

NON-PROFIT PR FIRMS ARE VIABLE,
SAYS PIPR AFTER 5 YEARS
OF SUCCESSFUL INDEPENDENT OPERATION

Public Interest Public Relations (PIPR) is 5 and growing, will open a D.C. ofc soon, vp James LeMonn told prr in response to our story (4/20) about the troubles of a Phila. non-profit counseling operation. Key is income, and PIPR Fund -- 501 (c) (3) subsidiary -- gets corporate grants for specific clients or jobs. Thus freebie work is eliminated. Clients without funds are shown how to raise it -- a "build your own clients" technique long used by counselors faced with nonpayers.

PIPR is a not-for-profit corporation. However, this does not limit professionals from earning commensurate salaries, as long as they are within bounds of propriety & the marketplace. While firm's brochure touts mainly publicity, LeMonn says "a lot of counseling" is performed: "review, recruit, hire staff, structuring pr programs, advising on fund raising." He isn't sure fees are lower but suspects so. 18-person PIPR recently beat out one of the giants for a major client.

Client list is long, blue-chip, national. Most pay fees for services, not retainers. PIPR Fund is also used to support seminars on public relations for nonprofit organizations. Firm began as subsidiary of Ruder & Finn. Aerosol spray flap, in which that firm was charged with making commercial use of the relationship and conflict of interest, prompted R&F to offer PIPR to its chief, Margaret Booth. Critical skill developed over the years is ability to address issues & management structure of nonprofits, LeMonn feels.

WHO'S WHO IN PUBLIC RELATIONS

DIED. John St. Leger, vp, media dev'l & adm, Advertising Council (NYC) since '76.

ELECTED. Women Executives In Public Relations' new ofcra: pres, Phyllis Berlowe (Doremus & Co, NYC); pres-elect, Joan Capelin (Capelin Carton & Landreth, NYC); vp, Angela Zizzi-Dailey (Drexel Burnham Lambert, NYC); sec'y, Patricia Smith (American Society of Mechanical Engineers, NYC); treas, Angela Tedesco (NY Telephone, NYC).

Railroad Public Relations Ass'n ofcra: pres, Jimmy Banks (Texas Railroad Ass'n, Austin); sr vp, Edwin Edel (CSX Corp, Richmond, Va.); vp-eastern region, Richard Garbett (Consolidated Rail Corp, Phila); vp-western region, James MacDonald (Chi & North Western Transportation Co, Chi); vp-southern region, Lewis Phelps (Norfolk & Western Railway, Roanoke, Va.); re-elected sec'y-treas, John Ragsdale (Ass'n of American Railroads, D.C.).

AWARDS. NSPRA's highest & most prestigious Presidents Award given to Larry

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Ascough (assoc supt/comms, Dallas Independent School Dist.)...Advertising Club of Savannah presents Cammack Award for work in pr, adv & comty projects to Millie Fischer (comty rels dir, Candler General Hospital, Ga.)... Publicity Club of Chi's highest honor, Edwin J. Shaughnessy Quality of Life Award, given to Marcie Harrison (sr partner, The PR Group, Chi).

NEW FIRMS. Public Relations Operations at 411 North First St, Richmond, Va. 23219; 804/788-1154; headed by Kenneth Murphy, pres...Joanie Flatt & Assocs, Ltd. at 2247 East Inca, Mesa, Ariz. 85203; 602/835-9139...Richard C. Griffith & Assocs at 35 East Wacker Drive, Ste. 1990, Chi 60601; 312/263-6481.

PEOPLE. Susan Steinberg joins Logica (NYC) in newly-created post of dpr... John Brandt joins Dickison Rakaseder & Mosconi (Westport, Ct.) heading new pr subsidiary DRM Brandt...Porter, Novelli & Assocs (D.C.) names Jeffrey Milstein research dir...Joyce Gildea joins Human Resources Network (Phila) as vp.

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CHAFEE AMENDMENTS TO U.S. FOREIGN CORRUPT PRACTICES ACT
RAISE ETHICAL CONSIDERATIONS FOR PRACTITIONERS WORLDWIDE;
DOES BRIBERY SUBVERT THE COURT OF PUBLIC OPINION?

If public relations is "the conscience of the organization," then the move to weaken U.S. laws prohibiting overseas bribes -- or clarify them, depending on your viewpoint -- is a major issue for the profession. For years we described ourselves as the "corporate conscience." Where will the profession come down on this issue? Will public relations seek a voice in the decision?

Sen. John Chafee (R-RI) & 13 co-sponsors would change the Foreign Corrupt Practices Act of '77 to the Business Practices & Records Act, primarily because of "interpretive problems for companies engaged in overseas transactions." They see the law as hastily written in the post-Watergate climate -- "difficult to decipher, hard to implement" and causing "confusion for both business people & regulators." The villains are foreign officials who extort payments in return for approving contracts or licenses. "Certainly we are all against bribery and condemn the misuse of official position for personal or monetary gain," Chafee told the Senate.

Except for a few provisions, SEC supports the bill, believing it generally preserves the original objectives while eliminating much of the uncertainty. Comr. Stephen Friedman questions removing prohibitions against payments where there is "reason to know" they will be used for bribes, by a third party for example. Some of the other things the bill does:

1. Outright bribery of gov't officials (only) is still punishable.
2. Intentional falsification of corporate records and significant failures in management control of overseas funds are illegal; but controls which are not cost effective are acceptable. Cost of recordkeeping, not business ethics, seems to become the bottom line.
3. FOI Act is amended to protect the confidentiality of business records obtained in pursuit of enforcing the anti-bribery law. All those headlines about U.S. firms handing out cash abroad would, at the least, be far less filled with juicy details.

"Economically, bribery is a distortion of comparative advantage, causing purchases to be made on grounds other than those which most efficiently allocate economic resources. It undermines foreign policy objectives by damaging our national image and detracting from our political effectiveness. It may also contribute to weak and unstable governments in strategically critical areas of the world."

-- SEC Comr Friedman

4. "Grease payments" to get low level bureaucrats to do their jobs -- such as processing forms or unloading shipments -- are permitted on grounds that "petty corruption is unavoidable," in Chafee's words. Such payoffs are "customary" and seek to obtain "prompt performance" by an official of his duties.

5. Unusual "commissions" and other questionable practices are ok as long as they are legal in the country where made.

6. "Customary gifts" & "routine business hospitality" are ok -- but the gate is wide open for abuse.

7. Urges the President to seek treaties establishing international business standards & getting other nations to cooperate in fighting bribery.

Bill Poses Many Ethical Queries

1. Is there to be a distinction between lawful & illegal acts depending on the amount involved and the level of the corrupt official? "Gifts" and bribes to lower bureaucrats are ok, but larger sums to bigger fish are prohibited. In most nations, a crime is a crime regardless of size; acts are either right or wrong regardless of details.

2. Business is international now: Can there be more than one set of rules? U.S. prohibits overseas bribery unilaterally, Canada & Western Europe do not. Upholding its ethical standards becomes an "export disincentive," harms trade for the U.S.

Many companies don't what to do business in corrupt nations. But the Middle East with its oil billions is hard to resist, and bribery is reportedly rife there. SEC Chrm John Shad says: "Businessmen want to be treated fairly. They want to see those who lie, cheat and steal, exposed and prosecuted. They want to compete in a fair environment in which the rewards go to those who deserve them."

3. While it is arguable no nation should try to set standards for another, conditions tend to descend to the lowest denominator. If bribes are ok somewhere, they will spread elsewhere.

4. If small bribes are permitted to get ships unloaded, won't they turn up in other relations with gov'ts? ITT's trav- ail of recent years over widely-reported activities in Latin America are a case in point.

5. On the other hand, the present law resulted in false entries, off-the-books slush funds, large discretionary accounts to overseas sales managers -- all of which harm shareholders and ultimately public relationships.

Practitioners keep saying they are, or want to be, involved in policy decisions. Here's an issue that can shape the world's ethical future. Will PRSA, or its Corporate Section, or IABC, or IPRA take a position? It's another instance of the global view required in today's public relations practice. (For copy of S.708, write prr.)

OF INTEREST TO PROFESSIONALS

¶Does tv influence public perceptions & behavior or doesn't it? Some businessmen feel the medium is forming negative opinion about them by depictions as "Crooks, Conmen & Clowns" (pr 6/22). Mobil's latest editorial-type ad joins the chorus

of affront about the tube treatment of executives. Others claim sex & violence in shows they sponsor are harmless, not acted out in behavior of audiences (pr 4/4/77).

¶"Personal freedom" may be key words to use in getting issue advertising past media censors. In defense of business, Getty Oil has been producing 30-sec. spots to air on network tv. Initially all 3 nets either turned them down flat or expressed reluctance, adman Bob Colombatto told LA/PRSA. Key to acceptance by ABC was inclusion of words "personal freedom" in concept of business activities. Who could ask for equal time against that?

¶Covering virtually every aspect of the marketing process from direct mail to inter- national promotion, "Tips & Techniques" is the appropriate subtitle for a new guide called Book Marketing Handbook. Tho ostensibly covering one product, books, the numerous case examples are useful for many public relations situations. It is divided in 14 sections with 4 appendixes. Handbook examines space advertising, publicity, conventions, marketer-author relations, budgeting, sales outlets, jobs in book marketing. Special sections on high-ticket reference books, medical & social science markets are also included. Section on mailing list deterioration is relevant to all practitioners. (Available from R.R. Bowker Co, 1180 Ave of the Americas, NYC 10036. 482 pp; \$45.)

¶Last minute annual report madness and printer problems can be avoided by listing & checking steps in preparation. Free annual report production guide is available from Sorg Printing Co. (NYC). 13 x 27 in. chart gives schedule, worksheet & per- manent record of every step in planning & production process. Handy 15-month calendar, page layout boxes, content checklist including proxies & 10K, even range of Benday tints are included. (Copies from 111 Eighth Ave, NYC 10011.)

FRONTIER AIRLINES "AMATEURISH" MAG SUCCEEDS IN PROMOTING COMPANY BY LINKING STORIES TO PERSONNEL

Chick Stevens is a retired pilot, not an editor. He stumbled into running Frontier Airlines in- flight magazine when, as pilot training mgr, he suggested a booklet to inform passengers

about the operations involved in flying big commercial planes. The first issue was used by airline mgmt against the dpr's advice: too amateurish, he said. But compliments from passengers poured in, and Frontier Magazine is celebrating its 10th anniversary.

It is different. And, in its way, amateurish. Layout is definitely not mod or slick, sometimes downright old-style. It promotes feelings of friendship & loyalty with the airline by another old-fashioned technique: key articles are either writ- ten by, or are about, airline personnel. Anniversary issue, for example, tells of a DC-3 that a Frontier pilot kept running into in unexpected places, flying it first in the service, then for another airline, then for Frontier. An emotional story about auto racer Tony Bettenhausen acquires added punch when it's revealed his daughter is Frontier's dir. of consumer svcs.

Other articles are inevitable by pilots, about flying or its history typically tied in some way to Frontier. Nostalgia is a constant, as is the region served by Fron- tier of course. (Copy of anniversary issue from Stevens, 1637 S. Oakland Ct., Aurora, Colo. 80012.)