APCO health-care clients will benefit from Sunshine's regulatory insights into the workings of drug companies, patient advocacy groups, associations and health plans.

ACCOUNTS IN TRANSIT

Sachs Media Group has been engaged by the **Florida Chamber Foundation**, a solutions development and research organization working in partnership with state business leaders, as public relations agency for its FLORIDA 2030 report. The agency will promote earned media coverage and thought leadership around the report's overarching principles of global competitiveness, high-paying jobs, and vibrant communities, leveraging six statewide summits, each focusing on a pillar of Florida's economic future.

Kwittken has been selected as the PR agency of record for **Flyp**, an FDA-cleared portable nebulizer from Convexity Scientific. Kwittken will be responsible for driving positive brand awareness and establishing credibility in the nebulizer market through a variety of initiatives, including a highly targeted media relations campaign, participation in consumer health events, partnerships with key opinion leaders in the respiratory health space, and powerful storytelling around patient success stories.

RMD Advertising, a specialist in challenger food brands, has added **Better Than Coffee** to its client roster. RMD will help Better Than Coffee expand awareness and reach of the brand's natural energizing bars. The product line will rely on RMD's tactical counsel through an increased focus on brand strategy and public relations.

Geoffrey Weill Associates has been engaged by **The Japan National Tourism Organization** to handle its PR in the US. In addition to working on the organization's Enjoy my Japan campaign, Weill will concentrate on widening Americans interest in being exposed to and seeing more of Japan than just Tokyo and Kyoto. "We look forward to helping augment the number of Americans visiting Japan, especially in light of the 2020 Summer Olympics," said Geoffrey Weill.



GOOGLE TOPS FACEBOOK FOR REFERRALS

Google has overtaken Facebook as the number-one referrer of external traffic to news articles online, according to a new report by technology company Parse.ly.

Analyzing referral traffic data from more than a million articles on the Internet, Parse.ly discovered that Google search now accounts for 46 percent of all major referral traffic, followed by Facebook (29 percent), Twitter (2.2 percent) and Clipboard (1.7 percent).



Facebook had in recent years become the top source of traffic to third-party sites published by online media companies, but the social media giant famously tweaked its algorithms last year after criticisms arose that it had circulated fake content created by Russia-backed companies in the months leading up to the 2016 Presidential election.

Those algorithmic changes now emphasize content posted by users' contacts over its news feed, and have subsequently diminished the site's value among the online media outlets, newsrooms and brands that depend on Facebook for routing organic traffic to their content.

Findings by Parse.ly suggest that beginning last year, referral trends began shifting away from Facebook and toward Google, with referral traffic volume from Facebook falling 25 percent between February and October 2017 while Google's traffic surged at the same time.

When broken down by article category, Parse.ly found that Google now refers more traffic than Facebook in every category with the exception of lifestyle, education, law/government/politics and real estate.

Facebook remains especially strong when it comes to driving traffic to lifestyle content, outpacing Google by eight percent overall. However, even in this category, Facebook has ceded ground, as Parse.ly found that prior to Facebook's reversal last year, 87 percent of audiences discovered lifestyle articles through the social media platform. One category within the lifestyle group — food/drink — now sees more traffic from Google, and Google referral traffic to health and fitness items now equals Facebook in terms as well.

Parse.ly's report also found that combined referrals from external traffic sources other than Google and Facebook increased by about three percent last year, with 35 percent of traffic to media sites now coming from sites such as Twitter, Drudge Report, Google News and Flipboard.

The findings were based on Parse.ly's analysis of eight billion page views from more than a million articles within the company's network of more than 2,500 media sites between April and May 2018.



KRAUTHAMMER LOSING FIGHT WITH CANCER

Charles Krauthammer, the Fox News commentator whose career in journalism started at *The New Republic* and included a Pulitzer for articles he wrote for the *Washington Post*, revealed in a letter to co-workers, friends and Fox News Channel viewers that he is in the final stages of a losing battle with cancer.

Krauthammer has been away from his post at Fox's "Special Report" for nearly a year while battling an abdominal tumor and subsequent complications. He believed that he was recovering, but tests showed that the cancer had returned.

Krauthammer graduated from Harvard Medical School in 1975 despite a first-year diving accident that left him a quadriplegic. Before joining *The New Republic*, he directed planning in psychiatric research under the Carter administration and served as speechwriter for vice president Walter Mondale.

Rupert Murdoch, executive chairman of Fox News and its parent company, 21st Century Fox, said Krauthammer has played a key role in the channel's success. "His words, his ideas, his dignity and his integrity will resonate within our society and within me for many, many years to come," Murdoch said.



Charles Krauthammer

MEDIA MANEUVERS

Ryan Lizza, the former *New Yorker* Washington correspondent who was ousted from his job following a sexual misconduct scandal, has been named chief political correspondent for *Esquire*. In the wake of the December scandal, Lizza also lost his position as a CNN contributor. CNN reinstated him in January after an investigation found no reason to keep him off the air.

Lizza's *New Yorker* coverage of Anthony Scaramucci played a major role in the financier's exit as White House communications director.

Penthouse, which filed for bankruptcy in January, has been purchased for \$11.2 million by the owner of Bang Bros, a Miami-based pornographic film studio. Larry Flynt's *Hustler* and Dream Media, a company formed by *High Times* owner Adam Levin, also placed bids for the magazine.

Cyma Zarghami is stepping down as president of Nickelodeon Group. Zarghami, who joined Nickelodeon in 1985, has served as president since 2006. While Viacom conducts a search for a successor to lead Nickelodeon, Sarah Levy, COO of Viacom Media Networks, will lead the network on an interim basis.

Gerard Baker is leaving his post as editor-in-chief of the *Wall Street Journal*. Baker is to remain with the paper as editor-at-large, with duties that will include writing a weekend column and hosting a Journal-themed show on the Fox Business Network. Baker will be replaced as editor-in-chief by Matt Murray, who has been with the Journal since 1994, most recently serving as executive editor.



Ryan Lizza

LOW JOBLESS RATE TIGHTENS TALENT RACE

Nearly half (47 percent) of US CEOs see the lack of talent as the biggest threat to their company's future plans, according to the Worldcom Confidence Index 2018 survey of C-suite executives. Only six percent identified the available talent pool as a source of optimism.

While we are enjoying a historically low unemployment rate, the flipside of that good economic news is that we are in a period of too many jobs and not enough workers, especially qualified workers.



Michelle Ubben

As a consequence, 2018 is shaping up to be the Year of the Employee, with CEOs identifying employees as their second most important target audience – right after customers – and 20% of top executives putting employees first.

Meaningfully engaging employees pays big dividends. Gallup reports that companies in the top quartile of employee engagement reap 10% higher customer metrics, 17% higher productivity, 20% higher sales, and 21% higher profitability. And they're more likely to attract talent in the first place.

So how can you, as an employer, better compete for top talent and retain the talent you already have?

Enhance your brand. Employees, especially younger employees, want to work for companies that have a great reputation and an attractive culture. It's never been more important to boost awareness of your brand's strongest assets and to be a values-driven company.

Rally around your purpose. Millennials, in particular, want to know the purpose of the company they work for and how their work fits in to make a difference. Be clear about why your work matters, and provide regular and individualized feedback to staff.

Offer a seat at the table. As David Coletto, CEO of Abacus Data, notes, millennials are the first generation that grew up sitting at the "adult table." They aren't prepared to wait to be an influence. Create an employee engagement program that involves employees of every age in bubbling up ideas to make your company stronger.

Embrace diversity. People want to work for organizations that, at least in part, look like them. As a communications firm, we know that we need a team that understands and mirrors the diverse audiences we are speaking to. But every firm, no matter its purpose, benefits from consciously building a diverse team, especially if it hopes to win in the talent hunt.

Be family-friendly. While millennials are generally marrying and having children later, Coletto notes that millennial households are more consensual, collaborative, and equal, with more women earning graduate degrees and being the primary breadwinners – while 42% of men serve as their family's primary cooks. Look for millennial talent to drive further change in the workplace, insisting on flexibility and family-friendly policies.

The race for finding and retaining top talent is on. Employers who hope to compete successfully for younger employees will need to learn what consumer brands have discovered: Give them what they want.

Michelle Ubben is president of Sachs Media Group.

JAPAN HIRES CGCN FOR INTELLIGENCE WORK

The Japanese Embassy hired all-Republican CGCN Group to provide strategic counsel, arrange introductions to members of Congress/administration and to conduct intelligence gathering in the nation's capital.

President Trump's tariffs and overtures to North Korea have strained US-Japan relations.

Japanese prime minister Shinzo Abe worries that Trump may cut a face-saving deal with North Korean dictator Kim Jong-un that could ban missiles that could hit the US but leave in place those that threaten Japan.

The *South China Morning Post* reported June 4 that once-staunch US ally Japan feels "sidelined" by Trump's focus on dealing with North Korea, its long-time foe.

CGCN's one-year Japan pact is worth \$164K.



EX-SENATOR COLEMAN SCORES WIN FOR ZTE

Former Minnesota Republican Senator Norm Coleman represents ZTE Corp, which scored a major victory as the US Commerce Dept. announced a deal to lift sanctions imposed on it.

The US slapped sanctions on Chinese government-controlled ZTE in April for selling goods to North Korea and Iran.

Those strictures, which banned ZTE from buying components from Qualcomm, Corning and Google, effectively shut the smartphone maker down last month. Sixty percent of the components used in ZTE's flagship Axon M phone are from US suppliers.

Commerce Secretary Wilbur Ross put the Chinese company back in business, announcing that ZTE agreed to pay a \$1B penalty and embed an American-selected compliance team within the company for the next decade. ZTE also agreed to change its executive team and board within 30 days.

Coleman's ZTE connection is through law firm Hogan Lovells. He's joined by Aaron Cutler, who was an aide to former House Majority Leader Eric Cantor, on HL's ZTE team.

MAYORAL PRESS SECRETARY TO SOLOMON

Nicole Caravella, former press secretary to Boston Mayor Martin Walsh, has joined Solomon McCown & Company as an account supervisor.

Caravella served as Mayor Walsh's press secretary for two years, beginning in 2016. She was previously press secretary to Rep. Joe Kennedy III (D-MA) and served as a political advisor to John Kerry in his Senate office.

Caravella will focus on the Boston-based agency's real estate and nonprofit clients as well as public policy.

Solomon McCown, which specializes in healthcare, public affairs and crisis management, maintains an additional office in New York.



Nicole Caravella

COMMENTARY

ATTORNEY-CLIENT PRIVILEGE SHAKY FOR PR

Lawyers are all over the media these days, many of them clearly there for the purpose of pushing a PR agenda on behalf of some client.

Other high-profile clients in crisis have taken on PR advisors, either because their lawyers have bungled communications tasks or simply because the job has gotten too large and complex for a law firm to handle.

A recent profile of crisis PR maven Michael Sitrick in the June 2 *New York Times* illustrates this trend.

While noting that high-profile clients such as Harvey Weinstein comprise only about 10 percent of Sitrick's crises business, the *Times* article makes this statement:

"One advantage to being retained by lawyers for a client rather than by the client himself is that Mr. Sitrick is technically a member of the legal team, and therefore protected by attorney-client privilege."

This description might cause some PR practitioners to think: "Okay, I'm on the legal team—a litigator. So I'm protected. Cool! "

They would do so at their peril. Court rulings on attorney-client privilege (hereinafter known as ACP) for PR advice are all over the place, with judges making opposite rulings within six months of each other.

In the Big Tobacco litigation of more than two decades ago, courts held that only discussions of legal matters were shielded by the ACP.

Lawyers (or non-lawyers) giving advice about strictly PR matters were not protected. Nor were discussions about PR in which an attorney was merely present.

This means that if a client asks what you think of the media coverage so far, or about a particular publication

or reporter (as a certain tangerine-topped resident of 1600 Pennsylvania Avenue is wont to do), don't expect your answer to be protected by ACP.

If you are asked by a law firm to contract with them to represent a client, what should you do?

First, gather all the research you can on the client and the situation. If necessary, ask to meet with the client so you can see whom you are dealing with. If the law firm says NO, walk away.

Second, obtain a written agreement specifying exactly what you will do, with emphasis on facilitating legal strategy. The agreement should also cover reporting relationships, communications with the law firm and the client, and sharing confidential information. Ask if they will indemnify you against actions arising from the engagement. If they give a flat NO, walk away.

Next, consult a qualified attorney of your own choosing about the agreement and ask for an assessment of potential pitfalls and liability.

Finally, send a bill to the law firm for a large retainer, and continue to send bills regularly to establish that you are working with them.

This sort of crisis work can be a stimulating professional challenge, and you can learn a lot from working on issues with a top-drawer law firm. It can also be a giant pain in the neck, and expose you to liabilities and expenses you never dreamed possible.

Go in with your eyes open and your judgment sharp, and remember the adage: "If you sleep with dogs,"

Bill Huey is president of Strategic Communications, a corporate communications and marketing consultancy, and author of "Carbon Man," a novel about greed.

'TAKING A KNEE' NOT UNPATRIOTIC: VOTERS

A majority (58 percent) of American voters believe National Football League players who "take a knee" during the playing of the national anthem are not "unpatriotic," according to a poll released last week by Quinnipiac University.

The poll follows president Trump's decision to "disinvite" the Super Bowl champions Philadelphia Eagles to the White House and his ensuing "patriotic event" on the South Lawn.

Quinnipiac found a huge chasm between Democrats and Republicans on the patriotism issue. Eighty-five percent of Democrats say kneeling players are not unpatriotic, while 70 percent of Republicans say they are.

Sixty percent of Independent voters side with Democrats on the issue.

Voters split by a 53 percent to 43 percent margin on

whether players have the right to protest on the field or court.

The NFL's new rule requiring players on-the-field to stand for the anthem won support of 51 percent of the respondents. Forty-two percent oppose the rule.

More than half (51 percent) of respondents though feel that on-the-field players who refuse to stand during the anthem should not be fined, while 44 percent support fines.

Tim Malloy, assistant director of the Quinnipiac poll, said the survey shows that Americans are clearly torn the by national anthem issue. "They seem to be saying, "You can still love your country and kneel during the anthem, but the NFL's new "must stand' mandate is fine with them, too."

Rubenstein does PR for the Quinnipiac University Poll. —Kevin McCauley

