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Big Brother Incorporated

by *Eveline Lubbers*

For years, activist groups in Europe thought that Manfred Schlickenrieder was a leftist sympathizer and filmmaker. He traveled around Europe, interviewing a broad spectrum of activists, and even produced a documentary video, titled *Business As Usual: The Arrogance of Power*, about human rights groups and environmentalists campaigning against the Shell oil company.

In reality, Schlickenrieder was a spy, and Shell was one of his clients. His film and his activist pretensions were merely cover designed to win the confidence of activists so that he could infiltrate their organizations and collect "inside information" about their goals and activities.

Schlickenrieder's cover was blown when the Swiss action group Revolutionary Aufbau began to distrust him. Its investigation uncovered a large pile of documents, many of which were put online at the beginning of 2000 (www.aufbau.org). These documents proved that Schlickenrieder was on the payroll of Hakluyt & Company Ltd., a London-based "business intelligence bureau" linked closely to MI6, the British foreign intelligence service. In addition to spying on behalf of multinational corporations, the documents also indicate strongly that Schlickenrieder was working simultaneously for more than one German state intelligence service.

Among the documents was detailed e-mail correspondence between Schlickenrieder and Hakluyt. There was also a DM 20,000 (US\$9,000)

Flack Attack

The public relations industry was born at war, and it bears the imprint of its origins. Early PR pioneers including Edward Bernays, Ivy Lee and Carl Byoir got their start with the Committee for Public Information (also known as the Creel Committee), which organized publicity on behalf of U.S. objectives during World War I. The Second World War also saw a proliferation of propaganda agencies, which in the U.S. alone included the Office of Facts and Figures, the Office of War Information (which worked closely with Hollywood, sometimes going so far as to write movie scenes and dialogue), the Office of Censorship, and the Office of the Coordinator of Information (a forerunner of today's Central Intelligence Agency). Each subsequent military campaign has seen new forms of collaboration between government and private propagandists. In the

1950s, Bernays helped the United Fruit Company organize a U.S.-backed military coup in Guatemala. In the 1980s, the Reagan administration sought assistance from PR industry executives in designing its Office of Public Diplomacy to promote the war in Central America. In the 1990s, PR pros shuttled back and forth between the Bush administration and private PR firms like Hill & Knowlton as they worked to win public support for the war in the Persian Gulf.

Given this history, it is not particularly surprising that the repertoire of public relations tactics includes outright spying—sometimes in collaboration with government spy agencies. Libertarians like to imagine that governments are bad and private companies are good, but often the two are indistinguishable collaborators

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invoice to Hakluyt for “Greenpeace research” including expenses, “to be paid according to agreement in the usual manner.” Confronted with this material, Hakluyt reluctantly admitted that Schlickenrieder was an employee. When the *Sunday Times* of London broke the story in July 2000, both BP and Shell acknowledged having hired the firm, but claimed they had been unaware of its tactics.

Schlickenrieder’s exposure put the spotlight on a firm that prefers to operate secretly in the shadowy area of former state intelligence specialists-turned-private spies. Members of Parliament accused MI6 of using the firm as a front to spy on green activists.

A FREELANCE SPY

Schlickenrieder had apparently built up spying experience during years of working for Germany’s domestic and foreign intelligence services, Landesamt für Verfassungsschutz and Bundesnachrichtendienst. Documents found at his home indicated he had had access to reports

from them as well as the French and Italian secret services. None of the spy agencies acknowledged publicly that Schlickenrieder had been working for them, but informed sources agreed that the agent’s exposure had been a blow for the German intelligence community, as several newspapers reported. Furthermore, the Schlickenrieder case was discussed in the prime minister and parliamentary committee’s weekly meeting with the German secret services.

Though there is evidence that the government agencies paid Schlickenrieder, it is not known whether he was actually on their payrolls; he may have been a freelance spy. The fact that he wrote detailed proposals for the government, suggesting new fields of research within the radical leftist movement, points in this direction. Whichever it was, the rewards of espionage seem to have included a spacious flat overlooking a park in Munich and a BMW Z3, the model of sports car driven by James Bond in *Goldeneye*. His monthly expenses were calculated at \$4,500.

He got good at delivering different kinds of intelligence, from broad overviews to assessments to insider mood reports. Taking advantage of activists’ trust, he developed a knack for piecing together bits and pieces of information to compile a fairly accurate picture.

Schlickenrieder frequented meetings of radical leftist groups including the Red Army Faction (RAF) from the early 1980s until his cover was blown, and he made a documentary about violent resistance with solidarity groups and relatives of convicted comrades which featured the RAF. He claimed to be working on another film, about Italy’s Red Brigades, which was never finished. But stills from his video footage served as a photo database, accompanied by personal details about everybody he had met.

Schlickenrieder’s ways of working for state and business were similar. In fact, there seemed to be no boundaries between the two. He sometimes compiled reports for Hakluyt without being asked. For instance, in a September 1997 e-mail to Hakluyt, he explained how he had “used the opportunity of visiting Hamburg to talk to two separate people within Greenpeace.” In closing, he wrote: “That was your free ‘mood report’ supplement from Hamburg.”

THE MI6 CONNECTION

Hakluyt, named after a 16th-century geographer and economic intelligence specialist, started in a one-room office in 1995. Its founders, Christopher James and Mike Reynolds, are both former members of the British foreign service. The company’s purpose, according to James, was “to do for industry what we had done for the

FLACK ATTACK *continued from page one*

in a joint war against citizen groups and activists—a war, in short, against democracy itself.

As Eveline Lubbers shows in this issue of *PR Watch*, citizen groups that challenge the prerogatives of wealth and power risk falling prey to special operations orchestrated by their opponents. We are pleased to publish excerpts from her book, *Battling Big Business: Countering Greenwash, Infiltration and Other Forms of Corporate Bullying*, which shows how privatized spy shops are using the same surveillance tools as state secret service agencies. In the service of oil companies, a private firm linked closely to British foreign intelligence spied on environmental and human rights groups in Europe. Information from another private spy firm led to harassment and false charges of terrorism against Dutch journalists.

There is a danger inherent in these blurrings of the boundary between government and corporate surveillance of private citizens. The danger is not simply that individual rights are violated. What is worse is that a permanent, unaccountable propaganda ministry is emerging, whose “information wars” are being waged against numerous, vaguely defined enemies that turn out to be the very citizens whose rights their governments are sworn to protect. Once again, it seems Pogo was right when he warned: We have met the enemy, and he is us.

government.” By 2001 its clients included one-quarter of the companies listed in the United Kingdom’s leading stock market index, the FTSE 100.

Reynolds founded MI6’s counterterrorism branch and was the foreign service’s head of station in Berlin. The newly appointed head of MI6, Richard Dearlove, is a close friend of his.

“The idea was to do for industry what we had done for the government.”

— Hakluyt cofounder Christopher James

James led a section of MI6 that liaised with British firms. Over his 20-year career he got to know the heads of many of Britain’s top companies. In return for a few tips that helped them compete in the market, he persuaded them to provide intelligence from their overseas operations.

Hakluyt’s management board is a display case for the kind of reputation the company is aiming for. One member was Ian Fleming’s model for James Bond — the former soldier, spy and diplomat Sir Fitzroy Maclean. And the company is linked to the oil industry through Sir William Purves, CEO of Shell Transport and chairman of Hakluyt; Sir Peter Holmes, former chairman of Shell and current president of the Hakluyt foundation (a kind of supervisory board); and Sir Peter Cazalet, the former deputy chairman of BP, who helped to establish Hakluyt before he retired in 2000. BP itself has long-standing ties to MI6: its director of government and public affairs, John Gerson, was at one time a leading candidate to succeed Sir David Spedding as chief of MI6.

A Hakluyt brochure promises to find information for clients that they “will not receive by the usual government, media and commercial routes.” The company tries to distinguish itself from other business intelligence consultants and clipping services. “We do not take anything off the shelf, nothing off the Net—we assume that any company worth its salt has done all of that,” Hakluyt’s Michael Maclay explained at a 1999 conference in the Netherlands. “We go with the judgment of people who know the countries, the elites, the industries, the local media, the local environmentalists, all the factors that will feed into big decisions being made.”

Manfred Schlickenrieder apparently was one of those people who “knew the local environmentalists.”

SPYING ON GREENPEACE

Shell International turned to Hakluyt for help when the oil conglomerate’s reputation came under fire during the Brent Spar PR crisis and the Nigerian government’s execution of writer-activist Ken Saro-Wiwa. Using his cover as a filmmaker, Schlickenrieder traveled around Europe, interviewing on film a broad spectrum of people campaigning for Nigeria’s Ogoni people. He spent months questioning all sorts of groups and wrote to organizations ranging from Friends of the Earth to the Body Shop, asking about their ongoing campaigns, their future plans and the impact of their work.

In addition to Shell, oil companies were scared to death of becoming Greenpeace’s next target. BP turned to Hakluyt for help after it got wind that Greenpeace was planning its Atlantic Frontier campaign to stop oil drilling in a new part of the Atlantic. The company asked

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Schlickenrieder to deliver details about what was going to happen.

Hakluyt used material from other sources to complement the information about Greenpeace's plans Schlickenrieder provided. It claimed to have laid its hands on a copy of "Putting the Lid on Fossil Fuels," the Greenpeace brochure meant to kick off the campaign, even before the ink was dry. BP used this inside information to polish its press and PR communications. "BP countered the campaign in an unusually fast and smart way," Greenpeace Germany spokesperson Stefan Krug told the German daily *Die Tageszeitung*. Since BP knew what was coming in advance, it was never taken by surprise.

BP also used Hakluyt to plan a counterstrategic lawsuit against Greenpeace. In a May 1997 e-mail message to Schlickenrieder, Hakluyt's Director Mike Reynolds inquired about the possible impact of suing the environmentalists. He asked his German spy for information on whether Greenpeace was taking legal steps to protect its assets against seizure in the event it was sued by an oil company. When Greenpeace subsequently occupied BP's Stena Dee oil installation in the Atlantic Ocean, the company sued Greenpeace for DM4.2 million in damages (almost \$2 million). BP got an injunction to block Greenpeace UK's bank accounts, which caused the group serious financial problems. This was one of the first times an injunction was used to threaten activists with possible arrest. It has since become an increasingly popular way to stop a campaign.

Oil activism was not Schlickenrieder's only field of activity. The Aufbau group discovered leads about research he did for Hakluyt on banks and financial takeovers. And in 1996 he started mapping resistance against Rio Tinto, which calls itself the "world leader in finding, mining and processing the Earth's mineral resources." He continued to bill Hakluyt for this research until at least spring 1999.

A NEW TERRAIN FOR INTELLIGENCE

The massive 1999 demonstrations in Seattle were a watershed event for both the growing anti-globalization movement and for the corporate and government authorities that benefit from globalization. State and private security agencies felt they were caught off guard in Seattle, where a large, diverse group of demonstrators, using sophisticated methods and technology, effectively shut down the World Trade Organization's Ministerial Conference.

Some governments now see anti-corporate activities as a serious threat to social stability. And their intelligence services see securing that stability as a primary task.

The first indication of this interest was a widely circulated secret report by the Canadian Security Intelligence Service, "Anti-Globalization—A Spreading Phenomenon." The CSIS report used quotes from Naomi Klein's book, *No Logo*, to assess the threat posed by anticorporate protests to the Summit of the Americas in Quebec which was coming up in April 2001.

In May 2000, the France-based *Intelligence Newsletter* published a report, based on information from sources close to the spy community, on the work of state intelligence units to gather information on anti-globalization militants. It noted that the US Army Intelligence and Security Command and the Pentagon helped the police keep an eye on demonstrators during the April 16, 2000, World Bank protests in Washington, DC. Perhaps when the US Attorney's office praised the DC police for their "unparalleled" coordination with other police agencies during the spring 2000 IMF protests, it was thinking of these bodies. The FBI reportedly had held seminars on the lessons of Seattle for police in other protest cities to help them prepare for demonstrations. Now it had paid off. "The FBI provided valuable background on the individuals who were intent on committing criminal acts," the US Attorney's office declared, according to an article by Abby Scher in the *Nation*.

Scher warned of an intensifying crackdown on opponents of corporate globalization, pointing to unusually close collaboration between police and intelligence services including the FBI before and during the DC protests. This collaboration harks back to the heyday of J. Edgar Hoover and his illegal Counter Intelligence Program (COINTELPRO). Back then, the FBI relied on local police and even private right-wing spy groups for information about antiwar and other activists. The FBI used that information and its own agents provocateurs to disrupt the activities of the Black Panthers, Students for a Democratic Society, Puerto Rican nationalist groups and others.

Targeting organizers and letting activists know they are under surveillance are two time-honored tactics of local intelligence units and the FBI. Preventive detention, spreading fear of infiltration, and disseminating false stories to the press were also used during the dark days of COINTELPRO. Now, the first reports have emerged documenting similar police strategies aimed at protesters in 2000 and 2001.

In 2001 the FBI listed "anarchist and extremist socialist groups" such as the Workers' World Party, Reclaim the Streets and Carnival Against Capitalism as a "potential threat" to the United States. Reclaim the Streets is actually more a tactic than a movement or orga-

nization. In 1996, activists in England decided to hold the first RTS “street party,” a daytime rave with a political spin, complete with sound system, dancing, and party games, in the middle of a busy intersection. The party aimed to temporarily “reclaim” the street from cars and point out how capitalism and car culture deprive people of public space and opportunities for festivals.

The fact that dancing in the street could become terrorism in the eyes of the FBI can only be explained by the aftershock of Seattle, where, according to the FBI, “anarchists, operating individually and in groups, caused much of the damage.” This statement, made on May 10, 2001, mentioned these groups as part of “The Domestic Terrorism Threat,” soon after a section on “The International Terrorist Situation” featuring Osama bin Laden and individuals affiliated with Al Qaeda. The attacks on the World Trade Center four months later illustrate the enormous disproportion between the two “threats.”

Categorizing “anarchist groups” like Reclaim the Streets as terrorist organizations provides a legal pretext for the FBI’s interest in the antiglobalization movement. Although inclusion on such a list can be taken to mean such groups are gaining influence, it also increases the likelihood of government-sponsored involvement, such as infiltration or frame-ups based on planted evidence.

Intelligence agencies in most Western countries already had broad powers to track and surveil suspected activists and political organizations. The events of Sept. 11, 2001, triggered further antiterrorist legislation everywhere, encouraging repressive police and intelligence tactics. Only the future can tell how these new laws will effect the maneuvering space for anticorporate activism.

THE DEPARTMENT OF DIRTY TRICKS

Besides being spied upon, activists risk being manipulated or threatened, too. Consulting companies like KPMG and security firms like Control Risks Group have reasons to monitor NGOs, as an article in *Intelligence Newsletter* stated: ostensibly, corporate clients want to be informed of destabilization campaigns that could affect them well in advance. “But they also want to fend off

indirect attack,” the magazine went on. “To be sure, some firms feel a strong temptation to ‘channel’ the fury of NGOs like Export Credit Agencies, Public Citizen or ATTAC towards some of their business competitors,” the magazine said. It quoted intelligence expert Roy Godson as predicting that manipulating NGOs would become one of the most effective means for companies to destabilize rivals and adversaries in the future.

Intelligence Newsletter hints at the endless time and effort NGOs spend in the perpetual quest for “ideal” companies to take on. “Only by targeting a known corporate name can they be sure to enhance their own profile, distinguish from other NGOs and compete with them for media attention.” Apparently this early stage of campaigning is seen as the best moment to intervene.

How? One possibility springs to mind: imagine your group gets a dedicated new member with ideas for a new campaign against a company you haven’t paid much attention to so far. Perhaps he’s been sent by another company you’ve been successfully campaigning against for years, or are intending to target in the near future.

NGOs’ taste for media attention can be their Achilles’ heel, which makes it relatively easy to feed them disinformation they’ll rush to publicize. The East German secret service apparently understood this back in the 1970s: Godson claimed it used this weakness for publicity against Amnesty International during the Cold War. This is another kind of manipulation easy to envision a company using.

Manipulating internal differences is another strategy to cripple an activist coalition. For example, someone wishing to disrupt an organization, could

work to divide the “radicals” from the “moderates” or could attempt to discredit the organization by using provocateurs to incite violence which could then be blamed on activists. A number of reports suggest that this may be what occurred during the anti-globalization protests that occurred in in Genoa, Italy in July 2001.

It is not paranoid to suspect that corporations and governments will use these sorts of tactics. They have been used in the past, and history suggests that if the stakes are high enough, targeted companies resort to “special operations.” ■

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DUMPSTER DIVING TO TRASH ACTIVISTS

by *Eveline Lubbers*

Going through your opponent's garbage to collect information—in detective slang, “garbology”—is a particularly dirty kind of research. A Dutch information broker developed a new cover for the collection of wastepaper: its collector said he wanted it so he could sell it to recyclers to raise money for charity.

Activists and advocacy groups in the Netherlands knew their garbage was being gathered, but not what it was being “recycled” into: intelligence files for companies those groups were boycotting. Little did they realize how interesting their paperwork could be to the companies they campaigned against, tabloids, and occasionally even the police, public prosecutor or secret service.

Paul Oosterbeek worked for a company called ABC (the Dutch abbreviation for General Security Consultancy). Posing as a volunteer, he told various activist groups that he had computer skills and wanted to help them automate their data. Oosterbeek helped them do archival work, installed software, set up computer databases and entered the contact addresses of new subscribers and possible sponsors. (Years after he was exposed, one group found its contact database software was registered to ABC.) To save time, he asked if he could take the groups' Rolodexes with him and finish the copying elsewhere. Meanwhile, he took advantage of his position to collect the groups' discarded paperwork, saying he wanted to sell it to recyclers for charity.

Oosterbeek was unmasked in summer 1994 by Bureau Jansen & Janssen, an activist group that I helped establish which conducts independent research into police and secret service agencies that spy on activists. We began looking into his activities after several organizations he worked with approached us. They were suspicious because Oosterbeek had no activist background, and he was secretive about his address, phone number, motivation and interests. Every time people started asking questions, he disappeared for a while.

When we began to investigate, we learned that had been collecting wastepaper for eight years from at least 30 organizations, ranging from small activist groups to big church-affiliated research foundations. He said he was selling it to recyclers to benefit a school in Amsterdam or an educational project in Zimbabwe. In fact, he was delivering the boxes of faxed originals, rejected photocopies and printouts to the offices of ABC. There, behind a high wall and a sharp-pronged iron fence and under guard of security cameras, the loot was processed. Every sheet was carefully scrutinized for bits of information, from financial facts and figures to the ins and outs of internal strategy discussions. The special interests of groups' individual members were scrutinized, as

were interorganizational connections and personnel overlap. ABC thus fattened its numerous files on activists and nongovernmental organizations (NGOs), fleshing them out with information available from public sources. ABC also collected annual reports and financial records of campaigning groups and thoroughly studied Chamber of Commerce records to check who was on their boards, make connections between them and see who funded them and for how much.

THE REPUTATION WAR

With more and more companies selling brands rather than products these days, a company's image is increasingly important. Now that a company's reputation is its most valued asset, every company needs information on its market position. Business intelligence is no longer restricted to details about the world economy, faraway wars and news about the competition. It now includes assessment of the risks of becoming a target for campaigners, boycotters or Internet activists.

Publicly available information about activist groups is no longer sufficient for some companies. Informal data, however obtained, can be worth its weight in gold. In addition to concrete action scenarios, companies seek information that can be as broad (and vague) as discussions of long-term strategy, impressions of the atmosphere within a group, links between organizations, or details of funding. ABC's wastepaper service seems to have been a logical activity of today's information brokerage business, albeit a niche one because of its cloak-and-dagger methods.

Inside information gives companies a strategic advantage. Used at the right moment, it can be an effective weapon. Wemos, a Dutch activist group that provides information on drug companies and aggressive marketing of infant formula in developing countries, learned this firsthand when it discovered that a company had gotten hold of its internal documents. The company, Nutricia, had obtained a copy of a letter Wemos had sent to its partners in the Nestlé boycott campaign. The infant formula industry had also gotten its hands on a draft proposal by baby formula campaigners seeking European Commission funding of a joint project. Within six weeks after the document was faxed to Wemos, it wound up in the hands of the industry. Wemos spent a lot of time trying to locate the leak. They wondered if maybe their fax machine was tapped, but they didn't think of the garbage. Every incoming fax message was photocopied and the thermal original thrown away.

Companies don't always admit that they have inside information on their critics. Using the information to

anticipate future actions can be advantageous enough. In 1990, the Clean Clothes Campaign initiated a protest action against the clothing store chain C&A, in which customers were encouraged to ask at the checkout counter where their clothes had been manufactured.

No sooner had the campaign begun than C&A came out with printed answer sheets. Until then, it had been known as a closed, family-run company that didn't even publish annual reports. Its rapid response to the Clean Clothes Campaign was remarkable. In hindsight, it appears that Oosterbeek, then "volunteering" for the CCC, helped C&A anticipate and prepare its response.

MEDIA FALLOUT

In Europe, the tabloid media have traditionally contributed to activist-bashing by publishing full-page mudslinging articles. In the Netherlands, the main such paper is the daily *De Telegraaf*. The paper typically tries to discredit mainstream NGOs like Friends of the Earth or church-affiliated groups that support refugees or asylum-seekers by associating their activities with more radical groups or events.

In October 1996, Milieudefensie (Friends of the Earth in the Netherlands) was planning to launch balloons near Schiphol Airport to protest the airport's expansion plans. *De Telegraaf* targeted the group's campaign leader, Wijnand Duyvendak, in two articles titled "Secret service fears terrorist action at Schiphol" and "Wijnand Duyvendak: a life of resistance." Highlights of Duyvendak's activist past were tendentiously presented in an attempt to discredit him. The paper claimed he had been once number four on a list of activist arson suspects, and produced ancient mugshots as "proof."

In the midst of an interview, Duyvendak recalls, the *Telegraaf* journalist suddenly produced a stack of paperwork. "It was as if I was being questioned by the police," Duyvendak said. "He had a lot more information than he ended up using in his article. He had all sorts of internal documents, although they kind of jumped around in time. He was obviously trying to rattle me." In hindsight, Duyvendak believes ABC was the likely source of this information. "The only thing linking the documents he produced was the wastepaper affair."

Even after ABC was exposed, *De Telegraaf* published articles based on confidential material that could be traced back to the wastepaper affair. The paper suggestively presented facts and selectively quoted internal documents to suggest guilt by association. Wastepaper-based articles like these can do far more than damage an organization's image, as is illustrated by what happened to the left journalists' collective Opstand ("Revolt"). For 18 months, Opstand journalists Hans Krikke and Jan

Müter were the victims of a miscarriage of justice. A government prosecutor accused them of "intellectual involvement" in two bombings protesting the Dutch government's asylum policy in the early 1990s. In September 1994, their homes and office were searched at dawn. Six months later, Krikke and Müter were arrested.

Police files given to the defendants' lawyers revealed that the major source of "evidence" had been a full-page 1993 article in *De Telegraaf*. The story, written by the usual journalists and illustrated with a complicated diagram, insinuated a direct link between 1970s armed resistance groups and 1990s radical activists. A number of organizations, the paper alleged, were forming an "underground network" around solidarity with illegal refugees. In light of the bombings, the Secret Service was identifying the network as potentially terrorist, said the *Telegraaf*. Every group mentioned in the article could be found on Paul Oosterbeek's wastepaper collection list.

In the end, the case was dismissed, and together Krikke and Müter received almost \$100,000 in compensation. But it was too late for Opstand. The collective had broken up as a result of the investigation, searches and arrests. Normal reporting and research operations became impossible, and then the incrimination began to take its toll and clients walked out.

THE END OF THE STORY?

My group, Jansen & Janssen was forced to end our investigation of the wastepaper affair in summer 1994, slightly earlier than planned. We had spent many weeks asking various groups about Oosterbeek, and he had gotten wind that we were onto him. He never turned up at an appointment we had made at which we planned to confront him with our findings.

We had a lot of material incriminating Oosterbeek, ABC and ABC Director Peter Siebelt, and we wanted to take legal action. But although the evidence we had was more than circumstantial, it comprised a picture only when looked at together, like a reconstruction. Even when we knew that a corporate representative had obtained a group's internal document, we couldn't get conclusive proof that it had been acquired via the wastepaper route without visiting ABC's premises.

Worse, there is no law against collecting wastepaper, even under false pretenses, nor against the kind of espionage we could prove had occurred. Several of the groups involved sued the company and the infiltrator for "fraudulent conspiracy," which was unfortunately the only possible legal action under Dutch criminal law. Siebelt and Oosterbeek were detained overnight and questioned, but the prosecutor decided not to indict in the absence of "legal and convincing evidence."

Oosterbeek has since vanished into obscurity. ABC all but shut down after we exposed them, but Siebelt continues to market himself as a specialist in monitoring national and international activist groups.

The ABC material remains potentially dangerous even today, since it contains personal information about some activists who need to be anonymous to do their work. For example, the Fascism Research Collective (FOK) traces the activities of far-right splinter groups in the Netherlands. When a right-wing group accused the FOK of slander in 1998, ABC provided the plaintiffs' lawyers with the names and addresses of people who its wastepaper said were members of the FOK. Fortunately, the material was never used in court, but being identified as an antifascist researcher in extreme-right magazines can have potentially dangerous consequences.

LESSONS TO BE LEARNED

The big question is how the wastepaper-gathering process was kept going for so long. Paul Oosterbeek kept his real identity a secret for almost eight years. Nobody knew his background or where he lived, but no group bothered to thoroughly check his credentials.

Oosterbeek's demeanor helped him fly under the radar. He was elusive, missed appointments and generally didn't act like an obvious infiltrator. He never tried to gain access to "core people" or any real secrets. He hardly ever went to meetings, never read the minutes and ignored incoming mail, which as a volunteer he would have seen. His information-gathering activities were deliberately low-key to avoid attracting attention.

Oosterbeek's computer expertise—still rare in the early 1990s—helped him gain entry. Groups welcomed his skills. His understanding of the left's loose organizational structures also helped pave his way. In radical circles he posed as a "softie" working for a mainstream NGO. In more moderate groups, he hinted vaguely of "heavier" contacts. Sometimes he made use of his connections, but often getting into a new group was as easy for him as answering an ad for volunteers. He exploited the fact that mentioning the name of a mutual acquaintance is the preferred access code in some circles.

As the piles of wastepaper began to mount, Oosterbeek almost blew his cover. He began turning up irregularly, failed to keep to his paper-collecting schedule, and was unreachable at the phone numbers he gave people. And his odd preference for "recycling" unsorted paperwork should have been a tipoff. He left behind boxes of outdated brochures printed on valuable paper—his car was too small, he said. Groups didn't understand until too late why he had persistently turned down the offer of a van: ABC wasn't interested in multiple copies.

Oosterbeek's wastepaper scheme nearly fell apart again in the early days of the Clean Clothes Campaign. CCC activists called a school listed on Oosterbeek's leaflet and learned that his wastepaper was being stored at the premises of Siebelt's security firm. When they confronted him about this, he changed his story three times. They tried to find out more about Siebelt Security, but since its phone number was not publicly registered, and nobody associated security companies with corporate public image management back then, the inquiry ended there, and ABC remained out of view.

Later it became apparent that a number of groups had felt uncomfortable about Oosterbeek all along. Shared experiences shed new light on the contradictory stories he had told. For instance, he had alluded several times to a family feud with some multinational company to explain his need to be discreet, but nobody ever got the entire story. He sometimes pretended to be especially interested in a certain corporation or family business, but the specific name of the company varied from telling to telling. (These companies were probably ABC clients.)

PREVENTING FUTURE LEAKS

Openly bringing charges against an infiltrator poses an unwanted risk for a contemporary interest group: public association with espionage and other sinister goings-on is bad for a group's image. As a result, only seven of the more than 30 groups targeted by Oosterbeek were willing to cosign a complaint to the police, even after his operation was exposed.

The other groups were understandably uncomfortable with the story being made public. Some of them relied on confidential sources in their own research, and they didn't want to be known as "leaky." Some also wanted to remain on speaking terms, even with the companies that had spied on them. Many groups didn't want a public fuss to interfere with ongoing research or pending grant proposals.

As activist groups institutionalize, they find it difficult to directly confront companies, even when the companies hire someone like Oosterbeek. Groups drifting towards a liberal, "insider" organizing model don't want to seem paranoid or secretive. In this context, some activists dismiss the need to take internal security measures.

Activists needn't be secretive about everything, but in a world where spies deliberately infiltrate the organizations of corporate critics, some kind of security awareness is essential. Screening new staff, being careful with papers, locking filing cabinets, emptying desktops at the end of the day, and changing passwords regularly can all hinder covert information-gatherers. ■

Ecos Corp's "Win-Win" Spin for Corporate Environmentalism

by Sharon Beder

PR Watch first reported in 1999 on the activities of the Ecos Corporation, an "environmental PR" firm founded in 1995 by former Greenpeace International executive director Paul Gilding. The 1999 article described how Gilding kick-started his fledgling company by recruiting Ben Woodhouse, a former PR executive and vice president at Dow Chemical. In 1999 Ecos only had a modest staff of six others operating from an old church in a suburb of Sydney, Australia.

Although Woodhouse has since left, Ecos now boasts a staff of 15 and has expanded its operations into the United States. The Australian headquarters have moved to a building commanding harbor views in the expensive Sydney Central Business District. Ecos was aided in its rapid growth by Sam Weiss, an American who formerly headed Nike in Europe and now sits on the Ecos board of directors.

Ecos evangelizes for the "win-win" gospel of corporate environmentalism and also acts as an intermediary between corporations and troublesome activists. It markets itself as a bunch of talented yet passionate idealists campaigning to help business to save the world. "Gilding's passionate belief that business can lead the world to sustainable solutions has proved to be infectious," states company literature. "For its people, Ecos has become both an adventure and a deep responsibility."

Behind this ideological façade, however, Ecos is quite pragmatic about the reputation management service it offers to corporations. In the *Australian Financial Review*, Gilding explained to a business audience that environmental issues are no longer about morality. It is time, he said, to accept reality: "We are there to service the interests of our clients... We are there because we seek to improve the profitability of the people we are working for, so we're clear as to who we're aligned with."

ENVIRONMENTALISTS ON THE PAYROLL

Ecos offers to help companies "operationalize sustainability" by "building brand and corporate reputation"; "motivating and attracting employees"; identifying "new product opportunities"; and helping companies to develop products "for the roughly 4 billion people in the Developing World who have not been fully integrated into the market economy."

Ecos's specialty, however, is its ability to offer companies insights into how activists think and operate, using the insider knowledge and contacts provided by former environmentalists on the Ecos payroll. Apart from Gilding himself, there is Rick Humphries, another former Greenpeace campaigner who was once Strategic Director of The Wilderness Society (TWS) in Australia. He

is described in Ecos literature as a "born-again believer in the power of free enterprise." Another Ecos employee, Sheena Boughen, has been a friend of Gilding since his Greenpeace days. Ecos staff member Blair Palese is a former Director of Communications for Greenpeace, and prior to that was Head of Public Relations for the Body Shop International.

Other PR and communication specialists include Rebecca Melkman, a public relations consultant, and Sandra Davey, an internet communications expert. Victor Del Rio boasts "extensive experience in the television and print media industry" and Don Reed was Director of Corporate Engagement at the World Resources Institute.

Ecos has also beefed up its journalistic staff, such as Murray Hogarth, a former environment editor and journalist for the *Sydney Morning Herald*. In addition, Ecos draws on the contacts and insights of personnel with U.S. government and political backgrounds. Kats Fisher was Chief of Staff for US Republican congressman John Porter.

Ecos boasts of its "access to complex network of high-level contacts and relationships with influential and well-placed individuals and organizations in the NGO and governmental sectors. But more exceptionally we also offer a deep insight into the psyche and ethos of the activist, non-business sector and an intimate understanding of the perceptions and beliefs that guide the actions of such organizations. And we can harness these skills to help you increase your market share or open new markets to solve society's wants and needs."

Ecos' "successes" depend to some extent on its contacts within the media, and to a larger extent on the gullibility of journalists who unquestioningly accept that former environmental campaigners turned corporate PR consultants are able to give disinterested judgements about what is good for the environment. In June 2001 the *Sydney Morning Herald* published a favorable article on Ecos client DuPont headlined "DuPont turns Green Crusader." The article incorporated praise from Paul Gilding, "former head of Greenpeace International."

RESPONDING WITH SUCCESS

Ecos does not like being labeled as a PR firm: "It is very easy to make the accusation that this is PR and spin-doctoring," says former Ecos staffer Alan Tate, "but because of confidentiality requirements the only thing that we can do is respond with our successes."

Australian mining and steel company BHP (now BHP Billiton—the largest diversified mining company in the world) offers a case study in how Ecos "responds with success." In 1998, BHP hired Ecos to help persuade

stakeholders that it was committed to operating its Ok Tedi copper mine in Papua New Guinea (PNG) in a “more open and transparent way.” In 1996 a class action by some 30,000 PNG landowners had resulted in an out-of-court settlement for approximately \$100 million and a promise to prevent further pollution of local rivers.

The ongoing environmental damage caused by the Ok Tedi mine is uncontested outside of BHP. Even the World Bank said in 2000 that the Ok Tedi mine should be closed because of the environmental damage the mine was doing: “Significant and unacceptable environmental impact (certainly much greater than originally predicted) is occurring in the Ok Tedi and Fly Rivers below the mine,” it stated. “Impacts . . . will be felt for a long time after mine closure, even if there are no more extraordinary movements of material into the river.”

Ecos was employed by BHP to engage with environmentalists and community organizations to turn “a crisis situation into a constructive dialogue.” In August 2001, the landowners in Papua New Guinea reopened their lawsuit against BHP for breach of its 1996 promise not to continue polluting local rivers. In September 2001, BHP reached an agreement with the government of Papua New Guinea to close the mine. However, the agreement “seems designed to absolve the company of responsibility arising from its polluting Ok Tedi mine,” according to Geoff Evans, director of the Mineral Policy Institute.

In December 2001, the government of Papua New Guinea passed legislation that protects BHP-Billiton from any legal action taken after its withdrawal from the Ok Tedi mine. This includes lawsuits filed by landowners in the Australian courts. It exempts BHP “from all and any demands and claims arising directly or indirectly from the operation of the mine.” Shortly after the legislation was approved, BHP withdrew from Ok Tedi, transferring its 52% share of the mine to a trust to fund sustainable development projects. Landowners are concerned that BHP has been allowed to leave without cleaning up the mess, which they argue has destroyed their traditional lifestyles.

This controversy, however, does not seem to have harmed BHP's reputation. In September BHP-Billiton was ranked number one in terms of corporate leadership on “environmental and other ethical issues” by Australian magazine *Business Review Weekly*.

Placer Dome, another Ecos client, has also been embroiled in controversy over its poor environmental practices. Its holdings include 50% of the Porgera gold mine in Papua New Guinea and other mining ventures. Ecos claims to have “guided Placer Dome Asia-Pacific’s

emergence as a sustainability leader in gold mining.” However, the Porgera mine, like the one at Ok Tedi, continues to discharge its tailings directly into a local river.

An independent scientific report by the Australian Commonwealth Scientific and Industrial Research Organisation found that mine waste was posing a threat to local ecosystems in 1996 and fish were already in decline. Placer has used stakeholder engagement to avoid remedying the situation. On advice from Ecos, Placer established the Porgera Environmental Advisory Komiti (PEAK) in 1996, comprised of government and mine representatives, technical specialists, a local NGO representative and a representative of the World Wildlife Fund (which receives funding from Placer.)

The PR intentions behind the setting up of the advisory group became apparent recently with the resignation of one of its members, Yati Bun of the Foundation for People and Community and Development. “My conscience cannot tolerate being involved any longer with the PEAK process of expediting the continuation of riverine discharge,” Bun wrote. He added that his name had been used without his permission in Placer propaganda materials and that “people’s expectations and aspirations do not seem to be getting enough and fair attention by Placer. . . . As a member of PEAK, I was seen as a front for Placer.”

Ecos has also advised the Ford Motor Car Company in its efforts to improve its a public image. It was the relationship with Ford and the growing relationship with DuPont that prompted Ecos to expand into the United States. Ecos employees and associates are now located in cities including New York, Boston, Washington and San Francisco.

Cotton Australia employed Ecos Corporation for crisis management when cotton farmers came under criticism for their heavy use of water in dry areas and their reliance on harmful agrichemicals. They use the pesticide Endosulfan, which is toxic to humans, animals, birds, fish and plants as well as insects. Endosulfan tends to be sprayed from planes and to drift long distances. For these reasons its use has been banned in a number of countries (for example, Singapore, Denmark, Germany, Sweden, the Netherlands).

Ecos helped Cotton Australia counter a campaign to ban Endosulfan and, according to its own account, helped “manage a mounting crisis over the industry’s use of Endosulfan by designing and implementing a Best Management Practices manual for growers” detailing how to handle and spray Endosulfan. Ecos also helped Cotton Australia develop a “Code of Sustainability” by engaging environmentalists in a workshop with cotton

growers. A draft agreement between invited environmental groups and Cotton Australia allowed “some of Australia’s key environmental groups to provide advice to Cotton Australia” on developing the Code and will lead, claims Ecos literature, to “positive marketing and branding of Australian cotton internationally.”

Aside from symbolic steps, however, Cotton Australia has not changed. It continues to lobby against water use restrictions. Its use of ULV Endosulfan (the sort that is sprayed from planes) was banned by the government in March 2001 after the cattle industry filed legal actions, complaining that residues were appearing in export beef. The cotton industry responded that the government had “stopped using science for its decisions and become a political body bowing to the pressures of a few agricultural industries.”

“At Ecos Corporation we have one simple aim—to change the world,” the company says. “We believe that the most effective way to make this happen is to get companies to change.” But it has not changed the actual polluting practices at Cotton Australia, Ford, BHP and Placer. The only thing that has changed is that their well-deserved reputations as polluters have been covered up with PR hype. ■

Dr. Sharon Beder is the author of several books, including *Global Spin: The Corporate Assault on Environmentalism* (Green Books in the UK and Chelsea Green in US) which is being published in a new edition next year. She has written numerous articles on environmental and other issues, many of which are available on her website at <<http://www.uow.edu.au/arts/sts/sbeder/>>.

MANAGING ACTIVISM: PR Advice for “NEUTRALIZING” DEMOCRACY

Book Review by John Stauber

When I first picked up Denise Deegan’s book, *Managing Activism: A Guide to Dealing with Activists and Pressure Groups*, I imagined a roomful of uniformed pest applicators at the Orkin company, sitting on benches like military aviators before a bombing mission, being briefed on the best tools available for eradicating cockroaches. I was a spy for the roaches—the pesty “activists” that Deegan works to “manage.” Roaches don’t generally read the “how to” manuals written by their would-be exterminators, but activists certainly should.

As someone who has spent the last decade investigating the seamy side of the “perceptions management” industry, I wish I could tell you that this book is a gold mine of revelation, but for me it is not. Still, I recommend that my fellow citizens read this book.

It is written in classroom text-like fashion, and the author is careful to put the best face on her profession and not include advice that might offend the atypical reader. Nevertheless, it can help people working for democratic social change to understand the often successful ways in which we are targeted for defeat, especially the “good cop/bad cop” tactic for dividing and conquering activists through “partnering” and co-optation by industry. For activists, Deegan’s book provides

a primer on how to recognize these traps and hopefully avoid them.

Managing Activism is written for PR practitioners whose clients engage in risky businesses (fossil fuels, pesticides, genetically engineered foods, nuclear waste, toxic dumps, animal testing) and who therefore become the targets of “activist groups” including “environmentalists, workers’ rights activists, animal rights groups and human rights campaigners.” Don’t expect much sympathy for the activists. Deegan is a battle-hardened PR veteran and a committed soldier in the war against activists who “in an increasingly pluralistic society” present what she calls “a growing threat to organizations of all shapes and sizes. And because activists employ a wide range of aggressive tactics such as generating bad publicity, seeking gov-

ernment and legislative intervention, encouraging boycotts, etc., they can cause severe disruption, including damage to reputation, sales, profitability, employee satisfaction and, of course, share price.”

The picture that Deegan paints is undoubtedly a chilling scenario if you are an executive or major share holder in companies like Monsanto or DuPont that have long histories of worldwide trade in everything from nuclear

Managing Activism: A Guide to Dealing With Activists and Pressure Groups

**Author: Denise Deegan
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(This book is part of the PR In Practice Series of the Institute of Public Relations, the British-based 6,000 member association of professional PR practitioners.)

weapon components to pesticides and genetically modified crops. What's a besieged CEO to do?

"Fortunately, if dealt with in the right manner, activists have been shown to change their approach from aggressively confrontational to cooperative," Deegan promises. "Learning to manage activists involves learning about activists. Who are they? What do they want? What will they do to achieve their objectives? And most importantly, what is the best way to deal with them?"

Deegan's recommendations are similar to the advice which comes from Peter Sandman, E. Bruce Harrison, James Lukaszewski, Paul Gilding and other "crisis management" experts whom Sheldon Rampton and I cover in our work for *PR Watch*.

Unfortunately, this entire area of PR—how to defeat activism—is insufficiently scrutinized by the citizens who need most to be aware of it, the activists themselves. Until we "cockroaches" understand the strategies of the "exterminators," the PR roach hotels built by corporate crisis management practitioners will continue to entrap movements for democracy, ecological sustainability, fair trade, human rights, social justice, and all those other extreme threats to the corporate bottom-line. Social activists like to believe that we are too committed to our causes, too worldly and aware to be sweet-talked into unwitting submission by sitting down and partnering with the enemy. As Deegan reiterates, however, industry continues to regard this sort of "dialogue" as its most effective method for managing activists.

Deegan's book tries to put the best face on the practice of "managing activism," which may explain why she avoids mentioning the Washington-based PR firm of Mongoven, Biscoe and Duchin (MBD), one of the worldwide leaders in this particular PR subspecialty. As we have documented previously, MBD grew out of the successful effort by one of its founders, Jack Mongoven, to defeat the large religious-lead boycott campaign aimed at the Nestlé corporation for its deadly promotion of infant formula in the third world. In activist lore this boycott is touted as a major victory, but in the corporate world it is understood that industry really won the day by pulling the rug out from the campaign. By making selective concessions to the activists, Nestlé succeeded in negotiating an end to the boycott. Later, activists were dismayed to discover that its infant formula marketing practices are continuing with only token changes. Third world children continue to die, but today their plight receives little attention, and activists have found that a boycott, once terminated, is not easily turned back on.

MBD is a sort of spy operation. Its dozens of employees relentlessly compile dossiers on activists of all

sizes and shapes the world over, advising industry how to defeat them. Their favorite method is a "divide and conquer" strategy heavily dependent on co-optation: First identify the "radicals" who are unwilling to compromise and who are demanding fundamental changes to redress the problem at hand. Then, identify the "realists"—typically, organizations with significant budgets and staffs working in the same relative area of public concern as the radicals. Then, approach these realists, often through a friendly third party, start a dialogue and eventually cut a deal, a "win win" solution that marginalizes and excludes the radicals and their demands. Next, go with the realists to the "idealists" who have learned about the problem through the work of the radicals. Convince the idealists that a "win-win" solution endorsed by the realists is best for the community as a whole. Once this has been accomplished, the "radicals" can be shut out as extremists, the PR fix is in, and the deal can be touted in the media to make the corporation and its "moderate" nonprofit partners look heroic for solving the problem. Result: industry may have to make some small or temporary concessions, but the fundamental concerns raised by the "radicals" are swept aside.

This, in a nutshell, is the strategy that Deegan recommends in what she calls "one of the first books to offer a 'how to . . .' format to help people cope with the threat of activism." I especially recommend her chapters on "relationship building, negotiation and conflict resolution" and "media relations." Reading these chapters should help drive home the realization that activist efforts are being deliberately targeted for defeat by corporate funding, partnership and co-optation. These may seem like unusual weapons, but PR crisis managers have taken to heart the advice of military strategist Carl Von Clausewitz: "We see then that there are many ways to one's object in War; that the complete subjugation of the enemy is not essential in every case."

Activist readers should remember that Deegan's book only offers part of the story, the sanitized version. It does not go into all the real-world ways in which nasty, smear attacks against activists are waged and funded by the same corporations and industries offering the outstretched hand of partnership. For the "rest of the story," also read *Secrets and Lies: The Anatomy of an Anti-Environmental PR Campaign*, by Nicky Hager and Bob Burton. *Secrets and Lies* is included in Deegan's "recommended reading" list. Based on a mother lode of leaked documents, its revelations of anti-environmental dirty tricks in New Zealand proved so shocking to citizens there that its publication contributed to the political downfall of the head of state. ■