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O'Dwyer's Newsletter



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HARBOUR, GLADSTONE AX SAUDI ARABIA

The Harbour Group has dropped its \$80K a-month contract to represent Saudi Arabia following the alleged torture, murder and dismemberment of *Washington Post* columnist and Saudi dissident Jamal Khashoggi.

Gladstone Place Partners has resigned its \$200K Public Investment Fund of Saudi Arabia account to promote the construction of a \$500B mega-city, Neom, designed to diversify the Kingdom's economic base and cut independences on energy revenues.



HARBOUR GROUP

THG had handled outreach strategies dealing with the US-Saudi relationship, including foreign policy matters, economic and trade cooperation and security issues.

It contacted think tanks, business leaders, trade groups, business executives and the media on behalf of the client.

Gladstone's work began Jan 1 and was supposed to run through July 2019 for strategic communications, thought leadership and relationship-building with top-tier media, influential commentators and key business/financial executives.

Saudi Arabia has denied any involvement in Khashoggi's disappearance.

VISIT CALIFORNIA NAMES NJF AOR

Visit California, the Golden State's tourism promotion authority, has named travel and tourism shop NJF its PR agency of record.

The account win follows an RFP bid the non-profit issued earlier this year.

The MMGY Global unit will work to position the Golden State as a premier travel destination through a communications program that will include PR, influencer outreach and experiential activations.

The Visit California account will be led from NJF's Los Angeles and New York offices.

New York-based NJF, formally known as Nancy J. Friedman Public Relations Inc., is ranked number-five for travel PR by O'Dwyer's, accounting for nearly \$9.3 million in travel-related net fees last year. Kansas City-based MMGY acquired NJF in 2016.



KEKST MERGES WITH CNC

Corporate, financial and M&A communications advisory giant Kekst & Company has merged with Publicis financial and corporate communications unit CNC.



The newly-merged entity, Kekst CNC, boasts a dozen offices and counts more than 250 staff members. It will be co-led by Kekst CEO Jeremy Fielding and CNC CEO Bernhard Meising. The agency will remain part of Publicis Groupe's PR Agency Network.

Kekst CNC co-CEO Jeremy Fielding told O'Dwyer's that the merger comes as a response to clients' demands for "consistent, quality strategic communications counsel around the world."

The combined operation announced that it has expanded its footprint into the China region with the launch of an outpost in Hong Kong. That office will be led by Pui Shan Lee, an FTI Consulting alum who was previously vice president of APCO Worldwide's Shanghai office.

Kekst managing director Vanessa Neill, meanwhile, has joined Kekst CNC's London leadership team.

Kekst CNC has also formed an advisory board in light of the merger, which will be chaired by Publicis Groupe chairman Maurice Lévy.

BELL POTTINGER PARTNERS FACE \$5.3M TAB

Partners of the former Bell Pottinger face demands for payments of \$5.3M that they received during the year prior to the collapse of the British firm, according to *The Times* (London) of Oct. 11.

BP imploded in September 2017 in the aftermath of its attempt to divert attention from the cozy relationship between South Africa president Jacob Zuma and the Gupta family.

BDO, which liquidated the firm, seeks cash from 90 ex-BP partners.

The professional services firm said it conducted a "rigorous investigation" into the deeds that govern the partners' obligations to BP. It intends to use the \$5.3M to pay a chunk of the \$9.2M that BP owes creditors.

The Times also reported that UK's Insolvency Service began an inquiry of BP to determine whether there were "breaches of duties or other misconduct" connected to the Gupta work.

Zuma, 75, resigned as president in February.



Jacob Zuma

BCW BULKS UP PA, TECH UNITS

BCW has added Terry Neal and James Cook as executive VPs/managing directors in its public affairs and technology practices, respectively.



Terry Neal

Neal, who had been running his own shop, did time at Podesta Group, Fannie Mae, CGI Federal, Light Squared and Hill+Knowlton Strategies.

He also held reporter, columnist and editor jobs at the *Washington Post*, *Miami Herald* and *Fort Lauderdale Sun-Sentinel*.

Cook joins from Edelman, where he led its Revere NY in-house tech boutique and guided the No.1 independent firm's Big Apple artificial intelligence center of excellence. Earlier, he ran Edelman's tech practices in Beijing and Singapore, and held exec posts at MSL and Weber Shandwick.

UAE USES ROTHKOPF FOR 50TH B-DAY BASH

The United Arab Emirates has retained TRG Advisory Services to develop/support science, technology, cultural diplomacy, education, tolerance and women's empowerment programming in the US, leading up to the 2021 50th anniversary of the Persian Gulf State's founding.

The Rothkopf Group is to provide the UAE's DC embassy with advice on messages/concepts, talking points and outreach, according to CEO David Rothkopf's Sept. 12 letter to ambassador Yousef Al Otaiba.

Its three-year consulting agreement is worth \$50K per month. The UAE is entitled to a 10 percent discount if it pays for a year in advance.

Rothkopf is a former managing director of Kissinger Associates, the international advisory firm founded by former US Secretary Henry Kissinger. He served in the Clinton White House as deputy undersecretary of commerce for international trade policy & development.

The UAE is an ally of Saudi Arabia. They are partners in the military operation against Shia rebels in Yemen.

PN HELPS CLIENTS TAKE STANCE

Porter Novelli has launched PN STANCE, a product designed to help companies develop strategies for dealing with the increasing stakeholder pressure on companies to take a stand on societal issues.

The four-step engagement includes a working session with PN staffers from its Purpose Practice, as well as a diagnostic tool which guides organizations through questions under the headings of Business Impact, Stakeholder Impact and Connection to Business.

"We developed PN Stance to help companies navigate this space and be able to create a plan of action that is authentic to their business," said Alison DaSilva, executive vice president, CSR and Purpose, at PN's Cone Communications.

Omnicom owns PN.



Alison DaSilva

ACCOUNTS IN TRANSIT

FTI Consulting is providing consulting services for the **Virginia Commercial Space Flight Authority**. FTI is to help lobby for the company in Congress around such issues as NASA and Defense Department funding,

VIRGINIA SPACE



the National Defense Authorization Act and NASA authorization legislation. FTI's pitch will be headed by senior director Jack Czerwinski. VCSFA, also known as 'Virginia Space,' promotes commercial space activity, economic development and aerospace research within Virginia. Its Mid-Atlantic Regional

Spaceport is one of only four spaceports in the U.S. currently licensed to launch to orbit, and is one of only two on the east coast.

French/West/Vaughan is working for **The University of North Carolina at Pembroke**. FWV will manage all external public relations for UNCP, working to elevate its visibility among prospective students and promote its educational value and offerings, including its participation in the NC Promise Tuition Plan, under which tuition expenses are \$500 per semester for in-state students and \$2,500 per semester for out-of-state students.

5W Public Relations is representing **SPARK Neuro**, a pioneer in the use of neuroanalytics in corporate research. To kick off the engagement, 5WPR developed and executed a strategic funding announcement around SPARK Neuro's \$13.5 million Series A led by Thiel Capital, with participation from actor and producer Will Smith as well as Michael Eisner's Tornante Company. The agency also launched a thought leadership campaign positioning SPARK Neuro's technology and company CEO Spencer Gerrol as go-to thought leaders.

Uproar PR will publicize the **2022 Special Olympics USA Games** that are slated for Orlando. More than 4,000 athletes, 10,000 volunteers, 1,500 coaches, and 75,000 fans are expected. The firm was also instrumental in leading the media relations campaign that brought the 2022 games to Orlando, planning and executing a press event that drew thousands of attendees.



Special Olympics

J Public Relations scooped up **Visit North Carolina**. JPR will work with Visit NC and Luquire George Andrews, marketing and advertising agency of record for the state, to develop a strategic public relations and media outreach plan to garner media coverage for North Carolina. The agency will focus on promoting the travel experiences available within the state to national and target regional market outlets. JPR will service the Visit NC account from its New York City office.

Cindy Riccio Communications earned the business of **SimplyProtein™**, a new protein bar acquired by Atkins Nutritionals and **Ceramedx**, a natural skincare system owned by Earth Science Naturals. CRC will execute public relations, digital marketing, influencer marketing, social media and sampling partnerships for both clients. In addition, the agency will work on a dermatologists awareness program for Ceramedx.

MARKETERS EMBRACE WOMEN'S HEALTH

With women accounting for 80 percent of healthcare spending, it's critical that the healthcare industry gain a deeper understanding of what drives the health habits of this extremely influential demographic. But it's not that simple. Not only do women tend to put their own health on the backburner, many say they don't even have time to listen to health-related messages. That's according to recent surveys of almost 1,350 women, which found that fewer than half of the respondents were willing or able to make time for their own health check-ups and screenings, yet excel at taking care of their families' health.

These surveys are a key component of the #Be-Healthier movement, which was launched earlier this year by *Redbook* magazine; HealthyWomen, the nation's leading independent health information source for women; and GCI Health, an integrated communications agency built around and inspired by the ever-changing face of healthcare, to explore the well-being habits of women ages 30-60. The goal of *Healthier* is to help women make self-care a priority so they can become a "healthier her" for themselves and their families.

The key takeaway from this research for marketers is that it's finally time to begin shifting their approach to one that embraces that women are the gatekeepers of the health of their family units, and their own health often comes behind that of their families. How can marketers simplify their messaging to truly affect this behavior?

When marketing to women, healthcare marketers need to understand where this woman is in her life and how she is juggling competing priorities — and health sometimes doesn't even make it into the top 10. This aligns with the time when transitions in their health begin to take hold and they actually need to focus on their health more; therefore, it's critical for healthcare marketers to reach her and deliver the messages and education that she needs during these transitional years.

However, because of where the woman is in her life, it's difficult for her to pay attention to messages, and difficult for marketers to break through to her — especially if she isn't going to the doctor. But the good news is that these women are open to self-help expertise. In the time they do have, they're actively seeking information. It's critical that healthcare marketers understand everything these women have going on in their lives so they can effectively communicate with them and educate them — on their terms.

Key findings from the survey

Women are overwhelmingly the ones in charge of their families' healthcare. In the *Healthier* survey, almost 83 percent of women said they were happy to be the ones calling the shots, and about 70 percent felt they handled their kids' health "very well."

But when it comes to taking care of themselves, more than 30 percent are not making time for things like regular health screenings.

Eighty percent felt they couldn't delegate their families' healthcare; 40 percent said doing so would simply be too complicated. And while younger women were twice as likely to have someone they could ask for help, they were no more likely to do it.

This means, though, that women also shoulder what sociologists call the "worry work": all the planning and anticipating of their families' needs. The result is stress: more than 90 percent of the women in the survey described their stress levels as "moderate to high," with almost 40 percent indicating they had been diagnosed with anxiety or depression.

Most survey takers said it was lack of minutes rather than money that kept them from getting their checkups. Younger women were 10 percent less likely to get basic screenings and 10 percent more likely to say they put their kids' care before their own.

While the women surveyed expressed concerns about things like reproductive health and Alzheimer's disease, those who weren't making time for regular screenings worried more about everything, from their stress levels to their eating habits to whether they'd get cancer.

Key tips for healthcare marketers

Redefine "balance." Work-life balance is a buzz word today. Healthcare marketers must begin shifting that conversation to include health. It's impossible to strike a work-life balance without the health aspects of taking care of ourselves.

Support physicians' offices that cater to women's schedules/priorities. Women are seeking out physicians who offer some basic policies: same-day visits, short wait times for routine checkups, and online appointment making/access to health records. Implement programs that help physicians offer this to their patients as a value add.

Accept that their health may never be first to their families and communicate to them with this knowledge. Offer women tools that help them simplify and prioritize the health of the entire family unit (including themselves), understanding that their management of their family's health is a key priority.

Understand what is feasible. Understand barriers to compliance. If a healthcare regimen is too much of a burden, women are simply not going to do it. Offer tools and resources to physicians and their patients on how to incorporate treatment/management into their patients' busy lives.

This change cannot start and stop with individual women. The *Healthier* research found that 77 percent of women indicated that their job schedules were the primary barrier to taking the time needed for regular screenings and necessary healthcare. As healthcare marketers, we need to challenge leaders in our industry and across the business sector with a call-to-action to create workplaces that encourage well-being and empower women to take care of themselves. Employers have the power — and an obligation — to make these changes. Not only will it benefit their employees and families, but it will benefit employers too: research shows that healthier and happier employees are more productive and motivated employees.

Wendy Lund is CEO of GCI Health.



Wendy Lund

TWITTER FLOPS IN FIGHT VS. FAKE NEWS

Despite years-long promises to root out links to junk news or conspiracy content, Twitter hasn't done enough to counter the spread of misinformation on its platform, according to a report released by the Knight Foundation that sought to analyze how the fake news phenomenon has evolved in the last two years.



The Knight study analyzed 10 million tweets from 700,000 Twitter accounts linking to more than 600 fake news or conspiracy outlets both during and after the 2016 U.S. presidential election (a list of sites taken from online database OpenSources was used to determine what sources were considered publishers of "fake" content).

The report tallied about 6.6 million tweets linking to fake news or conspiracy sites in the month leading up to the election. While Twitter vowed to stamp out fake content in light of Kremlin-backed organizations' use of the platform during the 2016 presidential election, the Knight report found that about four in five fake accounts that were active during the election — or 80 percent — remain active today. According to the report, these fake accounts continue to publish more than a million tweets on a typical day.

The report also found that the same usual suspects accounted for most of the misinformation plaguing the site: 65 percent of the links researchers identified as fake during the election period came from the same 10 news sites, and 89 percent of links came from the top 50 fake sites. This phenomenon remained virtually unchanged six months after the election, where nine of the top 10 fake news sites analyzed remained in or near the top 10. The report also discovered more than a third of the most-followed accounts revealed evidence of using bots.

Finally, while the report determined the majority of fake content came from pro-Republican and pro-Trump accounts (particularly in the month before the election), a "smaller but still substantial" amount of fake news also came from liberal or Democratic-identified accounts as well. After the election, however, the prevalence of left-leaning fake content went down markedly in comparison to right-leaning fake content.

An Oxford University study released earlier this year found that Trump supporters were responsible for sharing 95 percent of Twitter's junk content. Another recent Knight Foundation survey found that major Internet companies aren't doing nearly enough to identify and stop the spread of fake news that appears on their platforms.

Twitter issued a statement disputing Knight's findings, claiming that the study was conducted using Twitter's public API, and therefore, "does not take into account any of the actions we take to remove automated or spammy content and accounts from being viewed by people on Twitter."

The Knight report, "Disinformation, Fake News and Influence Campaigns on Twitter," was produced by George Washington University and social media marketing and analytics firm Graphika.

GPG ADVISES STRIFE-TORN CAMEROON

Glover Park Group has a \$600K-plus contract to represent strife-torn Cameroon, advising its government on ties with the US and relevant institutions.

The one-year contract went into effect Sept. 1. Either party upon receipt of 30 days' notice may terminate the contract. If the termination occurs before Feb. 28, Cameroon's embassy will pay the WPP Group unit all monthly fees and expenses through Feb. 28.

The *New York Times* reported Oct. 6 that Cameroon, an ally with the US on the war on terror, is on the brink of civil war.

Paul Biya, 85, who has ruled the African state for 36 years, ran for re-election in the country's Oct. 7 vote. The *Washington Post* reported that an opposition leader has declared victory in the election and threatened chaos if he's not declared the winner.

Official results are due Oct. 22.

WAXMAN TACKLES OPIOID ADDICTION

Henry Waxman, who was a powerful Los Angeles Congressman, is working Washington for a Pennsylvania drug company that is positioning itself as the leader in opioid addiction treatment.

Braeburn Inc.'s new drug application for CAM2038 weekly and monthly buprenorphine formulations is under review by the Food and Drug Administration.

Democrat Waxman, who was involved in healthcare, environmental and technology issues, left Congress in 2015 after a 40-year career that was capped by chairing the Energy and Commerce Committee and Committee on Oversight and Government Reform.

Jeremy Sharp, who was deputy commissioner for policy planning, legislation and analysis at the FDA and counselor for science and public health for Secretaries Kathleen Sebelius and Sylvia Burwell, joins Waxman on the push for Braeburn.



Henry Waxman

ALLISON+PARTNERS OPENS KOREA OFFICE

Global communications firm Allison+Partners has expanded its footprint in Asia with the addition of a new office in Seoul, Korea. The MDC Partners unit's Seoul outpost marks the agency's 11th office in the Asia-Pacific region. It comes as a result of a strategic partnership between three Seoul-based PR firms: tech agency M&K PR; healthcare agency MOS Communications; and SMC, which specializes in automotive, industrial and consumer goods as well as government relations.

M&K was formed two years ago when SMC merged with Seoul-based shop MIN Communications.

Those three agencies now converge to form Allison+Partners Korea, headed by the three agencies' leaders. M&K founder, CEO and managing director Mina Jeong joins A+P as managing director, technology and B2B. Moscomm's Jacklin Kim will serve as managing director, healthcare and life. Former SMC CEO Yong-Ro Yoon will serve as managing director, consumer and industry.

NURTURING COMMS' CREATIVE CULTURE

Perhaps unsurprisingly, clients are demanding greater levels of creativity from their PR agency every year. This goes hand-in-hand with a steady increase in clients' "receptiveness" to creative ideas to solve their problems.

There is both a demand and an appetite for "creative."



Jon Watson

In response to this, there's been a corresponding investment in creative talent in our industry. Many leading PR firms now have a creative director and have acquired advertising agencies to assimilate their creative departments into the integrated communications agency model.

Problem solved? Sadly not. The creative needle has hardly moved.

It raises two interesting questions: What is "creativity?" and whose job is it to spirit it up from nowhere?

To the question "What is creativity?" the glib answer is "It depends on who you ask." It's almost impossible to quantify (although an entire industry exists to try!). Whenever someone asks me this question, I reply, "generosity." Creativity should give you something; it should leave you richer in some way than before. It should provoke, reward, enrich, inform, inspire. And you should be ever so slightly altered having experienced it. It should create movement. Ideally, meaningful change.

And to the question, "whose job is it?" the solution doesn't stop at "the creative director."

Simply appointing someone as "creative" isn't enough to develop work that moves hearts and minds, that drives this meaningful change. It's certainly a good start, but it requires a cultural shift from within — across the entire organization. For creativity (in both ideas and our people) to thrive, we need to nurture an environment that allows it to grow. An individual can't do it in isolation.

Some organizations haven't fully grasped this. Perhaps this is why the exodus frequency of these new creative champions almost matches the number of triumphant arrivals.

First and foremost, we must recognize that all humans are hardwired to create while organizations are not. We must celebrate being human in all its imperfect glory and encourage people to be their authentic selves. We need time to think, to make mistakes, to learn and develop, to improve and perfect. That's how creative works. There's risk attached.

This is alien to historically risk-averse businesses. Failure is bad. Bad for reputation. Bad for business. But as one of the world's most successful engineers, Soichiro Honda, rightly highlights, success is 99 percent failure. If you don't allow yourself to fail, you'll always end up doing the same old tried-and-trusted tactics. Nobody will fire you for it. They won't thank you (they won't remember you either). Many agencies rate their own work "ordinary" and rarely rate it "inspirational." Ouch.

That's the tough one to get your arms around. But Honda was so right.

Second, we should focus on the creative experience that our entire team has in working at the agency, as well

as the experience that our clients have in being our partners. Creative thinking should be at the core of the business. All too often, it's bolted on at the end. And it shows.

If every aspect of your business has a creative beginning, it will stand a far higher chance of having a creative end. How you interact with your clients, how you generate insight, how you convert this to a strategy, how you interact with the other members of the organization. Do that, and the creative is a seamless extension of your solution — not a retro-fitted interpretation. By being committed to the highest quality of creative thinking, making it easy to do business with us, and making good use of people's time, we make it worth it for everyone.

This process highlights a final point. If the work isn't relevant, it simply won't work. It has no generosity to give. This is why insight is such a critical component to unlocking creativity. We observe critical biases and hypotheses to uncover deeper, unspoken truths about our stakeholders, the commercial and cultural landscapes, and the scientific foundations of medications and health conditions. And we have a variety of stakeholders to consider — from the media, to patients, caregivers, advocates, HCPs, payers and policymakers — all have different perspectives and priorities. True insight comes from curiosity and letting go of assumptions. It takes rigor to go deep and relentless questioning to unearth a meaningful insight that can lead to a transformative strategy that promotes and inspires great creative.

At Health Unlimited, our purpose is to create meaningful change in health, and we're committed to solving the world's most complex and challenging health issues. We apply these creative principles to solve client problems as we help them advance landmark developments in health and deliver results.

With words like "complex" and "challenging," the creative has to be up to the task. It has to be meaningful and it has to reward a person's involvement. That rarely happens straight out of the box. But that's okay. And Soichiro Honda would agree with us.

Jon Watson is global executive creative director of Health Unlimited, a global health consultancy and communications agency.

PRAYTELL NAMES SCHNEIDER CREATIVE HEAD

Praytell has hired Scott Schneider as chief creative officer. Schneider joins the Brooklyn shop from Ruder Finn, where he was chief digital officer. He has led design and content-driven programs for such clients and institutions as Subway, Bayer, Amgen, Michael J. Fox Foundation, Citi and more. He worked with Praytell founder Andy Pray at Ruder Finn prior to Pray founding Praytell in 2012.

At Praytell, Schneider will work with existing creative teams across design, copy, video production and integrated campaign development. The agency is recruiting across its five U.S. offices for a variety of roles, with plans to onboard more than a dozen new hires before the new year.



Scott Schneider

PR FIRMS BOOST BILLING RATES

PR firms, on average, increased their hourly billing rates last year from 2016, according to results from an annual survey conducted by PR merger and acquisition consultancy Gould+Partners.

Average billing rates for all account staff in 2017 — from the president/CEO down to the account coordinators — was \$206 per hour, compared to \$196 in 2016.

Rates for virtually every account function have gone up, but especially so among senior staff: CEOs and presidents charged \$376 per hour last year, versus \$355 in 2016; EVPs/SVPs charged \$346 per hour, compared to \$324; and VPs charged \$303 compared to \$273. The only outlier in this regard were account managers, who maintained a flat average rate of \$225 per hour.

Senior staff are billing more, but when it comes to account staff productivity — which is measured by billable time utilization — that number crept down in the past year for account teams' most senior staff members.

Presidents/CEOs billed out an average of only 32.6 percent of their theoretical yearly capacity of 1,700 hours (compared to 2016's 33 percent), and EVPs/SVPs billed out 53.5 percent (down from 2016's 54.7 percent), according to the survey.

On the other hand, productivity was actually up for staff on the bottom end of the hierarchy pyramid. VPs billed out 69.3 percent of their hours in 2017, compared to 67.3 percent in 2016. Account managers logged 78.8 percent, versus 2016's 76.4 percent. Account coordinators revealed productivity of 86.6 percent, compared to 2016's 81.1 percent. And account executives exhibited the highest productivity of all, billing out 87.4 percent last year, according to the survey.

Still, Gould told *O'Dwyer's* that 90 percent should be the minimum expected productivity rate for account staff not involved in management and new business.

Gould+Partners' "Billing Rates/Utilization Report" was based on responses from 35 selected "best of class" PR agencies based in the U.S. and Canada.

EX-SEC CHAIR TAKES BLOOMBERG POST

Mary Schapiro, former Securities and Exchange Commission chair, has joined Bloomberg LP as vice chair of global public policy.

She'll also be a special advisor to Michael Bloomberg, who is expected to run for the Democratic presidential nomination.



Mary Schapiro

Last week, Bloomberg re-registered his party affiliation as a Democrat. He's also spending \$100M to support Democratic candidates in the midterm elections.

As counselor to Bloomberg, Schapiro will provide advice on his Task Force on Climate-Related Financial Disclosures and Working Group on US RMB Trading and Clearing,

which supports internationalizing China's currency.

Schapiro, who also headed the Commodity Futures Trading Commission, served under four US presidents.

MCCLINTOCK REPLACES SCHWARTZ AT CBS

Dana McClintock, who launched the "Late Show with David Letterman" at CBS in 1993, will succeed the retiring Gil Schwarz as chief communications officer at the broadcaster. He will assume PR, media relations, corporate and internal communications duties when Schwarz exits Nov. 1.

At CBS, McClintock worked at CBS Sports as director of Olympic communications during the Nagano Games and then switched to the corporate side, becoming VP in 1999, senior VP in 2002 and executive VP in 2013.

McClintock reports to Joe Ianniello, who moved into the acting CEO spot with the decision of chief Les Moonves to step down following allegations of sexual misconduct. Dick Parsons, former Time Warner CEO and Citigroup chairman, assumed the acting chairman role of CBS on Sept. 25.

Parsons is an ally of National Amusements Inc's Shari Redstone, CBS vice chair and controlling stockholder who was involved in a legal struggle with Moonves.



Dana McClintock

MEDIA MANEUVERS

IBT Media, the former parent company of *Newsweek*, and faith-based online publisher Christian Media have been charged by the Manhattan district attorney's office of carrying out a scheme to defraud lenders out of millions of dollars. IBT Media owned *Newsweek* during the period of the alleged fraud; the company said last week it had completed a spinoff of *Newsweek* into a separate entity. Top executives from IBT Media and Christian Media are accused of creating phony financial statements and using them to secure approximately \$10 million in loans, which they said would go toward purchasing sophisticated computing services. Instead, the money was laundered through corporate bank accounts and went toward supporting business operations at the media organization, prosecutors alleged.

Redbook will cease print production, becoming a digital-only brand as of January 2019. Redbook's shift toward digital comes as Hearst Magazines president Troy Young continues his campaign of "cross-platform brand alignment." Redbook is the third of the so-called Seven Sisters magazines to cease regular publication. *McCall's* shut down in 2002 and *Ladies' Home Journal* stopped monthly publication in 2014.

AT&T plans to join Disney, as well as Netflix and Amazon Prime, in the streaming service game. WarnerMedia, which was part of the \$85.4 billion deal that AT&T struck in June for Time Warner, is preparing to launch a digital video service that would include content from WarnerMedia subsidiary HBO, plus some Warner Bros. films and programming from the company's TV library. HBO Now, which streams live and on-demand HBO programming, will serve as the basis for the new service. As of February, HBO Now had over five million subscribers, according to market research company Statista.

COMMENTARY

DOES PUBLICIS WANT TO REP SAUDI ARABIA?

The global community has blasted Saudi Arabia for its apparent role in the barbaric death of a well-known dissident.

Despite notoriety gained as a *Washington Post* columnist, Jamal Khashoggi was tortured, murdered and dismembered by Saudi agents in the Kingdom's Istanbul consulate, where he visited to obtain documents needed for marriage.

The episode put to rest any notion that a generation of new leadership, in the form of a personable 33-year-old Crown Prince, is eager to reform the Kingdom's medieval ways and staunch opposition to freedom of expression.

Do PR firms want to be associated with such a vile client as Saudi Arabia? Specifically, does Publicis Groupe, owner of Saudi Arabia's go-to PR firm, want to continue to be on the Kingdom's payroll.

The Harbour Group and Gladstone Place Partners have set examples for Publicis, parting ways with the Kingdom following the death of Khashoggi.

Harbour dropped its \$80K a-month contract to handle outreach strategies dealing with the US-Saudi relationship, including foreign policy matters, economic and trade cooperation and security issues.

Gladstone resigned its \$200K Public Investment Fund of Saudi Arabia account to promote the construction of a \$500B mega-city, Neom, designed to diversify the Kingdom's economic base and cut independences on energy revenues.

Saudi Arabia has denied any involvement in Khashoggi's disappearance.

The Kingdom is receiving pushback from corporate titans such as Virgin's Richard Branson and JPMorgan Chase's Jamie Dimon.

Branson has dropped discussions with Saudi Arabia concerning a \$1B investment in his space companies—Virgin Galactic, The Spaceship Co. and Virgin Orbit—following the probable murder of Khashoggi.

“What has reportedly happened in Turkey around the disappearance of journalist Jamal Khashoggi, if proved true, would clearly change the ability of any of us in the West to do business with the Saudi government,” said Branson in a statement.

A more bitter blow to Saudi prestige: Branson is suspending his directorship on two Saudi tourism projects on the Red Sea, which are part of its much vaunted “Vision 2030” development scheme.

Turkey's government told the US that it has audio and video recordings that show Khashoggi was tortured, murdered and his body dismembered, after he walked into Saudi Arabia's Istanbul consulate to obtain documents needed for his wedding.

A video showing him walking into the consulate has

shot around the world. There's no video showing Khashoggi leaving the consulate.

Is it good PR for French communications combine Publicis, a publicly traded company, to be connected to a barbarous client with scant tolerance for dissent and freedom of the press?

Is that the mark that Publicis CEO Arthur Sadoun, who assumed the CEO slot in June 2017, wants to put on the company?

He doesn't have to defend the acquisition of Qorvis. Maurice Levy, Sadoun's predecessor, pulled the trigger on that deal in 2014.

In the immediate aftermath of 9/11, Saudi Arabia hired Qorvis following news that 15 of the 19 hijackers were Saudi citizens.

The Washington-based firm, which was founded in 2000 by Shandwick Public Affairs chief Michael Petruzzello, had taken over the PR duties of Burson-Marsteller.

Saudi Arabia quickly became Qorvis' meal ticket, spending staggering sums for campaigns to persuade US decision-makers that the Saudis were America's ally in the war on terrorism.

E.g., *O'Dwyer's Washington Report* reported Dec. 27, 2002 that Saudi Arabia spent \$14.6M at Qorvis during the six-month period ended Sept. 30 to “increase the awareness in the U.S. of the Kingdom's commitment to the war against terrorism and to peace in the Middle East.”

The Kingdom no longer spends such lofty sums at Qorvis, though the PR shop remains a big part of its image machine.

Qorvis, for instance, squired Crown Prince Salman on his charm tour of the US. The firm engaged with Lockheed Martin, US Chamber of Commerce, Bloomberg, Amazon, General Motors and KKR Global Institute during that trip, according to Justice Dept. reports.

The Crown Prince is reportedly the guy who ordered the hit on Khashoggi. Does he sound like a guy who is going to accept and act upon PR recommendations? Not a chance.

Publicis has every right to represent any client that it wants.

I've long believed that even the most reprehensible client deserves the right to communicate. It's the only way to promote understanding and positive change.

It must be tough though fronting a client, who views torture, murder and dismemberment as acceptable ways to deal with political opponents in 2018.

Sadoun has a big decision to make.

—Kevin McCauley



Jamal Khashoggi