



Jack O'Dwyer,
Editor-in-Chief

O'Dwyer's Newsletter

The Inside News of
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271 Madison Ave., New York, NY 10016
212/679-2471. Fax: 212/683-2750
www.odwyerpr.com; jobs.odwyerpr.com

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THYSSENKRUPP SEEKS WTC PR LIFT

ThyssenKrupp, Germany's \$52B industrial/engineering giant, is seeking a PR firm to leverage its competence connected with expertise with installing more than 70 elevators at New York's World Trade Center.

Clocking in at 23 miles per-hour, WTC will feature the fastest elevators in the Western Hemisphere.

The PR program showcasing the iconic building, which opens next May, is part of TK's effort to position as a leading voice in global trends of urbanization, demography, green engineering and sustainability.

The PR program will include social media, corporate social responsibility and internal communications.

TK ranks as the No. 1 elevator company in the Americas. In 2012, it opened its North America regional headquarters in Chicago to oversee \$11B in annual sales from more than 40 business units employing 20K-plus people.



US SECRET SERVICE EYES PR HELP

The US Secret Service, the presidential protectorate that has suffered from high profile gaffes among its elite agents, is on the hunt for media relations counsel.

The USSS has released an RFQ for a firm to provide media relations training for up to 30 staffers across the country, including preparation for TV and radio interviews and other "encounters with the media on routine matters as well as crisis situations."

A firm must have PR experience with government law enforcement agencies.

The Secret Service's latest PR crisis surfaced in March, when three members of the president's protective detail were sent home from the Netherlands after one was found drunk in a hotel hallway ahead of the president's arrival. Four agents were fired in 2012 after a scandal involving drugs and prostitution in Colombia produced international headlines.

The USSS expects to award a year-long contract with four option years. Firms interested in the work were required to submit a notification by May 15.



RAGONE PRESCRIBES ASCENSION COMMS

Catholic health giant Ascension, which is drawing scrutiny for its rapid growth and for-profit operations, will bring in Ketchum partner Nick Ragone as chief communications officer in June.

Ragone, who ran Ketchum's Washington office for the past three years after starting out in New York with the firm, takes the new CCO post June 23 overseeing communications for the network of hospitals, healthcare facilities and medical companies across 23 states. He reports to EVP John Doyle, who is also president/CEO of Ascension Holdings, a portfolio of medical device companies.



Ragone

Ascension, formed in 1999 when St. Louis' Daughters of Charity National Health System merged with Michigan's Sisters of St. Joseph Health System, the country's largest Catholic and non-profit health system, has for-profit operations and investments and 2013 revenue of \$17B. It claims more than 155K employees in 1,900 healthcare facilities.

Ascension's rapid growth and profits have raised eyebrows over its charity designation.

Ragone handled clients like Universal Health Services, FedEx, Blue Cross/Blue Shield and Express Scripts at Ketchum.

Heyman Associates helped with the search.

EDELMAN TEAMS WITH CHERTOFF

Edelman has teamed with the firm of former Dept. of Homeland Security Secretary Michael Chertoff to offer PR/risk management services designed to help clients bolster security in the wake of the fast-moving dynamic threat environment.

Chertoff, who helped FEMA rebound from the leadership of Michael Brown following the screw-up of Hurricane Katrina recovery efforts, also served as assistant attorney general in the Justice Dept.'s criminal division and federal judge. He's noted for co-authoring the USA Patriot Act.

The alliance forges Edelman's crisis/risk communications savvy with The Chertoff Group's cyber security risk assessment and mitigation strategy.

David Chamberlin heads Edelman's data security/privacy group, while TCG is led by its co-founder/CEO Chad Sweet, the former CIA operative, Morgan Stanley/Goldman Sachs investment banker and Chertoff's chief of staff at DHS.

Chertoff chairs TCG.

CANDY INDUSTRY TAPS COKE EXEC

The Washington trade association for the \$34B candy industry has tapped a PR veteran of the soda industry -- and its obesity fight -- to serve as president.

Coca-Cola communications and public affairs exec John Downs Jr. Downs will take the reins this summer of the National Confectioners Association from Lawrence Graham, who is retiring after 22 years.

Over the past year, candy makers like Hershey, Nestle and Mars have tried to get in front of the public and political obesity fight centered on sugary beverages like soda by distancing candy from negative health effects. On the PA front, the NCA has worked to fend off calls for candy taxes, battled the sugar industry over subsidies and the high price of sugar, and lobbied against nutrition labels indicating added sugar.

Downs held several senior roles in and around Coca-Cola since 1986, including senior VP of PA and communications for bottling giant Coca-Cola Enterprises, and, more recently, advisor for strategic stakeholder engagement, government relations and PA for The Coca-Cola Company in North America and Latin America.

He started out in Maryland politics before moving to the Glass Packaging Institute and American Beverage Association in Washington.

Downs, a member of the Arthur W. Page Society, takes the NCA reins this summer, overseeing its 25-staffer DC office, the organization's strategic direction, and the overall voice of manufacturers of chocolate, candy, gum, cocoa and other sweets.

Susan Smith, a 24-year veteran of the NCA, is senior VP of communications and outreach.



Downs

WILLI TO HEAD NOVARTIS COMMS.

Michael Willi, former communications chief at UBS, will take the global communications reins of Swiss drug giant Novartis, based in Basel.

Starting June 1, he replaces Michele Galen, who led communications for Novartis for two years but has returned to the US for family reasons, the company said. Galen, a Burson-Marsteller alum and former editor of *Business Week*, joined Novartis in the US in 2001.

Willi, a Swiss national, was chief communications officer at UBS before stepping down in February 2013 amid a revamp at the global financial institution.

He spent 10 years with the bank in Zurich and New York, as well as 10 years with Swiss Bank Corporation, which merged with Union Bank of Switzerland to form UBS in 1998. He has been a PR consultant for the past year.

Willi will report to Novartis CEO Joseph Jiminez, overseeing brand and reputation management, corporate comms. and product comms.



Willi

EASTERN AIR LINES BOOKS PR FOR RETURN

Eastern Air Lines Group has booked Trimention Global Communications as AOR as it plans to bring back the defunct Miami-based carrier.

The group acquired the Eastern Air Lines name and filed an application in late January for the necessary certificate from the US Dept. of Transportation to re-launch -- as early as the end of 2014 -- as a passenger airline based at Miami International Airport.

Trimention, based in Miami Beach, got the nod to develop and execute a marketing and communications plan for the launch. Eastern CEO Ed Wegel, an airline industry vet who started his career with the airline that operated from 1930 to 1991, said: "Re-launching an iconic brand such as Eastern Air Lines requires an agency with a proven track record in the travel and tourism sector, and Trimention has just that."

Eastern said last week it signed an order and placed deposits with Boeing for ten 737-800 aircraft and purchase rights for ten MAX 8 aircraft.

"It is a very important responsibility for us, and we will be mindful and sensitive as we plan to bring her back," said John Grove, managing partner at Trimention, which has worked accounts like Alma Airlines (Mexico), Hiltons of the Caribbean and Conrad hotels.

Mike Jennings is manager of corporate development/PR for Eastern. Atlanta PR consultant Maria Schnabel, former director international corporate comms. for Delta Air Lines, has worked for the start-up, as well.

WA SLATES PR PUSH TO AID MUDSLIDE TOWNS

Washington State has awarded a \$150K tourism PR pact to benefit communities hit by a deadly March mudslide that captivated the country.

BrandQuery, an integrated marketing shop with offices in Mount Vernon and Seattle, landed the contract with the Economic Alliance Snohomish County. The state is picking up the tab, according to the (Everett, Wash.) *Daily Herald*, which said five firms bid for the work.



Washington National Guard members search wreckage from the Oso mudslide in March.

(Photo: WNG)

The towns of Oso, Arlington and Darrington are dependent on the summer tourism season, which contributes more than \$930M annually to the county, mainly through outdoor recreation.

The March 22 landslide killed at least 41 people as it severed the key artery of State Highway 530 near Oso along the Stillaguamish River.

President Barack Obama visited the site of the disaster in April and declared it a major disaster.

Gannet's NWCN reported May 9 that officials are trying to strike a balance between access to the region and discouraging visitors from "making the trip just to get a peek at the slide zone."

ABRAMSON OUT AS NY TIMES EXEC EDITOR

Jill Abramson, who has held the top newsroom job at the *New York Times* since 2011, was fired on May 14.

Managing editor Dean Baquet has been named executive editor, effective immediately. He is the first African-American to hold that position.

The 60-year-old Abramson, the first female executive editor at the paper of record, said her tenure was marked by stories "holding



Abramson

powerful institutions accountable," including pieces on China, government secrecy or powerful figures and corporations. "I've loved my run at the Times," she said in a statement.

Publisher Arthur Sulzberger told staff – per CNN's Brian Stelter – that he made the change because he believes "that new leadership will improve some aspects of the management of the newsroom," adding it is "not about any sort of disagreement between the newsroom and the business side..."

Politico's Dylan Byers said Abramson's move to hire a new digital editor without consulting Baquet was a reason for the move, while *The New Yorker's* Ken Auletta reported that Abramson's investigation into her level of pay compared to other execs was a factor.

NPR media reporter David Folkenflik cited several reasons for the move, as well, including her demeanor and Sulzberger's aversion to Abramson's public profile.

Sulzberger in a May 15 memo to staff published by the nytimes.com denied media reports that Abramson's salary was an issue. "Compensation played no part whatsoever in my decision that Jill could not remain as executive editor," he said. "Nor did any discussion about compensation. The reason — the only reason — for that decision was concerns I had about some aspects of Jill's management of our newsroom, which I had previously made clear to her, both face-to-face and in my annual assessment."

As speculation flared as to whether Abramson was treated unfairly as a woman at the Times, Sulzberger issued a lengthy statement on Saturday, May 17, denying such a narrative. "Rather than accepting that this was a situation involving a specific individual who, as we all do, has strengths and weaknesses, a shallow and factually incorrect storyline has emerged," he said. "I decided that Jill could no longer remain as executive editor for reasons having nothing to do with pay or gender. As publisher, my paramount duty is to ensure the continued quality and success of The New York Times. Jill is an outstanding journalist and editor, but with great regret, I concluded that her management of the newsroom was simply not working out."

Sulzberger in announcing Abramson's departure on May 14 praised Baquet's credentials for the post. "He is an exceptional reporter and editor with impeccable news judgment who enjoys the confidence and support of his colleagues around the world and across the organization,"

said Sulzberger. Baquet, 57, joined the Times in 2007 from the *Los Angeles Times*, where he was managing editor and editor of that paper. He has served as assistant managing editor and Washington bureau chief of the NY Times.

Abramson was managing editor before she was elevated to the top slot in August 2011 to succeed Bill Keller. She is a veteran of the *Wall Street Journal*.

A press release from the Times did not offer a reason for the change.

SILBERWASSER TAKES TELEMUNDO POST

Luis Silberwasser, who made his mark at Discovery Communications, will assume the president post next month at Telemundo, the Spanish language cable TV property owned by NBCUniversal.

Reporting to Joe Uva, chairman of Hispanic enterprises and content, Silberwasser takes the spot occupied until last year by Emilio Romano.

Silberwasser, who was raised in Colombia, served as executive VP and chief content officer of Discovery's international unit in London.

Earlier, he was senior VP at Discovery's Latin America/US operation in charge of programming, production and marketing of the 15-channel group.

Prior to DC, Silberwasser was a brand manager in Procter & Gamble's beauty care operation.

Silberwasser will be stationed in the Miami headquarters of Telemundo.

Uva praised his new hire's "deep understanding of the U.S. Hispanic and Latin American markets" and his "strong track record in successfully building global brands and developing and producing high-quality content."

Telemundo is sponsor of the World Cup, which is slated for Brazil next year. It beat arch-rival of the mega-event by acing rival Univision for the soccer rights through 2022.

TV TURNS ON GANNETT

Gannett, continuing its efforts to cut reliance on its newspaper heritage, is buying six Texas TV stations from London Broadcasting Co. for \$215M.

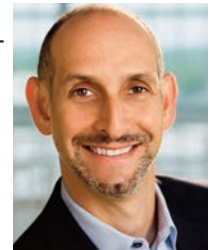
Gracia Martore, CEO of Gannett, said the deal expands "Gannett's reach into some of the fastest growing markets in the nation and furthers our successful transformation into a diversified multi-media company."

More than 70 percent of Addison, TX-based LBC's advertising comes from local sources, which Gannett says will benefit its G/O Digital marketing unit.

The acquired stations service San Angelo, Waco-Temple-Bryan, Tyler-Longview, Abilene-Sweetwater, Beaumont-Port Arthur and Corpus Christi.

The group is expected to contribute about \$50M in 2014 revenues. Phil Hurley, COO of LBC, will continue to lead the operation under Gannett's ownership.

He will report to Dave Lougee, Gannett Broadcasting president, once the deal closes during the summer.



Silberwasser

MEDIA NEWS**FIRMS ADVISE \$48.5B AT&T-DIRECTV DEAL**

Joele Frank, Wilkinson Brimmer Katcher and Brunswick Group are working AT&T's \$48.5B acquisition of top satellite TV provider DirecTV.

Dallas-based AT&T announced the stock-and-cash deal on Sunday, May 18 with approval of both boards and the intent to create a company with "unprecedented capabilities in mobility, video and broadband services."

The deal is intended to provide a counterweight to the \$45B Comcast-NBC megamerger and follows AT&T's failed \$39B push for T-Mobile.

Darris Gringeri is VP of PR for El Segundo, Calif.-based DirecTV. Joele Frank partner Kelly Sullivan is advising DirecTV on the PR front for the deal.

Larry Solomon is senior VP of corporate communications and Brad Burns is VP of global media relations for AT&T. Burns told O'Dwyer's that AT&T works with Brunswick Group year-round, including for acquisitions.

The companies said the deal is expected to close in 12 months.

SHELLY STERLING GETS PR HELP

Shelly Sterling, the wife of embattled Los Angeles Clippers owner Donald Sterling, has engaged crisis PR specialist GF Bunting as she navigates the spotlight and fights to keep a stake in the basketball franchise.

Bunting is the Los Angeles firm of LA Times and Sitrick and Company veteran Glenn Bunting and has advised the high-powered PR defense of nutritional products maker Herbalife.

Bunting also previously worked with Shelly Sterling's attorney, L.A.-based Pierce O'Donnell.

Sterling, who is separated from her husband, told ABC News on May 11 that she plans to fight the NBA's decision to take the Clippers away from the family. She also said she will eventually seek a divorce from the radioactive Sterling.

Shelly Sterling has worked to distance herself from her husband's racist rant since it was released via TMZ.com in late April. "I am not a racist," she said in a statement immediately after the recording went public. "I never have been, I never will be. The team is the most important thing to my family."

But an April 30 *LA Times* piece noted a 2009 deposition that accused Shelly Sterling of using racial language critical of black and Latino tenants of her husband's apartment buildings.

The NBA said Shelly Sterling's stake in the team would automatically terminate with her husband's, based on the league's constitution.

Donald Sterling, meanwhile, has been widely panned for his two-part interview with CNN's Anderson Cooper May 12-13. The *LA Times* reported that Sterling did not have advisors on hand during the CNN interview.

'Stalin Did a Better Job'

Donald Sterling's mea culpa interview with CNN's

Anderson Cooper was too little, too late and "nothing good came of it" for the LA Clippers owner, said pollster and communications advisor Frank Luntz.

"I think Stalin did a better job of apologizing to the Soviet people for killing 20 million," Luntz said in an appearance on Fox Sports 1. "It took two weeks. He never looked anyone straight in the eye. You know how you apologize? You don't do it on television. You do it, first, face to face. And then you do it in your local community, not on national news."

Luntz said Sterling's appearance appeared strained and forced. "He hemmed, he hawed ... he stammered," said Luntz. "And that, to me, says that he was trying to parse his words. And that never works to the public."

BROWER RETURNS TO THR

Alison Brower, editor-in-chief of *Dr. Oz The Good Life*, will return to *The Hollywood Reporter* on June 30 as deputy editorial director.

She is a former special projects editor at THR and was interim editor-in-chief at Seventeen.

THR also said features director Jeanie Pyun was rooted to deputy editor.

VA OFFICIAL RESIGNS AMID PROBE

Robert Petzel, a senior official at the US Dept. of Veterans Affairs who penned a May 15 USA Today op-ed piece on the crisis at the federal agency, resigned today.

Petzel, a doctor who is under secretary of health at the VA overseeing healthcare for millions of veterans, was slated to retire this year.

Veterans Affairs Secretary Eric Shinseki accepted Petzel's resignation in a statement:

"Today, I accepted the resignation of Dr. Robert Petzel, Under Secretary for Health in the Department of Veterans Affairs. As we know from the Veteran community, most Veterans are satisfied with the quality of their VA health care, but we must do more to improve timely access to that care. I am committed to strengthening Veterans' trust and confidence in their VA healthcare system. I thank Dr. Petzel for his four decades of service to Veterans."

Congress has turned up the heat on the agency after reports of long waiting times for care and an alleged cover-up at the Phoenix Veterans Affairs Health Care system. CNN reported last month that at least 40 veterans died waiting for care.

Petzel's op-ed, "We can, and must, do better," said the agency takes reports of patient care or employee misconduct seriously, noting he was "personally saddened by any adverse consequence that a veteran might experience while in, or as a result of, our care."

President Barack Obama appointed a top aide to work with Shinseki on a review of the reports.

The Veterans Health Administration is the largest integrated healthcare system in the country with a budget of \$54B and 277,000 staffers.



Sterling talks to Barbara Walters.



Petzel

NEWS OF PR FIRMS**SECURITY ELECTRONICS MAKER SCANS FOR PR**

Electronics maker CWD is conducting a competitive review to guide PR for its Defender do-it-yourself video security system.

An RFP circulating calls for pitches through May 23 for an account estimated at \$7,500-per-month.

Defender is preparing to launch an IP camera sub-brand this year and Canada-based CWD wants a firm to help develop a following in the consumer electronics space, as well as the security and wireless IP segments.

IP cameras stream digital video through the Internet so the feed can be accessed remotely.

"We need a proactive agency who can amplify our brand awareness and perception through traditional and digital media efforts," reads the RFP.

CWD's other brands include Citizen (TVs), Fluance (speakers), and Nyrius (HDTV transmitters), among others. CWD's Brian Cliften said the company is looking at a set group of firms.

RUDER FINN LAUNCHES 'RADIUS' DIVISION

Ruder Finn has created a practice, RF Radius, focused on "business transformation" and high-level corporate engagements where communications and marketing can "move the needle."

Kathy Bloomgarden, CEO of RF, said her firm is looking to "build and strengthen" its experiences of being called on as a "thought partner" when businesses face challenges.

She said RF Radius will help clients in such situations develop creative solutions to address the situations.

EVP Rum Ekhtiar heads the unit, which partners with RF's global network of offices.

KEKST. JF WORK HOSTILE BID FOR GENTIVA

Gentiva Health Services, a home healthcare provider, has engaged Kekst and Company for PR support as it works to fend off a \$533M hostile bid from hospital operator Kindred Healthcare.

Joele Frank, Wilkinson Brimmer Katcher is working with Louisville, Ky.-based Kindred, which has also engaged proxy solicitation firm D.F. King & Co.

After Kindred went public with a \$14-per-share cash and stock offer on May 15, the board of Atlanta-based Gentiva said Kindred's proposal "significantly undervalues" the company.

Gentiva works with Brainerd Communications for day-to-day corporate communications.

Kindred, which said it is willing to increase its bid to an all-cash offer, pegged the full value of its offer is \$1.6B when including assumption of Gentiva debt. CEO Paul Diaz said of the pitch: "This compelling combination would unite two highly complementary businesses by joining Kindred's resources with Gentiva's home health and hospice capabilities."

Susan Moss is senior VP of marketing and communications for Kindred.

Gentiva hired law firm Greenberg Traurig and financial advisors Barclays Capital and Edge Healthcare Partners. Kindred is working with Cleary Gottlieb Steen & Hamilton and Citi.

NEW ACCOUNTS**New York Area**

Laura Davidson PR, New York/Kittitian Hill, St Kitts, luxury resort slated to open in December 2014, and The Waterfall Group, including the Waterfall Resort Alaska fishing lodge and Steamboat Bay Fishing Club.

MWW, New York/Golfsmith International, golf retailer, for comms. for its Father's Day campaign and a series of new store openings. The work will also amplify its "Anything for Golf" marketing campaign.

CRC, New York/jocksNtees.com, subscription-based men's underwear and undershirt service launched in May, for consumer PR. The company says it was created based on three simple observations that men tend to wear their underwear and undershirts past their useful lives, men do not like to shop for these items and men tend to wear the same brand and style most of their lives.

5W PR, New York/Appwiz, mobile monetization platform, as AOR for PR.

Brandware PR, Atlanta/G2G (Getaway2Give) Collection, luxury destination club modeled on social enterprise principles, for PR. Members pay a \$7,500 membership fee and contribute \$7,500 to their favorite charity.

Child's Play Communications, New York/DK, publisher known for visual children's books, for media and blogger relations for its preschool, teen and licensed titles.

Emerging Media, New York/Xcel Brands, omnichannel retail sales for brands, as AOR for corporate communications. Xcel handles licensing, distribution, marketing and sale of designer products across distribution channels, including bricks & mortar, internet/digital and direct-response television. The PR work includes strategic messaging, media and public relations efforts. Brand level PR for Xcel's Isaac Mizrahi and Judith Ripka brands continues to be managed internally.

R&J PR, Bridgewater, N.J./Zebra Pen Corp., writing instruments, as AOR for PR focused on its Steel and Sarasa brands through CSR campaigns.

E&E Communications, Wilton, Conn./Gold Coast Mining Corp., holding company with marijuana industry interests, for IR.

East

Benchworks, Chestertown, Md./Captain Joshua Slocum LLC, high-end apparel and accessories, for marketing services, including market research, strategic planning, product launch management, creative solutions, digital and PR.

Southeast

Trevellino/Keller, Atlanta/ FotoIN Mobile Corp., mobile and cloud-based service for photo documentation and filing, for PR.

West

PMBC Group, Los Angeles/Nito, animation technology using facial recognition and tracking, for PR. The technology, which superimposes a user's face on a 3D avatar of the user, is designed for social media, animation creation, branding and advertising.

NEWS OF SERVICES**PR NEWSWIRE PROFIT SLIPS IN Q1**

UBM reported first quarter revenue at PR Newswire ticked up 2.6% on an underlying basis to about \$77.5M as its US dissemination and public-filing business offset flat revenues in Europe and Canada.

Foreign exchange rates pushed revenue down 5.1% during the quarter at PRN. Operating profit slipped 10.2% to £9.7M (\$16.1M).

"PR Newswire has made a good start on delivery for the year, and trends in the US are encouraging," said UBM chief financial officer Robert Gray.

Across UBM's operations, which include events and marketing services, Q1 revenue fell 13.5% to around \$270.6M, a 5.2% underlying decline. Gray said the results were in line with expectations.

Adverse currency movements, the phasing impact of events that ran in Q1 of 2013, and restructured marketing services had an adverse impact on the quarter.

180 TRAINS NFL DRAFTEES

Tallahassee-based 180 Communications said it provided media training for 39 players selected in the 2014 NFL Draft May 8-10.

Prominent players who got PR training from the firm included top draft choice Jadeveon Clowney, who was selected first overall by the Houston Texans, and No. 2 pick Greg Robinson (St. Louis Rams).

"The 39 players who participated in our media training program are better prepared for the intense spotlight that comes with playing at the next level," said Don Yaeger, founder of 180 Communications.

The training was part of the "Branding YOU" program for potential draft picks at the Phoenix athlete performance training center EXOS. The course included personal branding, social media and general media training. David Bishop, president of corporate comms. at 180, said the program helps players understand the "power of their individual brand and the pitfalls that come with heightened awareness both in traditional and social media.

HAVAS ACQUIRES DIRECT RESPONSE SHOP

Havas has acquired Revenue Frontier, a Santa Monica, Calif.-based direct response company that specializes in aggregating distribution and distributing content.

RF will fall under Havas Edge, the Paris-based holding company's direct response unit with 2013 revenue of \$6.2M.

"Innovation is key for us, and our targeted acquisition strategy focuses on agencies with innovative, forward-looking tech approaches that enable us to anticipate client needs," said Havas chairman and CEO Yannick Bolloré.

BRIEF: Engage, a St. Louis-based web and mobile design development firm, has joined LaunchCode, an effort to pair companies in need of programmers with aspiring coders in the city. LC partners with companies like Engage who agree to pair a new coder with an experienced developer. The pair works together until the new coder is trained and able to take on a full-time job.

PEOPLE**Joined**

Wayne Hickey has taken the reins of Edelman's 145-staffer, \$10M San Francisco office as interim GM **Kristine Boyden** is elevated to the new role of COO for the Western region. Hickey led the Microsoft and Xbox accounts at Edelman and founded the firm's Assembly unit, an operation separated from other Edelman business that services only Microsoft. He joined the firm six years ago from Weber Shandwick. Boyden, who led Edelman's work for HP, was interim GM of the San Francisco office since the November exit of Mike Kuczowski. She will take the new COO post on July 1. Starbucks, Adobe, eBay and The North Face are among Edelman/SF clients. Ken Birge, a key figure on the Xbox account, will take over Hickey's role in Assembly.

**Hickey**

Brian Sinderson, senior VP and global account lead, MSLGroup, to Horn Group, New York, as a managing director to manage the Big Apple outpost, business development and handle client strategy and messaging. Sinderson managed the PayPal account for MSL. He was previously with Edelman, Burson-Marsteller and GolinHarris focused mainly on corporate communications on B2B and consumer tech accounts like HP, Sony and Canon.

Diane Miller, former partner at DCI Group, to DDC Advocacy, Washington, D.C., as senior VP for client relations. She specializes in crisis communications and litigation challenges. She is a former grassroots organizer and spokeswoman for the Missouri Industrial Energy Consumers, the Missouri Consumers Healthcare Association and the telecommunications coalition Show Me Competition.

**Miller**

Katherine Maher, advocacy director for Washington-based digital rights organization Access, to the Wikimedia Foundation, San Francisco, as chief communications officer. Maher, who took the Wikimedia role on April 14, has consulted and worked for The World Bank, National Democratic Institute, UNICEF and HSBC.

Grant Perry, VP of PA and reimbursement, Glaxo-SmithKline, to Purdue Pharma Canada, Pickering, Ontario, as VP, government and corporate affairs.

Kelli Raymor, a former account staffer at WCG, BMC Comms. Group and GCI, to Kyne, New York, as a VP. **Benjamin Winkel** joins as junior associate.

Promoted

Joseph Anthony to partner and president, financial services, a new post, Gregory FCA, Ardmore, Pa. He started at the firm as an intern in 2002 and played a key role in developing and growing the firm's financial services practice.

Robyn Schweitzer to VP, MWW, New York. She joined in 2008 and focuses on consumer lifestyle marketing accounts.

DOJ VET TALAMONA TO HEAD SEC COMMS

Gina Talamona, a career public affairs staffer at the US Department of Justice, has moved to the Securities and Exchange Commission as communications director.

Myron Marlin, who held the SEC post for five years, stepped down earlier this year and is now a managing director in FTI Consulting's strategic communications operation.

Talamona reports to SEC chair Mary Jo White, who said in a statement that the SEC is "very fortunate to have her join us in our efforts to keep investors and the American public informed about the important work of the Commission."

Talamona has been deputy director of Justice's office of public affairs since 1999, serving as spokeswoman and advising the 94 US Attorneys' offices on strategic communications. She also developed the department's first crisis PR plan and joined DOJ's speechwriting unit in 1986.



Talamona

PERRY AIDE RETURNS TO MCGUIREWOODS

Mark Miner, a top PR aide to Texas Gov. Rick Perry, has moved back to the Austin office of McGuireWoods Consulting as a senior VP.

Miner was press secretary and communications advisor to Perry during his 2010 re-election and 2012 presidential campaign. He previously joined McGuireWoods in 2012 before leaving a year later to re-join Perry as the governor mulled whether to run again or mount another presidential campaign. [Perry announced in July that he will not run again.]

McGuireWoods president and former congressman L.F. Payne said Miner played a key role in getting the Washington-based firm's Austin office launched, adding, "we are very excited to welcome him back."

Miner was communications director for Tex. Lt. Gov. David Dewhurst and Virginia Gov. Jim Gilmore, and worked Bill Simon's 2003 run for California governor.

PATTON BOGGS REPS VENEZUELA'S CITGO

Patton Boggs is repping Citgo Petroleum, a unit of Venezuela's national oil company, on the potential impact of U.S. energy policy matters on its operation.

Relations between the US and Venezuela, a major exporter of oil to the US, have soured to the point at which the House Committee on Foreign Affairs voted this month to slap sanctions on officials of president Nicolas Maduro's government responsible for a crackdown on political protesters.

The acolyte of the deceased Hugo Chavez also has been rapped by mostly Republicans for continuing his country's cozy relationship with Cuba. Chavez often used Petroleos de Venezuela, Citgo's owner, to advance his political fortunes at home and abroad.

PB chief Tommy Boggs spearheads Citgo's team. The DC lobbying powerhouse recently ended a recent misadventure in the oil patch, agreeing to pay Chevron \$15M to settle a long-running legal squabble concerning environmental degradation in Ecuador.

SARD AIDS \$4.3B HILLSHIRE-PINNACLE DEAL

Sard Verbinnen & Co is assisting Hillshire Brands in its \$4.3B acquisition of Pinnacle Foods, announced last week.

Parsippany, N.J.-based Pinnacle Foods includes brands like Duncan Hines, Vlasic, Mrs. Butterworth's and the Lender's, Birds Eye and Celeste frozen foods brands.

Hillshire, based in Chicago, engaged Sard Verbinnen for the deal, said senior manager of communications, Matthew Pakula.

The company is paying \$18-per-share, a 70% premium on Pinnacle's 2013 IPO share price and 20% above its May 9 price, and giving Pinnacle shareholders half shares of Hillshire. Blackstone Group, which bought Pinnacle for \$2.2B in 2007, took Pinnacle public last year and owns 51%.

Maria Sceppaguercio is senior VP of IR and communications for Pinnacle.

The deal is expected to close by September.

Bloomberg noted Pinnacle's frozen foods were likely the jewel among its brands for Hillshire, which wants to add more healthful offerings to its meat offerings like Jimmy Dean.

FROZEN FOOD MAKERS TOUT 'FRESH'

Frozen food marketers, in a bid to reverse sales declines and connect with consumers interested in fresh and natural foods, today kicked off a campaign to pitch freezing as a means of keeping food fresh.

Kraig Naasz, president and CEO of the industry's Virginia-based trade group, the American Frozen Foods Institute, said its new "Frozen. How Fresh Stays Fresh" push

shows that freezing is "simply nature's pause button that keeps fresh foods at their peak of freshness."

GolinHarris and sister Interpublic ad agency McCann Erickson are supporting the effort, said AFFI VP of communications Corey Henry. Advertising, online engagement and various promotions are part of the education campaign aimed to reach consumers where they live, work and shop. Author and dietician Keri Glassman is making media rounds for the group.

The Associated Press reported sales of frozen meals are down three percent since 2009 as consumer interest in fresh and natural foods has increased.

The *New York Times* last month reported on a Nestle campaign for its Stouffer's brand intended to shift "the perception among some consumers that processed frozen meals are not as tasty or nutritious as freshly prepared meals."

Stouffer's marketing director Tom Moe told the Times that sales declines are primarily driven by "consumer misperceptions over the quality and nutrition" of frozen foods.

AFFI members like ConAgra Foods, Nestle USA, Hillshire Brands, HJ Heinz and General Mills are backing the effort.



PR Society of America's 2013 income was less than it was in 2006; member total is where it was in 2000; only \$1,057 was spent on "ethics in 2013," and \$423K CEO Bill Murray suddenly quit. But no one's interested in this story (except us).

The Society claims we're not supposed to have the audit. It is trying to find out who "leaked" it and will punish this person or persons by cancelling website privileges.

The audit should be available to the press because no worthwhile coverage of the Society is possible without it. We have sent or offered to send it to media including *PR News*, *PR Week/U.S.*, *Bulldog Reporter*, *PR Newser*, *Ragan's*, and *New York Times* ad columnist Stuart Elliott.

So far there are no takers. We should not be the only medium covering news of the Society.

When Jill Abramson was bounced as executive editor of NYT last week, there was a hue and cry for an explanation. Yesterday Arthur Sulzberger Jr., after many urgings, put out a statement saying gender had nothing to do with it but rather "arbitrary decision-making, a failure to consult and bring colleagues with her, inadequate communication, and the public mistreatment of colleagues."

But in the PR industry, Murray is allowed to walk out in the middle of a contract that paid him \$423,000 in 2012 with one sentence: "After deep reflection, I've decided that the time has come for me to leave PRSA and pursue new opportunities and new challenges."

We have the reason he left. He was no match for the O'Dwyer Co. His ceaseless campaign aimed at blocking coverage and discrediting the O'Dwyer Co. and this reporter was a colossal failure.

Murray banned O'Dwyer staffers from everything at the 2012 PRSA conference in San Francisco including the Assembly. It's no wonder Murray did not want us reporting on that Assembly because senior members who were there described it as "the most utterly useless Assembly in the history of the Society."

Murray and the board simply don't want their abusive policies and practices being covered.

McClennan Buffs up Audit

Treasurer Mark McClennan of MSLGroup/Publicis, in a posting on the Society website, tried to put a good face on the dismal 2013 financial report by saying the Society has attained its "financial goal" of increasing "net asset balance" by 1% of operating expenses.

That begs the question of how the Society figures its "net assets." They include \$5,180,386 in dues booked as cash instead of over the course of the dues year as demanded by section 958-605-25-1 of the Financial Accounting Standards Board. Deferred dues are a miniscule \$307,305, which is earmarked for *Tactics & Strategist*.

There is a loophole, we admit. The Society's auditor, not one of the "Big Four," can book dues as cash if it claims that under no circumstances will the members get their money back.

Other organizations, such as the AMA, ABA,

AICPA and IABC, could make the same claim but they set aside about half of their dues as unearned and don't claim it as part of their "net assets."

The claimed "net assets" of \$4,966,333 should be cut in half to about \$2.5M. McClennan's talk about the Society making progress towards its goal of having "net assets" of 50% of operating costs (\$10.9M) means it needs to add at least \$2.5M to profits to get there. The 2013 surplus was only \$310K if an insurance payment and stock profits are excluded, he said.

Payroll Nearly \$6M; 'Ethics' Almost Zero

Salaries & fringes of the 54 staffers totaled \$5,534,037 in 2013. To this must be added \$440,064 set aside for the 401(k) profit sharing plan for all employees. The Society contributes 3% "in addition to discretionary contribution." It also makes matching contributions to those who give part of their pay to the plan. The total is \$5,974,101 or 54% of Society costs.

It averages out to about \$233,000 for the top six staffers (based on 2012 figures, the only one available until October of this year) and \$82,000 for the other 50.

That's quite high because associations of this size usually spend closer to 40% of revenues on staff pay/fringes.

Payroll/fringes were 31% of expenses in 1989. They were \$1,407,093 on expenses of \$4,534,990. They were 31.3% of expenses in 1990 when payroll was \$1,612,540 and expenses were \$5,154,899.

This climbed to 43% in 2003 (\$3,905,950/\$9,065,643), and topped more than 50% starting in 2009 when they were \$5,368,206 on expenses of \$10,442,670 (51.4%).

Costs of everything are high in New York and particularly full-time employees. That's why the American Society of CPAs moved most of its offices to Durham, N.C., in 2005 where more than 500 staffers now work. It keeps satellite offices in New York at 1211 Ave. of the Americas as well as Washington, D.C., and Ewing, N.J.

Seven Society chapters, whose members must be rolling their eyeballs by now, urged the Society to shift most or all of its offices elsewhere in 1985. But these pleas were rejected in 1985.

Three decades later, a ballpark figure of at least \$50 million can be placed on lower payroll and office costs that would have been possible in most of the other cities that vied for h.q.

The board and staff, mindful of war that broke out over the office location in 1985, shocked the 2003 Assembly by telling it that a 13-year lease had been taken at 33 Maiden Lane effective in 2004. Case closed.

'Ethics' Gets Pennies

The amount spent on "ethics" reached an all-time low of \$1,057 in 2013. It was \$5,290 in 2012; \$1,406 in 2011; \$2,649 in 2010 and \$2,891 in 2009.

The Society, meanwhile, spent \$582,608 on lawyers in the nine years ended Dec. 31, 2012. Legal expenses in 2013 won't be revealed until October when IRS Form 990 is filed.

— Jack O'Dwyer