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POWERS BEHIND THE THRONE

by Laura Miller

A handful of sibling companies with close ties to the Republican Party and roots in the tobacco industry are at the top of heavy-hitting corporate and political campaign strategists. Four limited liability corporations are at the nexus of millions of dollars of influence-buying money:

- The DCI Group, a Washington, D.C.-based lobbying and PR shop that specializes in creating quasi-grassroots organizations and publishes "Tech Central Station," a website "where free markets meet technology";
- Feather Larson Synhorst-DCI, a telemarketing and political consulting firm with offices in Washington, St. Paul and Phoenix;
- FYI Messaging, a political direct mail company based in Phoenix; and
- TSE Enterprises, a Phoenix-based internet PR company that creates and host websites and does electronic direct mail.

The companies have overlapping clients and are most visibly linked to each other by Thomas Synhorst, a founding member of each. They took in \$20 million for their work to help elect George W. Bush in 2004, and they count AT&T, Microsoft, and the giant trade association Pharmaceutical Research and Manufacturers of America (PhRMA) as clients.

The DCI Group calls itself a "strategic public affairs consulting firm" and boasts that it handles corporate issues like political campaigns. "We are a political firm and all of our partners have political campaign expe-

FLACK ATTACK

With the end of the 2004 election cycle, political strategists, pollsters and campaigners will have earned themselves some vacation time. Then they'll go right back to work, offering their services and connections to private sector clients. In this issue of *PR Watch*, we look at two firms that exemplify this kind of influence. Diane Farsetta profiles Michael Whouley and his Dewey Square Group, a Democratic lobby/PR shop. Laura Miller examines Tom Synhorst and his Republican-affiliated firms, including the DCI Group and Feather Larson Synhorst-DCI.

Whouley and Synhorst may have battled against each other during the election cycle, but when it comes to lobbying, they are comrades in arms. As the *Washington Post's* Jeffery H. Birnbaum observes, Dewey

Square and FLS-DCI "have worked in tandem for such diverse clients as General Motors Corp., the American Insurance Association, AT&T Corp., Blue Cross-Blue Shield Association and Microsoft Corp." Birnbaum explains that the two firms' "forays into electoral politics clearly help them lure corporate clients."

Also in this issue, Sheldon Rampton interviews Eric Dezenhall, the head of an aggressive "crisis management" firm and the author of several books that satirize the public relations industry. And Bob Burton looks the tobacco industry's spin campaign to minimize media coverage of the current Justice Department \$280 billion racketeering case against the industry. If you haven't read much about it, Bob's article helps explain why.

rience. We thrive in competitive circumstances, and are used to fluid situations and tight deadlines,” their website claims. DCI Group offers services that include national, state and local lobbying; coalition building; and generating “grasstops” and constituent support for issues. The firm has been linked to several industry-funded coalitions that pose as grassroots organizations. Perhaps it comes as no surprise as DCI advertises its ability to provide “third party support” to clients. “Corporations seldom win alone,” the group’s website says. “Whatever the issue, whatever the target—elected officials, regulators or public opinion—you need reliable third party allies to advocate your cause. We can help you recruit credible coalition partners and engage them for maximum impact. It’s what we do best.”

The use of third-party front groups is common in the business of swaying public opinion. Traditionally, however, strategic influencers view the news media as the channel through which their message flows from the front group to the target audience. DCI and its affiliates offer “direct contact” that bypasses the media entirely. The client’s message is directly delivered via phone banks, regular mail and/or the internet. Direct contact provides the campaigners with complete control over the message. Freed from the filters created by news outlets, they can be as biased and inflammatory as the message shaper deems necessary.

“We play to win,” proclaims FLSphones.com, the website of Feather Larson Synhorst-DCI. In addition to phone banks, the firm offers a “letter desk” service, explained as follows: “Personal letters from constituents are proving to be increasingly effective in swaying legislators’ opinions on hot issues. FLS can economically generate hundreds or thousands of letters on your behalf—all unique, but conveying your desired message. Each letter is personalized, individually signed and often includes a handwritten postscript from the constituent.”

FLS also offers “patch-through” calling, in which people reached via phone bank are immediately patched through to their legislators, thus generating a stream of constituent phone calls that echo the client’s message: “FLS has worked to design scripting and call systems that generate high-quality patch-through calls,” the website boasts. “Constituents are connected directly to their legislators, and in some cases are giving individual talking points to help convey your message to their elected official in a personal way.” Other services offered include automated phone calling using pre-recorded messages; inbound phone services, meaning the company provides staff to answer incoming calls to toll-free numbers; and information collection services, including emails.

FLS-DCI co-founder Tony Feather, who served as a political director of George W. Bush’s 2000 campaign, is also responsible for the creation of Progress for America, a soft-money group that raised and spent \$28.8 million to support Bush in 2004. FLS-DCI’s website prominently features a quote from top Bush advisor Karl Rove, himself a direct mail expert. “I know these guys well,” Rove states. “They become partners with the campaigns they work with. From designing the program to drafting scripts; from selecting targets to making the calls in a professional, successful way they work as hard to win your races as you do.”

SMOKING OUT DCI’S PAST

What the DCI Group “does best”—creating “credible coalition partners”—is a skill that the group’s managing partners—Tom Synhorst, Doug Goodyear, and Tim Hyde—developed during nearly a decade of work in the 1990s for R.J. Reynolds Tobacco Company.

DCI chair Thomas J. Synhorst got his start working in the 1980s as an aide for Senator Charles Grassley (R-Iowa). In 1988 Synhorst ran Bob Dole’s presidential primary campaign in Iowa, winning the state’s early caucus over George H.W. Bush. He later worked on Dole’s 1996 presidential bid, having by then set up the political consulting and telemarketing firm, Direct Connect, Inc. Simultaneously, Synhorst also worked as a Midwestern field representative for R.J. Reynolds. Some of details of his work in that capacity can be found through internet searches of RJR’s internal documents that were publicly released as part of the states attorneys general lawsuit against the tobacco industry. As early as 1990, Synhorst’s name turns up in a letter from RJR field operations manager Mark Smith. The letter outlines the tobacco company’s strategy for undermining a workplace smoking ban at a Boeing plant in Wichita, Kansas. Synhorst was one of the RJR field coordinators suggested to meet with a Boeing employee who opposed the anti-smoking policy.

The work of a field coordinator for RJR included keeping track of state and local smoking bans and cigarette tax initiatives; monitoring workplace smoking bans; meeting with company sales representatives; developing and supporting “smoker’s rights” groups, including setting up meetings, circulating petitions, and providing materials; contacting school districts concerning RJR’s youth program; placing people in public meetings and meetings with legislators to support the tobacco industry’s position; getting letters to the editor printed in local and regional newspapers; and creating alliances with organizations with similar concerns, such as anti-tax groups.

In one internal memo, field representatives were instructed: "Xerox like crazy. When a favorable letter to the editor is printed, getting people to copy the letters and send them to their elected officials with a note saying (essentially) 'This is what I think, too,' is key. [Letters to the editor] now become a two-step process: Step One is getting them published. Step Two is circulating them as widely as possible."

The DCI Group's CEO, Douglas M. Goodyear, used to work on behalf of R.J. Reynolds. Before joining the DCI group, he was a vice president at Walt Klein and Associates, a PR firm whose work for RJR dates back to at least the 1980s. In 1993, Goodyear was instrumental in the creation of Ramhurst Corporation, an organization that received money from R.J. Reynolds to ensure that tobacco industry efforts in Washington were supported by and coordinated with RJR's nation-wide fake grassroots operations. According to internal RJR documents, in 1994 Ramhurst received \$2.6 million for "executing tactical programs on federal, state or local issues; developing a network of smokers' rights groups and other coalition partners within the region that will speak out on issues important to the Company; implementing training and communication programs designed to inform activists and maintain their ongoing involvement in the grassroots movement." Synhorst was one of Ramhurst's field operators.

Timothy N. Hyde, another DCI employee, was the senior director of public issues at R.J. Reynolds from 1988 to 1997. Hyde oversaw all of RJR's PR campaigns.

His weekly reports, also available in the R.J. Reynolds online archive, provide a running history of the discussion of tobacco in the public sphere and the industry's efforts to shape that discussion.

With Goodyear's expertise at coordinating astroturf activities in all 50 states, Synhorst's on-the-ground field experience combined with his telemarketing work, and Hyde's years of corporate work, the DCI Group offers clients a vast body of experience and contacts. The tobacco industry's efforts in the 1990s to fight regulations, taxes and lawsuits created a money-soaked training ground where dozens of political operatives and strategists learned their craft. Since most of the anti-tobacco efforts were led by Democrats, tobacco industry money began flowing primarily into Republican coffers, further strengthening ties between GOP political advisors and the underworld of fake grassroots campaigning.

All these factors have made the DCI Group and its sibling companies a natural choice to help top U.S. companies such as Microsoft and highly-regulated sectors such as the pharmaceutical industry as they, too, have sought to fend off regulators, consumer advocates, and trial lawyers.

MACRO MONEY FROM MICROSOFT

Microsoft's decision to hire DCI came as the company faced an antitrust lawsuit from the U.S. Justice Department in the 1990s. By 2000, Microsoft was spending millions of dollars on contributions to Republican and Democratic campaign war chest, think tanks, and ostensibly independent trade associations as well as

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Email: editor@prwatch.org

Web site: <http://www.prwatch.org/>

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CMD Executive Director: John Stauber

Research Director: Sheldon Rampton

PR Watch Editor: Laura Miller

Senior Researcher: Diane Farsetta

Administrative Assistant: Kristian Knutsen

Disinfopedia Editor: Bob Burton

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on payments to high-powered lobbyists, public relations, and political operatives. Hoping to sway public opinion and the opinion of state and federal officials, the software giant built up a wide network of supporters, with its sponsorship of those groups mostly invisible to the public.

“Microsoft has contributed to established research groups with free-market orientations, including the National Taxpayers Union, Americans for Tax Reform and the Cato Institute, which have produced studies and newspaper opinion pieces supportive of the company’s legal position,” the *New York Times* reported in June 2000. “But Microsoft has also created new trade groups, the Association for Competitive Technology (ACT) and Americans for Technology Leadership (ATL), to generate support for the company through Web sites and a sophisticated and largely hidden grassroots lobbying campaign.”

ACT and ATL remain closely affiliated today. ATL claims to be a “broad-based coalition of technology professionals, consumers and organizations dedicated to limiting government regulation of technology and fostering competitive market solutions to public policy issues affecting the technology industry.” In reality, however, it is mostly a shell for Microsoft. Four out of ten of ATL’s other “founding members”—Association for Competitive Technology, Citizens Against Government Waste, 60Plus Association, and Small Business Survival Committee—are themselves industry-funded organizations that consistently take their sponsors’ positions. Other founders include CompTIA, a computer trade association; and the big box stores CompUSA and Staples. These natural allies served as useful window dressing for an organization whose main issue was defending Microsoft against antitrust action.

Joshua Micah Marshall described the ties among ACT, ATL, DCI and Microsoft in the July 17, 2000 *American Prospect*. He noted that “while Microsoft did confirm that Synhorst’s DCI had been retained as a consultant, it insisted that another DCI employee, Tim Hyde, and not Synhorst, was handling the company’s account. In any event, the web of connections among DCI, ATL, and Microsoft is striking. While working for Microsoft, DCI has also provided consulting services to ATL.” Josh Mathis, who was installed by ACT president Jonathan Zuck as ATL’s executive director, “is also an employee of DCI, who still works out of the same Washington, D.C., office as Synhorst and Hyde.”

ATL’s domain name, techleadership.org, is registered to ACT. The site itself is hosted by Synhorst and Tom Stock’s LLC, TSE Enterprises. TSE and Stock’s other

company Network Processing Services, LLC (which owns TSE’s domain name) are connected to the websites of several industry-backed grassroots groups that advocate positions favorable to DCI clients. TSE’s website describes its work as “engineering web sites and portals, interactive multi-media, and electronic direct marketing campaign for public relations, public affairs, and political groups nationwide.”

I GET LETTERS FROM DEAD PEOPLE

In August 2001 the *Los Angeles Times* reported that ATL was behind a “carefully orchestrated nationwide campaign to create the impression of a surging grassroots movement” behind Microsoft. “The campaign, orchestrated by a group partly funded by Microsoft, goes to great lengths so that the letters appear to be spontaneous expressions from ordinary citizens. Letters sent in the last month are printed on personalized stationery using different wording, color and typefaces—details that distinguish those efforts from common lobbying tactics that go on in politics every day.” Although FLS-DCI has not publicly claimed responsibility for generating the letters, they are consistent with the company’s own description of the word produced by its “letter desk” service: “all unique, but conveying your desired message.”

According to the *Times*, the campaign was discovered when Utah’s Attorney General at the time, Mark Shurtleff, received letters “purportedly written by at least two dead people . . . imploring him to go easy on Microsoft Corp. for its conduct as a monopoly. The pleas, along with about 400 others from Utah citizens,” included at least one from the nonexistent city of Tucson, Utah.

Even living residents of real cities who wrote letters supporting Microsoft later complained that they had been snookered. Some who were called “believed the states themselves were soliciting their views, according to the attorneys general of Minnesota, Illinois and Utah. When a caller started asking Minnesotan Nancy Brown questions about Microsoft, she thought she was going to get help figuring out what was wrong with her computer,” according to the *Los Angeles Times*. Another Minnesota resident contacted the state’s attorney general to tell him, “I sure was misled.”

Eighteen states’ attorneys general were joining with the Justice Department in its anti-trust suit against Microsoft. Iowa’s Attorney General Tom Miller reported receiving more than 50 letters in support of Microsoft during the summer of 2001. “No two letters are identical, but the giveaway lies in the phrasing,” the *Times* wrote. “Four Iowa letters included this sentence: ‘Strong competition and innovation have been the twin hallmarks of the technology industry.’ Three others use exactly

these words: 'If the future is going to be as successful as the recent past, the technology sector must remain free from excess regulation.'

The *Times* credited a DCI affiliate, DCI/New Media, with assisting Microsoft's "grass-roots" campaign, in concert with the Dewey Square Group, a public affairs firm with close ties to the Democratic Party (see "Dewey Square Gets Around" on page 9).

Another "coalition" with DCI's fingerprints is Voices for Choices, which appears to front primarily for AT&T. TSE hosts the Voice for Choices website, and AT&T has been a client of DCI Group. In the spring of 2004, VFC ran a campaign seeking to persuade the Federal Communications Commission and the Bush Administration to appeal a court decision that threw out price caps on rental prices for local telephone lines. While the Baby Bells, who own the local phone lines, applauded the decision, AT&T and MCI/WorldCom were threatened with being priced out of providing local phone services.

Voices for Choices ran ads in *Roll Call* and other inside-the-beltway publications that hinted at a Bush defeat in November if the administration and FCC did not support an appeal. The White House was not amused with the veiled threat, and Voices for Choices pulled the ads. *The Progressive Magazine* ran another VFC ad in April 2004, which portrayed the organization as a consumer interest group and asked, "Whose Side Are You On? 68,000,000 Americans who now benefit from phone competition.—or—4 Giant phone companies that would benefit by killing competition."

JOURNO-LOBBYISTS

AT&T and Microsoft have found some of their most consistent and enthusiastic support in articles posted on TechCentralStation.com, a quasi-news site that features free-market opinion and analysis pieces. Founded in 2000, Tech Central Station (TCS) is "hosted" by conservative financial columnist James K. Glassman. Shortly before the collapse of the 1990s dot-com bubble, Glassman authored a remarkably nonprophetic work titled *Dow 36,000: The New Strategy for Profiting From the Coming Rise in the Stock Market*. He is also a resident fellow at the American Enterprise Institute, a think tank funded by corporations and conservative foundations such as the Lynde and Harry Bradley Foundation, the John M. Olin Foundation and the Scaife family foundations. Until recently he was a columnist for the *Washington Post*, which finally ended the relationship after concluding that Glassman's numerous other entanglements conflicted with his role as a journalist purporting to offer expert financial analysis.

Tech Central Station is a good example of a few of those conflicts of interest, some of which are better disclosed than others. The website openly credits sponsors such as AT&T, Microsoft, ExxonMobil, General Motors, Intel, McDonalds, NASDAQ, National Semiconductor, Qualcomm and PhRMA, but until recently it was reluctant to acknowledge the identity of its real publisher—the DCI Group.

TCS did not publicly disclose its relationship to DCI until it was uncovered by *Washington Monthly* editor Nicholas Confessore, who wrote about it in December 2003. "After I requested comment, the Web site was changed," Confessore wrote. "Where it formerly stated that 'Tech Central Station is published by Tech Central Station, L.L.C.,' it now reads 'Tech Central Station is published by DCI Group, L.L.C.'"

The two organizations, Confessore explained, "share most of the same owners, some staff, and even the same suite of offices in downtown Washington, a block off K Street. As it happens, many of DCI's clients are also 'sponsors' of the site it houses. TCS not only runs the sponsors' banner ads; its contributors aggressively defend those firms' policy positions, on TCS and elsewhere.

"James Glassman and TCS have given birth to something quite new in Washington: journo-lobbying," Confessore continued. "It's an innovation driven primarily by the influence industry. Lobbying firms that once specialized in gaining person-to-person access to key decision-makers have branched out. The new game is to dominate the entire intellectual environment in which officials make policy decisions, which means funding everything from think tanks to issue ads to phony grass-roots pressure groups. But the institution that most affects the intellectual atmosphere in Washington, the media, has also proven the hardest for K Street to influence—until now."

WHAT THE BURMESE JUNTA AND THE DRUG INDUSTRY HAVE IN COMMON

DCI seems willing to work with some of the most controversial clients in the world. In 2002, it received \$340,000 for eight months of work for the Union of Myanmar (Burma) State Peace & Development Council. The *Washington Post's* Al Kamen wrote, "DCI's filings with the Justice Department offer an unusual glimpse into the efforts by the Rangoon junta. DCI lobbyists, featuring Charles Francis, a longtime family friend of the Bushes, ran a sophisticated campaign to improve the regime's image—and steer the conversation away from its rampant human rights abuses and such."

Francis "even set up two meetings with White House National Security Council Southeast Asia director Karen

B. Brooks,” Kamen continued, “—an unusual feat given that Burma is under U.S. sanctions and its top officials are barred from coming here—to tout Burma’s cooperation on anti-drug, HIV/AIDs and anti-terrorism efforts and in finding the remains of U.S. soldiers from World War II.” After lobbying congressional officials, the Defense Department, and well connected think tanks, the “campaign was on the verge of success—the State Department was about to certify the regime—but the administration backed off amid pressure from the Hill, human rights groups and the media.”

A more recent example of DCI’s work is a campaign to generate positive press for the contentious Medicare act of 2003. The main force behind the Medicare act was the Pharmaceutical Research and Manufacturers of America (PhRMA), one of the country’s largest and most influential trade associations. PhRMA spent millions of dollars and used dozens of lobbyists including the DCI Group to get the act passed. Even so, the law was so controversial even among Republican legislators that it barely won approval, even after the party’s lead-

ership violated normal voting procedures to push it through. Following its passage, *The Hill* reported in September 2004 that DCI was “offering healthcare consultants \$3,750 plus expenses over six weeks to generate positive news stories about the drug card and offer support to Congress for voting for the Medicare drug law.”

According to an email written by the the DCI Group’s Starlee Rhoades, the publicity campaign ran from September 15 to October 31. The client behind the campaign, Rhoades wrote, was “RetireSafe, which has sponsored the hiring of healthcare consultants.” Retire-Safe is a project of the Council for Government Reform, a corporate-backed group that advocates privatization of Social Security and other government services. DCI, asked seniors, their families and healthcare workers “to send letters to their congressman and senators thanking them for supporting the Medicare benefit, or asking for that support in the future. We have help available to write letters if the signer is not comfortable drafting the letter entirely on their own.” ■

INTRODUCING SPINWATCH!

PR Watch is happy to announce a new partner in the campaign against the manipulations of the PR industry. SpinWatch, a new public interest group, was launched at an international conference, “Spin and Corporate Power,” which took place at Strathclyde University in Glasgow, Scotland, November 18-19.

SpinWatch’s founders represent some of the most skilled investigators of corporate and government propaganda and influence in Europe. They are:

- David Miller, professor of sociology at Strathclyde University and editor of *Tell Me Lies: How the Media Mis-reported and Distorted the Attack on Iraq*;
- Andy Rowell, a British journalist and author of *Green Backlash: Global Subversion of the Environment Movement* and *Don’t Worry, It’s Safe to Eat*;
- Eveline Lubbers, an independent researcher and writer based in Amsterdam and editor of *Battling Big Business: Countering Greenwash, Infiltration, and other Forms of Corporate Bullying*;
- William Dinan, a research fellow at the Centre for Risk and Governance at Glasgow Caledonian University and co-author with Philip Schlesinger and David Miller of *Open Scotland? Journalists, Spin Doctors and Lobbyists*; and



***PR Watch* Editor Laura Miller speaks at the “Spin and Corporate Power” conference in Glasgow.**

- Jonathan Matthews, founder of the UK-based Lobbywatch and GM Watch.

The “Spin and Corporate Power” conference featured speakers from SpinWatch, Platform, Corporate Europe Observatory, Corporate Watch, and PR Watch, as well as leading public-interest activists and academic researchers, discussing the problem of corporate spin and strategies for countering it.

For more information on SpinWatch, please visit <<http://www.SpinWatch.org>>.

PROGRESS FOR THE POWERFUL

by Laura Miller

As the McCain-Feingold Campaign Finance Reform bill began working its way toward its eventual passage in Congress in 2002, long-time Republican strategists were already scheming how to get around the law's ban on soft-money contributions. They found an answer in Progress for America (PFA).

PFA was registered as a 501(c)4 group in February 2001 by Tony Feather, a political director of the Bush-Cheney 2000 campaign and partner at DCI Group as well as at the affiliated telemarketing and fundraising firm of Feather Larson Synhorst-DCI (FLS-DCI).

Feather set up PFA as a "grassroots organization that mobilizes the public to contact their members of Congress about pending legislation and to write local newspapers to publicize the White House's agenda," the Center for Public Integrity wrote in 2002. During the first part of the George W. Bush administration, it led campaigns to support tax cuts, conservative judicial appointments and energy legislation.

Feather told the *Washington Post* in 2002 that PFA was simply a vehicle for building grassroots support for Bush administration policies. "Many other Republicans, however, describe it as the first organization designed to capture some of the soft money that the political parties will be barred from accepting after November 6," wrote the *Post*'s Thomas B. Edsall.

In 2001, Democrats in Montana criticized PFA for running an astroturf campaign in support of energy deregulation. An Associated Press story reported how the campaign worked: "A pollster calls you and asks questions about energy issues. Then he asks if he can write a letter summarizing the conversation and mail it to you. A few days later, an envelope arrives containing a letter addressed to Sen. Conrad Burns, R-Mont., on personalized stationery and prepared for your signature. The letter tells Burns you want no price controls and even fewer restrictions placed on electric power companies. You might agree with that, or you might not. . . . No two letters are identical, so there is no immediate indication of a letter campaign orchestrated by distant political operatives. It looks like a grassroots response, but it isn't." When asked in an interview, Tony Feather refused to say who was paying for the letter-writing campaign.

Several high-level Bush supporters and advisors have been associated with Progress for America. Ken Adelman, who would go on to become the Bush-Cheney '04 campaign director, spoke to the *Washington Post* in 2002 and identified himself as the group's chairman. However, Adelman claimed he "knows neither the organization's budget nor its sources of financial support." The address that Adelman provided to the *Post* for PFA's offices

turned out to be in the "high-rent Lafayette Center complex in downtown Washington"—the same building where the offices of FLS-DCI are located.

After the Federal Election Commission decided in May 2004 to postpone regulating so-called 527 groups (named after the section of the tax code under which they are organized), PFA spun off a 527 committee called the Progress for America Voter Fund (PFAVF) that ended up pouring \$28.8 million into supporting Bush in 2004.

In late 2003, Feather stepped away from PFA, thus complying with the letter of the law forbidding 527 organizations from coordinating their activities with election campaigns. His firm, FLS-DCI, went on to do campaign work for Bush, receiving \$12.8 million from the Republican National Committee and \$3.6 million from Bush-Cheney '04. Management of PFA was handed over to Chris LaCivita, an employee of FLS-DCI's sibling company DCI Group. LaCivita took over as PFA's executive director while another DCI employee, Brian McCabe, became president of the Progress for America Voter Fund.

Charles Lewis of the Center for Public Integrity pointed out in March 2004 that election law specialist Ben Ginsberg, then counsel for PFA and a partner at the law and lobbying firm Patton Boggs, was "also the chief outside counsel to the Bush campaign." During the fall of 2003, reported Peter Stone of the *National Journal*, Ginsberg talked "across the country to prominent fundraisers," asking them to serve on PFA's advisory board and to rope in large soft-money contributions. In August 2004, Ginsberg chose to resign from the Bush campaign after it was revealed that he had provided counsel to another GOP-friendly 527 group—Swift Boat Veterans for Truth.

Progress for America and its Voter Fund reveal only as much as legally required about their leadership and membership. The group's directors, advisors and chairs are not listed on their websites. But the *Washington Post* has identified a few of the groups' principal figures. In addition to FLS-DCI's Tom Synhorst, who is reported to have served as a key strategic adviser to PFA, other figures include James C. Cicconi, AT&T General Counsel; C. Boyden Gray, a prominent figure in many conservative groups, including Citizens for a Sound Economy (now called Freedom Works); and Marilyn Ware, chairman of American Water in Pennsylvania and a Bush Pioneer (meaning that she personally raised at least \$100,000 for his campaign).

DEMOCRATIC 527s

Progress for America was by no means the only group that funneled soft money into the 2004 presidential elec-

tion. Democratic 527 groups actually took off much earlier than Republican groups, due to Republican concerns about Federal Election Commission action against 527s. PFA was only the fourth largest 527 group for the 2004 election cycle, raising \$37.9 million. The largest group was the Democratic Joint Victory Campaign 2004, which brought in \$65.5 million from donors including George Soros, Peter Lewis of the Progressive Corporation, and Stephen Bing of Shangri-La Entertainment.

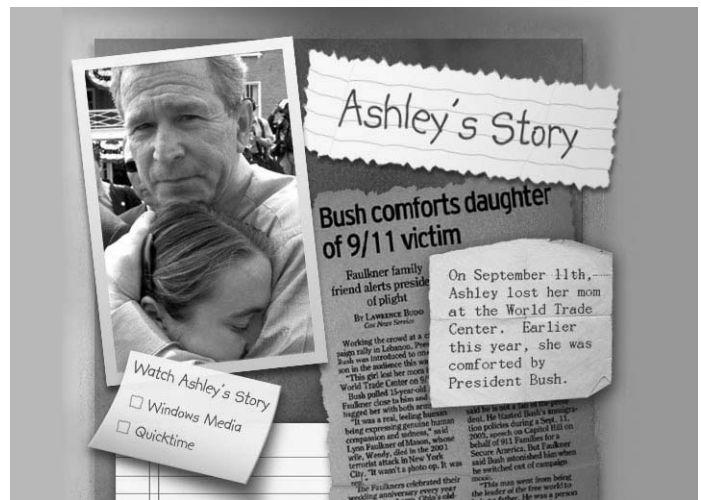
During the 2004 Democratic primary, in fact, Democratic political strategists used 527 groups to target Howard Dean within their own party. Americans for Jobs and Healthcare, a group that raised funds primarily from Gephardt and Kerry supporters, began running commercials in November 2003 that “ripped Dean over his positions or past record on gun rights, trade and Medicare growth. But the most inflammatory ad used the visual image of Osama bin Laden as a way to raise questions about Dean’s foreign policy credibility,” CPI’s Charles Lewis wrote in March 2004. At the time of the ads, Dean had been the frontrunner for the Democratic nomination, but the attack helped erode his support. The source of the money behind Americans for Jobs and Healthcare was not revealed until after Dean’s defeat in the January 2004 Iowa Caucus put an end to his presidential hopes.

“All of this underscores the profoundly disturbing state of our politics today,” wrote Charles Lewis. “Storefront political hit squads can be created overnight, as easily as Internet investment scams, with candidates and the public victimized with nowhere to turn. Political operatives continue to effectively and virtually anonymously influence electoral outcomes.” Lewis was writing about Americans for Jobs, but the same can be said for the way some Republican 527 groups operated after the May 2004 FEC ruling.

ASHLEY AND FRIENDS

In the last three weeks leading up to the November 2 election, PFAVF outspent the next largest spending Democratic 527 group three-to-one on political ads. It bought \$16.8 million worth of television and radio ad time. According to Federal Election Commission data, Swift Boat Vets/POW’s for Truth came in second with \$6.3 million in ad spending. In third place was Democrat Harold Ickes’ Media Fund, which spent \$5 million.

PFA produced two “harshly anti-Kerry ads that have become the subjects of controversy and debate, especially in the battleground states of Wisconsin and Iowa where they are running frequently,” the *Washington Post*’s Thomas Edsall wrote. Both ads closely resembled Bush-Cheney campaign ads—in one case the ads showed



Bush hugs the daughter of a 9-11 victim on the home page for www.ashleysstory.com.

Kerry tacking windsurfing and alleging flip-flopping on issues. In another case, the ads showed pictures of terrorist leaders, while the announcer declared, “These people want to kill us. ... Would you trust Kerry against these fanatic killers? President Bush didn’t start this war, but he will finish it.” The Bush ad concluded: “How can John Kerry protect us, when he doesn’t even know where he stands?”

“The largest single ad buy of the campaign comes from conservative Progress for America,” *Time* Magazine reported. “It shows Bush comforting 16-year-old Ashley Faulkner, whose mother died on 9/11. As it happens, the spot was made by Larry McCarthy, who produced the infamous Willie Horton ad that helped the first President Bush bury Michael Dukakis under charges that he was soft on crime. If that is the iconic attack ad, this is the ultimate embrace—to remind voters of the protectiveness they cherished in the President after Sept. 11. The ad has been ready since July, but sponsors waited until the end to unveil it.”

PFAVF spent \$14.2 million on ad time for “Ashley’s Story,” which ran on cable stations and in nine key states. According to *USA Today*, the ad was supported by a Web site, www.ashleysstory.com, as well as “e-mails, automated phone calls and 2.3 million brochures” mailed to voters.

A breakdown of PFAVF’s spending shows that the vast majority of its money went to ad buys. Mentzer Media Services, Inc. received \$23.2 million from the group for ad buys. But the second and third top recipients of PFAVF money were companies affiliated with Tom Synhorst. FYI Messaging got \$1.55 million for direct mail services, and TSE Enterprises (which hosts all these organizations’ websites as well as ashleysstory.com), got \$907,955 for web services. Another top recipient of PFAVF money was DCI Group, LLC, which got \$156,725 for consulting. ■

DEWEY SQUARE GETS AROUND

by Diane Farsetta

U.S. presidential races bring Michael J. Whouley new contacts—and new nicknames.

During the 2000 presidential primary, the *National Journal* reported that Whouley won the nickname “Brain” for his key role in “righting a foundering Gore ship before the Iowa caucuses and the New Hampshire primary.” Four years later, he was the senior political strategist behind Senator John F. Kerry’s Iowa caucus victory, prompting Kerry to dub him “the magical Michael Whouley.” The *Boston Herald* described Whouley as “one of Kerry’s closest aides.” His relationship with Kerry dates back to 1982, when Whouley worked on Kerry’s campaign for Massachusetts Lieutenant Governor. He also helped with Kerry’s first U.S. Senate run, two years later.

Other Whouley presidential campaigns include former Massachusetts Governor Michael Dukakis’ 1988 bid, as well as the 1992 and 1996 Clinton/Gore campaigns. An early Clinton supporter, Whouley planted fortune cookies at 1991 Democratic Party meetings that read, “You have Bill Clinton in your future.”

IT’S NOT WHAT YOU KNOW . . .

But what Whouley does in between presidential election years might inspire name-calling of a different sort. He is the co-founder and principal of the Dewey Square Group (DSG), which the Washington, D.C.-based *Roll Call* newspaper has called “the powerhouse public affairs firm with close ties to just about every important Democratic politician in the country.”

DSG describes itself as a “preeminent grassroots management firm” with “a national network of state operatives experienced in implementing effective strategies to generate local support for public policy issues.” Translated, that means that DSG manufactures grassroots and elite (also called “grasstops”) support on issues important to its clients.

DSG’s approach to lobbying “attempts to get prominent local citizens and organizations to lobby on behalf of interest groups,” explained the *Washington Post*. “Unlike conventional lobbying, the technique does not require the firms’ principals to meet with or even talk to lawmakers. . . . The method is considered effective because lawmakers usually do not even know that they’ve been lobbied.”

To lobby effectively, DSG needs well-connected, influential contacts, which helps explain why Michael Whouley and many of his DSG colleagues are so eager to involve themselves in electoral politics. Six DSG staff people besides Whouley worked as staff or advisors for the Kerry campaign. Jill Alper, head of the firm’s polit-

ical division, was a top Kerry strategist. During the primary, other DSG employees also held high positions in the John Edwards, Dick Gephardt and Joe Lieberman campaigns. When one DSG staffer offered help to Howard Dean campaign manager Joe Trippi, the *Boston Globe* reported that Trippi answered, “You’re with Edwards, you’re running Kerry, Alper and Whouley are floating around. My question is, how does that work? Do you guys talk to each other?”

During the 2004 election, DSG’s political networking extended even beyond candidates’ campaigns, to two of the larger, liberal so-called 527 groups. The closest ties were with America Coming Together (ACT). DSG partner Minyon Moore was on ACT’s executive committee, and ACT “hired a phone-bank operation owned by Dewey Square Group,” reported the *Washington Post*. However, *Roll Call* reported that when Republicans were drawing up a Federal Election Commission complaint against ACT, “they decided to keep Dewey Square out of it because when GOP officials looked into it, they found the firm did ‘have the proper firewalls set up.’”

Current DSG clients, according to Lobbyist.info, include the following:

- AARP (American Association of Retired Persons)
- Allegiance Healthcare Corporation
- American Insurance Association
- Americans for Technology Leadership (ATL)
- Blue Cross Blue Shield
- Coca-Cola Enterprises
- Collegiate Funding Services
- Countrywide Mortgage Corporation
- Diageo
- DuPont
- General Motors Corporation
- Grocery Manufacturers of America (GMA)
- Internet Tax Moratorium Coalition
- Mortgage Insurance Companies of America
- National Education Association of the U.S.
- Purdue Pharma
- Starbucks Coffee Corporation
- United Health Group
- U.S. Chamber of Commerce

The other DSG-associated 527 was Stronger America Now, whose director was DSG employee Melanie Hudson. "Stronger America Now has run ads in Wisconsin that attack ties between Bush and the Saudi royal family," wrote the *Los Angeles Times*. "The group, which a Democratic source said was funded by trial lawyers, also has run ads in Dayton, Ohio, that criticize Bush as a tool of big corporations and defend Democratic vice presidential nominee John Edwards."

DSG uses its numerous liberal connections to benefit such clients as Coca-Cola Enterprises, Arthur Andersen and Microsoft. Notwithstanding its Democratic ties, DSG's positions on hot issues such as international trade and healthcare have opposed the interests of important Democratic Party constituencies. In the mid-1990s, it lobbied for the North American Free Trade Agreement and most-favored nation status for China, both of which were opposed by organized labor. In 1997, it helped assuage community concern in Tampa, Florida over the privatization of Tampa General Hospital.

DSG was also one of the PR firms that helped put together Microsoft's bogus "grassroots" letter-writing campaign to defend itself against antitrust prosecution in 2001. (See "Powers Behind the Throne," on page 4.) In its work for Microsoft, DSG collaborated with its Republican-leaning alter ego, Feather Larson Synhorst-DCI. One of Microsoft's front groups, Americans for Technology Leadership, remains a DSG client today.

DON'T JUST SIT THERE—DRINK SODA!

"Although sodas are frequently identified as a nutritional problem for youngsters, it was Coca-Cola Enterprises that provided the seed money" for the Coalition for a Healthy and Active America (CHAA) "to come to Florida," the *Orlando Business Journal* reported last November.

Two CHAA organizers traveled throughout the state "to promote the coalition and generate interest in its programs." The delegation was comprised of CHAA Florida coordinator Ana Cruz and DSG's J. Patrick Baskette, who heads the firm's lobbying account for Coca-Cola. Among CHAA's Founding Members are DSG's Minyon Moore and John H. Downs, Jr., Coke's senior vice president of public affairs.

Why Coca-Cola might want to support an organization like CHAA was illustrated by Missouri's *Columbia Daily Tribune*: "One day after Columbia Public Schools officials endorsed banning sales of soda and other 'unhealthy' foods at middle schools and junior highs, a group sponsored by the soft-drink industry criticized such moves and instead said a focus on exercise is the

solution to childhood obesity," read the paper's May 1, 2003 edition. The just-formed Missouri CHAA chapter warned Columbia residents, "Be cautious of food bans and taxes. Dietary restrictions only encourage overindulgence by those most at risk."

MARKET CRISIS MANAGEMENT

In early 2002, the collapse of Enron led to the federal indictment of its accounting firm, Arthur Andersen (now called Accenture), for obstruction of justice. The company responded by hiring DSG to lobby on its behalf with Congress and other high-ranking leaders.

The *Washington Post* wrote, "The Justice Department is so bombarded with calls from Arthur Andersen LLP employees and their families that it has set up a hot line to take messages. . . . The accounting firm's employees aren't just organizing rallies and printing T-shirts expressing their indignation at the indictment. They are also ginning up a grass-roots protest campaign that includes e-mails, letters and phone calls to anyone in government they think might listen."

The "grassroots" campaign also included a letter addressed from a 10-year-old boy to his father, an Andersen partner, which was duly forwarded to President Bush and Michael Chertoff, the head of the Justice Department's criminal division. "Dear Dad," the letter began, "I hope that you will be able to find a new job if your business is shut down. . . . Please let me know when you know what is going on with Andersen v. the Justice Department."

If the past is anything to judge by, the end of election season will see Michael Whouley and his DSG colleagues fading back into relative obscurity as far as the general public is concerned. But they're likely to stay in touch with their new and renewed Democratic Party acquaintances—especially when DSG's clients stand to benefit. ■

PR WATCH | Personals

LOOKING FOR SUPPORT Rabble rousing, muckraking non-profit organization seeks financial support from upstanding, media-and-democracy-loving individuals. Corporations need not apply! One-time donations of whatever amount welcome. We can also go steady, through our Monthly Sustainer program. Interested? For a good cause, call 608-260-9713, visit www.prwatch.org, or email diane@prwatch.org.

KILLER PR: THE LITERARY WORLD OF ERIC DEZENHALL

an interview by Sheldon Rampton

Eric Dezenhall heads Dezenhall Resources (formerly known as Nichols/Dezenhall, until the recent retirement of his partner, Nick Nichols). The firm has a reputation for using aggressive tactics to counter activist groups. Dezenhall has described the people who say negative things about his clients—including environmentalists, animal rights groups and other activists—as “cyberterrorists,” and he has advised clients to respond with lawsuits, threats of lawsuits and public counterattacks.

Eric Dezenhall also has another side. He gives frequent media interviews, and one of the things he likes to talk about is organized crime. He grew up in a New Jersey neighborhood frequented by Mafia types, has written articles about the late mobster Meyer Lansky, and was involved in 2001 in producing a documentary about the mob for the Discovery Channel. In some of his interviews he has suggested that the business world might learn a few lessons from the straightforward way that gangsters deals with their problems.

I felt some concern, therefore, when a FedEx package arrived in our office a few weeks ago, addressed to me from Dezenhall. The package was empty: just an envelope with nothing inside. Was this some veiled threat, a PR equivalent of the black hand?

I phoned Dezenhall’s office. A pleasant receptionist said that he was in a meeting, but he called back within a half hour. “I’ve just gotten an envelope from you with nothing in it,” I said.

“Oh!” he replied breezily. “There must have been a mixup. I meant to send you a review copy of my latest book. It must have gotten left out of the package.”

“Your book?”

“It’s titled *Shakedown Beach*. It’s a novel about the dark side of public relations. I think you’d appreciate it.”

A couple of days later, another package arrived. This time *Shakedown Beach* was actually inside, accompanied by a nice note and copies of Dezenhall’s two previous novels, *Money Wanders* and *Jackie Disaster*. I’ve read and enjoyed a couple of them now—*Money Wanders* in particular. Dezenhall likes to satirize his own profession, often with dark humor. I suspect that he has read a lot of Elmore Leonard. Hollywood has optioned a couple of his books, and if they ever get produced, the result might look something like “Get Shorty” or “Prizzi’s Honor.”

In *Money Wanders*, Dezenhall’s protagonist is Jonah Eastman, a disgraced Republican pollster who gets drawn into working for Mario Vanni, a mob boss who needs to clean up his public image so he can get a casino license. Eastman uses focus groups to figure out that the public actually has some latent affection for old-style

mobsters, whom they associate with Frank Sinatra and traditional values. Using the internet to spread false rumors, he invents a fictional gangster designed to seem more sinister than his own client—a scary black man named “Automatic Bart” who sells drugs to children. Vanni’s goons bump off a few drug dealers, and Eastman sets up a front group called the “Delaware Valley Anti-Crime Coalition” that praises Vanni’s role in fighting off the Automatic Barts of the world.

Shakedown Beach also features Eastman as the protagonist. This time his client is “Rebound” Rothman, a Republican politician who cheats on his wife with young interns while moralizing publicly about family values. Eastman begins the book by declaring, “I am the pollster who got Gardner ‘Rebound’ Rothman elected governor of New Jersey by blaming a hurricane on his opponent.” In the course of helping Rothman advance to the U.S. Senate, Eastman sets up more front groups, covers up a murder, and commits one himself.

Intrigued, I called Dezenhall again and asked for an interview. Here’s what he had to say:

I should start by asking why you thought to send me your books, since it’s certainly no secret to you that *PR Watch* has written critically in the past about Nichols/Dezenhall.

I’m a dissident at heart. I wanted to be a writer before I wanted to be in business. I think *PR Watch* is onto something important, namely the role that deception increasingly plays in our culture. Criticism stings, but not all critics are sworn enemies. I reached out to you because we share a passion for an issue that concerns me enough to have published four books about it (and a few more on the way).

People who are critical of business sometimes think those who are pro-business are part of one big conspiracy. We’re not. As with anything, there are splinters. I am not a beloved figure in the PR industry and have been engaged in below-the-radar battles to alter certain conventions. This is one reason our firm remains an independent boutique largely detached from PR institutions.

Your novels seem depict PR even more harshly than we do. Your protagonist is a pollster who routinely deceives the public and whose clients are corrupt politicians and mobsters. Journalists are also portrayed in a harsh light, as easily-manipulated patsies and poseurs. Is this an accurate characterization of your books, and it is an accurate characterization of the way the world really works?

I think your characterization was pretty close, but keep in mind the gonzo, satirical component. A novelist

makes points by exaggerating, sharpening. I'm more convinced of the folly of PR people and journalists than I am convinced of their wickedness. You can only spin a public that wants to be spun, and there is a certain symbiosis between flacks and reporters to this end. I don't believe most PR people and journalists are competent enough to be evil, but, hey, it's something to shoot for.

What motivates you to write your books?

My literary hero is Budd Schulberg, who is a friend. He wrote *What Makes Sammy Run?* about Hollywood, in the 1940s. When the book was published, Louis B. Mayer wanted to kill him. He didn't, and Budd went on to win an Oscar for the screenplay of "On the Waterfront." Budd's modus operandi is writing as an insider about institutions that he believes in—film, boxing, unions—that have become corrupt. That's my mindset.

To me, crisis management, my focus, should be about redemption. If you're guilty, repent; if you're innocent, defend. I have a gut-level bias in favor of anyone who is under attack especially if they are unlovable regardless of whether it's a big pharmaceutical company paying me a lot of money or a small-town reporter paying me nothing. In a perfect world, I'd only work with clients who were undeniably, wrongly accused, but in real life, I have to struggle with the tension between making a living and wanting to do what I love, which is defusing witch hunts. Writing helps me manage this tension.

I was struck by the obvious parallels between you and Jonah Eastman, the fictional protagonist in two of your novels. You both work in public relations. You're both from New Jersey. You're both former press aides for the Reagan White House. Your physical description of Eastman looks fairly close to the picture of you that appears on the book jacket. Of course, you haven't actually killed anyone as far as I know, whereas Eastman has. What parts of Eastman are drawn from yourself, and what parts are drawn from other sources?

Every novelist is writing his life story even if he's making a lot of it up. There is a lot of Jonah Eastman in me. My novels take hard kernels of truth from my own life and fabricate layers around them to make it more interesting. Jonah struggles between trying to make a living and doing what he loves, which is starting a new life. So do I. It's more than a business conflict for Jonah, it's personal. He is haunted by the ghost of his grandfather, an Atlantic City mobster, and the central question that plagues him is: How far did you really get from the roughnecks of the Atlantic City boardwalk?

My novels take plenty of creative license. I was not raised in a casino, I was raised near a casino. I was a young aide in Reagan's White House, but not an important strategist like Jonah. A major difference is that Jonah actually engages in criminal activity on behalf of clients. I try to keep gangland slayings to a bare minimum.

What are the things about the public relations industry and the workings of the modern mass media that bother you?

Most corporations are paper tigers, which is why some hide behind spin. There is a belief system that ties my fiction together with what's happening in the culture, the notion that the answer to serious problems is a well-crafted diversion. I believe that some in the PR industry actively market the swindle that they can put the "fix" in on a client's behalf, that they can spin something bad to look good, make a call to "a friend" at CNN. It's often conveyed in a wink or, even worse, cloaked in progressive rhetoric—an ad for an industrial concern featuring a little girl holding flowers with a voiceover blathering about "sharing," "caring," "exchanging dialogue" and being a "good corporate citizen." What enrages me is when powerful institutions roll serious money behind puffy delusions rather than fixing the problem or challenging their adversaries.

In your novels, Jonah sets up deceptive front groups that flack for his clients while pretending to be independent. This PR tactic has been frequently criticized as unethical by *PR Watch* and by others. Have you participated yourself in creating front groups?

There are different types of techniques employed that fall up and down the ethical scale. I draw a distinction between mobilizing natural allies and groups that are fabricated for the sole purpose of deception. In my novels, Jonah uses out-and-out front groups, utter fabrications to conceal its true sponsors. I understand the criticism that *PR Watch* makes of front groups and have, in fact, been involved with exposing shells that have been deployed against my clients.

When an anti-corporate activist group is funded by a powerful foundation, it's called coalition-building. When a company under attack teams with a free-enterprise think tank, it's called a front group. I've been involved with assembling coalitions of like-minded players in support of clients under attack. I believe alliances are a part of political life in America. Sometimes clients, especially corporations, form an external, issue-driven group to prosecute an agenda because they're afraid to take too high a profile on a certain matter for fear of

coming under attack. Corporations are notoriously timid in issue-driven battles and often resort to playing cute when they fear attack. It drives me nuts because it ultimately breeds a culture of cuteness. My first choice is a pretty direct approach, but I am willing to locate and work with natural allies.

You and I have been interviewed together on a couple of radio programs, and on both occasions I thought you spoke candidly. You acknowledged, for example, that some of your clients are people who are perceived by the public as bad guys. In your novels, the clients are not just *perceived* as bad guys, they really *are* bad. To what extent are the clients in your novels modeled after people in the real world?

Jonah's clients in my novels are archetypes, usually powerful sociopaths. While I've never had clients in real life who are this awful, I do draw from the ugliest personality quirks I've seen: The self-delusion, the sense of personal exemption, and most of all, the genuine belief that a good trick is "the answer."

In *Money Wanders*, Eastman agrees to work for the mob in part because he is afraid that they might actually kill him if he refuses. In *Shakedown Beach*, by contrast, Eastman could walk away from the client and even considers doing so. It wouldn't even cost him much money, since on top of being a despicable person, Rebound Rothman is also a deadbeat client. So why doesn't Eastman just quit and blow the whistle on his boss?

Given Jonah's disgrace in a prior scandal, he needs the money. While I'm not scandalized in real-life, I'm trying to bring out the tension between the need to make a living and his frustration with his clients' expectations. In *Shakedown Beach*, he is also plagued by loyalty to Governor Rothman for hiring him when no one else would. It's important to me to have a character who only partly redeems himself because that's what happens in real life.

I've been asked why I don't quit my job to just write. The answers are, first, I don't want to, and second, my books are successful in the niche sense (I have a contract for two more), but I haven't made an offer on one of John Grisham's jets yet.

Although the younger gangsters in your novels are portrayed as thugs with no redeeming virtues, the older-generation gangsters come off as more likable. They at least seem intelligent, and they have a sincere concern for Eastman's welfare. You've talked about how you grew up in a neighborhood where you knew mobsters, and your firm cultivates

a reputation for engaging in what the *National Journal* once described as a "brass-knuckled, Machiavellian approach" to public relations. How has your fascination with the mob shaped your view of the world?

The old time mobsters of my boyhood wanted to be Americans, not criminals. They were capable of doing bad things, but these things were tied largely to circumstances like immigration. Crime wasn't an end game. Some were gamblers and bootleggers who despised the generation of hoods coming up. One of my uncles referred to them as "the vilda chayas," which is Yiddish for wild animal. My affection for the old-timers is tied to a shared sense of romance about America, but for many years I was ashamed that my relatives and neighbors weren't fancier. A few in my family didn't speak to me after I got my job in the White House, a Republican White House no less. It took me years to realize what was bothering them: Their own sense of inadequacy of having remained on the fringes.

Do you feel any ethical qualms about engaging in brass-knuckled PR?

That was a term a reporter used, not me, but I brought some of it on myself because of my firm's position in the marketplace as being very aggressive. I don't back away from this positioning one bit. Unlovable targets like corporations and celebrities are especially vulnerable to attack because they are easy to dehumanize, which is all the more reason to defend them vigorously.

The morality of tactics is prejudiced by ideology. When an extremist group set fire to one of my client's houses—with a twelve year-old child inside, no less—they hailed it as a brave "direct action" against a corporation. When my client beefed up their investigative resources and teamed with law enforcement, which I encouraged, they were called fascist thugs.

I view mobsters as predators, and have a visceral reaction to bullies regardless of whether they come from the left or the right, whether they use physical force or emotional blackmail. I am especially wary of those who wrap their agendas in fighting for the little people, when I suspect I'm up against an extortionist. My feistiness is more Rudy Giuliani than John Gotti.

On another topic, we've just finished a rather brutal, brass-knuckled presidential campaign. What lessons do you think can be drawn from it?

My greatest concern about the political climate is the dehumanization of one's ideological adversaries. It's common to believe your opponents are uniquely immoral, but it's not healthy. Democrats would be well-

served to abandon the cliché that Bush is stupid and that everyone who is concerned about values is a religious nut. Republicans would be well-served to chill out on the whoop-ass rhetoric and not view all questioning about the war as leftist insanity.

My 2003 New Years' resolution was to befriend people I disagreed with, including a journalist who inaccurately reported that I played a role in attacking President Clinton during the Lewinsky scandal. My name has been used as a proxy for clever hardball tactics. Some of those wounds have been self-inflicted, but not all of them. My objective is not to convert, but to convey humanity and try to better understand alternative positions. I used to be much more knee-jerk, but came to see this as fruitless. Like Jonah, I'm trying.

When the staff at *PR Watch* heard I'd be interviewing you, one person joked that I should ask, "How you sleep at night?" It occurred to me that maybe you'd be interested in actually answering the question. Here's a somewhat less sarcastic way of asking it: What things about you and your work do you think are probably unrecognized or misunderstood by *PR Watch* and its readers?

Actually, my detractors will be pleased to know that I don't sleep very well at night, but that's probably because I get up and write.

In the same spirit that the first instinct of some PR types is to jive, I believe that anti-business activists' first instinct is to attack, assuming that the destruction of a powerful enterprise is always a good thing. Because I get the roughest cases, I've seen the damage this does, and it's not a victimless endeavor. I cut my teeth nearly twenty years ago on the Audi 5000 crisis involving sudden acceleration. Sure, the company did a lot of things wrong in the handling of the case, but they were roundly attacked as baby killers only to be quietly vindicated after the company was nearly destroyed by activists and plaintiffs lawyers who raised the whole thing.

Your readers should be more wary of warm and fuzzy PR campaigns than those who will tell you bluntly where there are differences. PR types often beg for approval based upon happy rhetoric rather than improved behavior. But activists can be as averse to basic truths as businesses, which is one of the things that forces the PR world to resort to subterfuge.

Another challenge is to be more skeptical of the hype that some in the PR world softly whisper into the ears of their own clients, the biggest one being that everything is spinnable. The emperor often has no clothes. Sure, flacks are out there spinning the health benefits of toxic sludge, but the irony is the massive failure of most grand PR stunts. This richly deserves exposure. ■

THE ECHOES OF BIG TOBACCO'S DRUM

by *Bob Burton*

While the common image of newsrooms is of offices inhabited by harried reporters, internal tobacco industry documents shed light on the largely invisible phenomena of corporate lobbyists courting favor with editorial boards.

During his January 1999 State of the Union address, President Bill Clinton announced that he had instructed the Department of Justice to develop a litigation plan against major tobacco companies. This became a lawsuit seeking \$280 billion in damages, currently being heard before U.S. District Court Judge Gladys Kessler. The core of the government's case, brought under the Racketeer-Influenced and Corrupt Organizations Act designed to fight organized crime, is that major tobacco companies defrauded smokers by concealing health risks.

In response to the lawsuit, Philip Morris hired the PR firm BSMG Worldwide (now part of Weber Shandwick, the world's largest PR firm) to craft a plan aimed at influencing media coverage of the case. The PR strategy was

to quietly meet with the editorial boards of many major media outlets, while simultaneously mobilizing conservative allies "to help provide a 'echo chamber' of opinion consistent with our messages."

In their February 1999 draft plan, BSMG sketched how PM should handle the looming legal and media crisis. BSMG suggested "a focused, but aggressive communications strategy over the following weeks," to "educate key allies, reporters, editorial writers and columnists about the government's lack of legal cause of action."

One strand of PM's media strategy was to try to sell the story that Big Tobacco was a reformed sinner. "Reinforce the record of what the industry has done to date to address the concerns of the public and generate discussion about whether the government is piling on an industry that has, and continues to, change in desirable ways," BSMG suggested. In order to influence the U.S. public and legislators, the campaign was "highly focused on journalists familiar with the substance of the issues

or receptive to our point of view.” To get maximum effect from this media outreach, BSMG recommended working with such allies as the libertarian Cato Institute, the conservative Heritage Foundation and the U.S. Chamber of Commerce, along with “other potential third parties” to set up the “echo chamber” mentioned above.

Suggestions on how to hide Big Tobacco’s message behind the mask of such “third parties” included the establishment of a speakers bureau “to expand the stable of surrogates to carry our message,” and “placement of surrogates on local radio programs or other activities.” The goal, explained BSMG, was “to build a steady drumbeat of discussion” about why the government’s case against Big Tobacco was without merit. Once the echo chamber was ready, PM would offer briefing materials to a number of influential conservative columnists—including Jacob Sullum, George Will, William Safire, Paul Gigot and James K. Glassman—and set up editorial board briefings in the top 25 media markets.

The goal, according to a later iteration of the PR plan, was not just to provide information on PM’s position, but also to “identify the key editorial writer for each paper and assign an industry spokesperson to continue the dialogue with the writers and maintain communications and rapid response.”

The industry developed and tested the effectiveness of various message points by polling samples of its target audiences. The results of that research were outlined in a memo to PM staff from a BSMG subsidiary, Sawyer Miller Consulting. One of the “less effective messages,” it reported, was the idea that “the industry has been punished enough.” BSMG suggested focusing on other, more persuasive themes, with PM tailoring different pitch to different media outlets. The *Wall Street Journal*, *Atlanta Journal* and the *Washington Times*, BSMG suggested, should be given the “big government, big tax message,” while the *Detroit Free Press* and *Chicago Tribune* should be served the “tax hikes on working class message.” The *Arizona Republic* got the “government gone too far message.”

In September 1999, BSMG evaluated the pro-tobacco media work to date. National newspapers, aside from the conservative *Washington Times*, all supported the Justice Department lawsuit. However, Big Tobacco had friends in the regional media, where more than half of editorials opposed the suit. “Clearly the groundwork laid over the past many months through meetings with editorial boards, mailings and blast faxes have paid off,” BSMG wrote to PM’s federal lawsuit group.

While satisfied that its program of “regular engagement with reporters, particularly those at national news-

papers, has had an effect on news coverage of the government’s filing,” BSMG noted that “there were no references to the fact that tobacco use imposes no net costs on the government.”

BSMG’s Scott Williams suggested that “efforts should be made to push out” a June 1999 Congressional Research Service report by Jane Gravelle. Her report argued that smokers did not impose net healthcare costs on government and disputed the Environmental Protection Agency’s assessment of the impact of second-hand smoke. However, BSMG recognized the sensitivity of selling this message. “Industry may not be the best carrier of this message, it may be necessary to engage think tank allies and legal scholars who can credibly approach the subject from an intellectual perspective,” BSMG coyly noted.

Philip Morris’s November 1999 plan proposed editorial board meetings with the *Washington Post* and the *New York Times*. “While we do not expect favorable editorials to result from such meetings we would like to hope the fundamental substance of our arguments which question the integrity for the government’s effort would be considered in future editorial analysis,” the plan stated. Moreover, it was important that an opportunity be made to allow the editorial boards “to see a human face with the industry.”

A March 2000 BSMG memo noted that both the *Times* and *Washington Post* had been contacted. “We know that the initial ‘hook’ at this moment will be the regulatory issues, but the briefings will segue from that question to ‘tobacco has changed.’ The issue of regulating ‘marketing to kids’ will be a jump-off point into the MSA,” the memo noted. (MSA is the acronym for the 1998 Master Settlement Agreement between state attorney generals and the tobacco industry.)

The documents currently available on PM’s Department of Justice public relations plan peter out in early 2000. However, after the Department of Justice Case opened in late September, a vice president of corporate communications for the Altria Group (PM’s re-named parent company) echoed BSMG’s “reformed sinner” message. “The government will focus on the past,” he complained, “with little or no mention of the significant changes that have been imposed on the industry.”

After some initial coverage of opening courtroom statements, journalists have largely ignored what is likely to be a long trial drawing on millions of pages of internal industry documents. It is impossible to measure how much of this media disinterest can be attributed to PM’s public relations efforts, but Big Tobacco is undoubtedly pleased by the media’s silence. ■

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The Center for Media and Democracy works to strengthen democracy by promoting media that are “of, by and for the people” - genuinely informative and broadly participatory - and by removing the barriers and distortions of the modern information environment that stem from government- or corporate-dominated, hierarchical media.

The Center for Media and Democracy serves social change activists, journalists, researchers, policymakers and the public at large in the following ways:

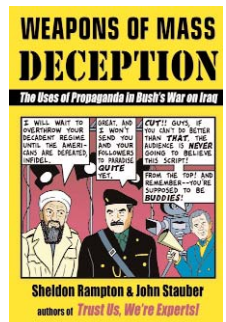
- Countering propaganda by investigating and reporting on behind-the-scenes public relations campaigns by corporations, industries, governments and other powerful institutions.
- Informing and assisting grassroots citizen activism that promotes public health, economic justice, ecological sustainability and human rights.
- Promoting media literacy to help the public recognize the forces shaping the information they receive about issues that affect their lives.
- Sponsoring “open content” media that enable citizens from all walks of life to “be the media” and to participate in creating media content.

Banana Republicans: How the Right Wing Is Turning America Into a One-Party State
Tarcher/Penguin
2004

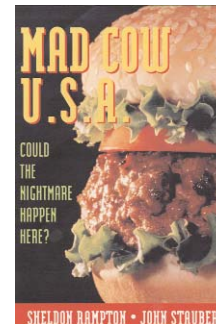
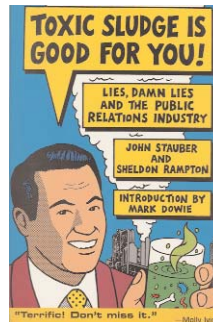


Trust Us, We're Experts: How Industry Manipulates Science and Gambles With Your Future
Tarcher/
Putnam 2001

Weapons of Mass Deception: The Uses of Propaganda in Bush's War on Iraq
Tarcher/Penguin
2003



Toxic Sludge Is Good For You: Lies, Damn Lies and the Public Relations Industry
Common
Couage Press
1995



Mad Cow USA
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Courage Press
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