

## **The 2004 Falsies Awards**

By Laura Miller, AlterNet  
December 30, 2004

This year marks the beginning of a new tradition for the Center for Media and Democracy. To remember the people and players responsible for polluting our information environment, we are issuing a new year-end prize that we call the "Falsies Awards." The top ten finalists will each receive a million bucks worth of free coupons, a lifetime supply of non-fattening ice cream, an expenses-paid vacation in Fallujah, and our promise to respect them in the morning. The winners of the Falsies Awards for 2004 are:

### **1. I'm Karen Ryan, reporting**

Let's hear it for video news releases finally getting a smattering of the public scrutiny they deserve. A 'video news release' or VNR is a simulated TV news story. Video clips paid for by corporations, government agencies, and non-governmental organizations are commonly passed off as legitimate news segments on local newscasts throughout the United States. VNRs are designed to be indistinguishable from traditional TV news and are often aired without the original producers and sponsors being identified and sometimes without any local editing.

When a VNR touting the controversial Medicare reform law ended with "In Washington, I'm Karen Ryan, reporting," Senate Democrats called foul. The VNR, which aired on 40 stations between January 22 and February 12, 2004, was paid for by the U.S. Department of Health and Human Services. Ryan, the "reporter," was in fact employed by a production company contracted by the Ketchum PR firm to create the VNR for HHS. An investigation by the U.S. General Accounting Office concluded that the VNR had violated a ban on government funded "publicity and propaganda." According to *The Hill*, a newspaper based in Washington, D.C., "VNRs are standard practice in the public-relations industry and local news reports often rely on them. ... However, the GAO said in its decision, 'our analysis of the proper use of appropriated funds is not based upon the norms in the public relations and media industry.'"

Karen Ryan was back in the news in October, when the liberal-leaning People for the American Way identified another Ryan VNR. This time Ryan "reported" on the Bush Administration's No Child Left Behind law. A Freedom of Information Act investigation revealed that the U.S. Education Department paid \$700,000 to the PR firm to produce two VNRs as well as to rate newspaper coverage according to how favorably reporters described No Child Left Behind. "A number of local stations ran the VNR as is, and added a local twist by simply having their own reporter read the script," reported CampaignDesk.org, a journalist watchdog website. "The stations that took the time to have their own reporters record the script of the No Child Left Behind VNR had to have been fully aware of what they were doing: knowingly deceiving their viewers about the origins of the story – not to mention committing plagiarism – by passing off as their own original reporting words actually written by a PR company hired by the Bush administration."

### **2. War Is Sell**

The formerly exiled Iraqi Ahmed Chalabi and his Iraqi National Congress were exposed as hucksters who befriended powerful men in Washington and played an instrumental role in selling the Iraq War. The U.S. major media finally examined the extent to which the INC and Chalabi used funding provided by the U.S. Congress to position themselves as a central

source for much of the now-discredited "intelligence information" that the Bush administration used to justify the March 2003 invasion.

"The former Iraqi exile group that gave the Bush administration exaggerated and fabricated intelligence on Iraq also fed much of the same information to newspapers, news agencies and magazines in the United States, Britain and Australia," Knight Ridder reported in March 2004. "A June 26, 2002, letter from the Iraqi National Congress to the Senate Appropriations Committee listed 108 articles based on information provided by the Iraqi National Congress's Information Collection Program, a U.S.-funded effort to collect intelligence in Iraq. The Information Collection Program was financed out of the at least \$18 million that the U.S. Congress approved for the Iraqi National Congress, led by Ahmed Chalabi from 1999 to 2003."

"Chalabi appears to have recognized that the neocons, while ruthless, realistic and effective in bureaucratic politics, were remarkably ignorant about the situation in Iraq, and willing to buy a fantasy of how the country's politics worked. So he sold it to them," John Dizard wrote for Salon.com in May 2004. In a detailed profile of Chalabi and the INC, the *New Yorker's* Jane Mayer included some fairly candid admissions by Francis Brooke, the INC's PR guru. Without Chalabi, he said, "This war would not have been fought." Beginning in the late 1990s, Chalabi and Brooke had designed a campaign to influence "only a couple of hundred people" in Washington with the ability to shape Iraq policy – people like Trent Lott, Newt Gingrich, Richard Perle and Dick Cheney. Following 9/11, their marketing strategy switched to terrorism and weapons of mass destruction. Brooke claimed, "I sent out an all-points bulletin to our network, saying, 'Look, guys, get me a terrorist, or someone who works with terrorists. And, if you can get stuff on WMD, send it!'"

Following the toppling of Saddam Hussein, the U.S. gave Chalabi one of the 25 seats on its hand-picked new Iraqi Governing Council. The Pentagon's \$335,000 monthly payments to the INC's intelligence program continued until May 2004, when U.S. intelligence agencies began reporting that Chalabi may have actually been a double agent working for Iran. American troops raided Chalabi's headquarters and home in Baghdad, arrested two of his aides, and seized documents. "Only five months ago," observed Andrew Cockburn, "Chalabi was a guest of honor sitting right behind Laura Bush at the State of the Union. What brought about this astonishing fall from grace of the man who helped provide the faked intelligence that justified last year's war?" According to *Newsweek*, "Bush administration officials say the latest intelligence indicates [Chalabi] may have been supplying the Iranians with information on U.S. security operations in Iraq that could 'get people killed.'"

Chalabi responded by demanding that the U.S. leave Iraq. "Let my people go," he said, adding, "It is time for the Iraqi people to run their affairs." More recently he has aligned himself with Muqtada al-Sadr, the radical Shiite cleric whose militia battled U.S. troops in August in the Iraqi city of Najaf.

### **3. The Hidden (in Plain Sight) Persuaders**

Stories of so-called "guerrilla marketing" abounded in 2004. From martinis to cell phones to TV programs, this stealthy form of advertising usually features paid agents subtly promoting a product to an unsuspecting audience. According to Shawn Prez of the marketing agency Power Moves, stealth techniques are especially effective with teens. "By the time the message gets out, they don't even know they've been hit; they don't know that they've been marketed to. All they know is that their interest has been piqued," Prez said. Our favorite examples of guerilla marketing include the following:

- In New York, attractive men and women flashed their underwear at strangers outside Grand Central Terminal to promote a local health club. The underwear featured the logo of the club along with the words "Booty Call" to promote an exercise class that works the butt muscles. (We swear we're not making this up.)
- A fictional blogger, invented by an ad agency, posted blog entries claiming that a new Sega video game caused him to suffer blackouts and uncontrollable fits of violence.
- At Fourth of July cookouts throughout the United States, guests brought Al Fresco chicken sausages to throw on the grill, without telling the other guests that they were actually working to earn premiums from a PR firm that was hired to promote sales of the product.

"This idea – the commercialization of chitchat – resembles a scenario from a paranoid science-fiction novel about a future in which corporations have become so powerful that they can bribe whole armies of flunkies to infiltrate the family barbecue," observed Rob Walker in the *New York Times*.

#### **4. Food Industry Foxes Guard the FDA Hen House**

Food industry lobbyists met repeatedly and privately with Bush administration officials while the administration was drafting rules to protect the nation's food supply from bioterrorism. "The resulting regulations don't fully protect the public interest," stated the Center for Science in the Public Interest. The Grocery Manufacturers of America, Altria Group (formerly Philip Morris) and others lobbied to weaken proposed regulations requiring importers to notify the Food and Drug Administration before food shipments arrive from overseas. One GMA lobbyist explained, "We all want regulations to protect against bioterrorism, but in a way to achieve the goals and allow the business to operate in an efficient manner." The Bush administration's Secretary of Health and Human Services, Tommy Thompson had nothing to say about the problem until after the 2004 presidential election, when he announced his resignation plans. In his departure speech in December, Thompson warned of possible health-related terrorist attacks. "For the life of me, I cannot understand why the terrorists have not attacked our food supply because it is so easy to do," he said.

#### **5. Shell Game With Human Rights**

Corporate lobby groups such as the International Chamber of Commerce (ICC) launched a fierce counter-campaign against the proposed Norms on Business and Human Rights, which were developed by a subcommission of the United Nations Commission on Human Rights. The Norms require businesses internationally to refrain from activities that violate human rights, constraints that have been vigorously opposed by the ICC and the Royal Dutch/Shell oil company, a self-proclaimed leader in the corporate social responsibility (CSR) movement. "Is this not the kind of campaign one could expect only from companies lagging behind and from free-riders refusing to adapt to social and environmental concerns?" asked the Corporate Europe Observatory (CEO). The motive behind Shell's opposition, CEO suggested, is that "the company generally gets away easily with its inflated claims concerning its social responsibility record." A 2004 report by Christian Aid documented that Shell's operations in the Niger Delta (Nigeria) are still causing serious problems for local communities. The report also found that most of the community development projects presented in various glossy Shell reports on CSR are in fact failing. "Hospitals, schools and water supply systems are built but never start working, and roads are mainly used to boost oil production," reported CEO. "But beyond the debate about the extent to which Shell's CSR claims are actually greenwash and poor-wash, it is clear that the company is determined to prevent the emergence of international mechanisms through which communities could hold it accountable to its pledges."

## **6. Ghostwriters for Bush**

In August, the Daily Kos weblog uncovered an astroturf (fake grassroots) initiative by the George W. Bush reelection campaign, which generated ghostwritten letters to the editor that found their way into at least 60 newspapers. This wasn't the first time that the Bush administration tried this trick, as we've reported in the past. According to Editor and Publisher, however, the National Conference of Editorial Writers (NCEW) is now taking the issue seriously. "On its NCEW e-mail listserv, some 600 subscribers who are mostly editorial page writers and editors, can alert one another of suspicious letters," writes Charles Geraci. "In fact, this is the most consistent topic on the listserv."

## **7. Frank Talk**

A leaked memo by Republican advisor Frank Luntz advised GOP politicians to avoid the words "preemption" and "war in Iraq" when talking about the Bush administration's pre-emptive war in Iraq. "To do so is to undermine your message from the start," he advised. "Your efforts are about 'the principles of prevention and protection' in the greater 'War on Terror.'" According to the June 2004 *Washington Post* story, Luntz also recommended that "No speech about homeland security or Iraq should begin without a reference to 9/11."

## **8. Not-So-Democratic Convention**

"One cannot conceive of other elements [that could be] put in place to create a space that's more of an affront to the idea of free expression," said U.S. District Judge Douglas Woodlock, after touring the Democratic National Convention's "free speech" protest zone in Boston. The zone is "bordered by cement barriers, a double row of chain-line fencing, heavy black netting, and tightly woven plastic mesh," with "coils of razor wire" along elevated train tracks, the *Boston Globe* reported. A lawyer for activists challenging the zone compared it to "a maximum security prison, Guantanamo Bay, or a zoo" – comparisons Woodlock called "an understatement," although he upheld the zone for security reasons. That's not to say the Republican National Convention in New York City was a celebration of civil liberties. The New York Police Department engaged in pre-emptive arrest tactics to stop activities planned by demonstrators.

## **9. Iraq War Supporters Profit From Reconstruction**

Several key advocates for the invasion of Iraq are now profiting from Iraq's reconstruction. "As lobbyists, public relations counselors and confidential advisors to senior federal officials, they warned against Iraqi weapons of mass destruction, praised exiled leader Ahmad Chalabi, and argued that toppling Saddam Hussein was a matter of national security and moral duty," reported Walter F. Roche Jr. and Ken Silverstein in the *Los Angeles Times*. "Now, as fighting continues in Iraq, they are collecting tens of thousands of dollars in fees for helping business clients pursue federal contracts and other financial opportunities in Iraq." Among the profiteers are:

- former CIA Director R. James Woolsey, Jr., a founding member of the Committee for the Liberation of Iraq (CLI) who used his Pentagon connections to help arrange for a debriefing of a Iraqi defector provided by the Iraqi National Congress who gave false information about Iraqi biological warfare laboratories (see award-winner #2 above);
- Randy Scheunemann, founding president of the CLI; and
- Washington lobbyist K. Riva Levinson, who while at Burson-Marsteller's BKS & Associates did PR work for the INC on the U.S. State Department's tab.

## 10. Wal-Mart Gets PR Help From Hill & Knowlton

"Wal-Mart is working with Hill & Knowlton on a PR campaign designed to rehabilitate the much-maligned company's reputation in California and pave the way for 40 new Wal-Mart Supercenters in the state in the next few years," *PR Week* reported in October. The world's largest retailer published an "open letter to California residents" in 15 California newspapers on September 23. "As the company has grown, we've become a target for negative comments from certain elected officials, competitors and powerful special interest groups," Wal-Mart wrote. *PR Week* reported that several of H&K's California offices had been working with Wal-Mart for several months on the PR effort, "primarily handling media relations tasks." Wal-Mart has announced plans to increase retail space by 8 percent. The company, which is also facing a class action suit for sex discrimination, had a record setting in net sales for the six months ended July 31, 2004.

### Dishonorable Mentions

PR and advertising agency Ogilvy & Mather tied Fleishman-Hillard, another global PR firm, for sheer audacity at draining the public well.

- The U.S. indicted executives from Ogilvy and Mather for participating in an "extensive scheme to defraud the U.S. Government by falsely and fraudulently inflating the labor costs that Ogilvy incurred" for its work on a media campaign for the Office of National Drug Control Policy. According to O'Dwyer's PR Daily, O&M's anti-drug media campaign work was part of a five-year \$684 million dollar project. The government said it was overcharged by O&M from May 1999 to April 2000.
- Several former employees of Fleishman-Hillard say F-H routinely overbilled the Los Angeles Department of Water and Power some \$30,000 a month. According to the *Los Angeles Times*, one described F-H's attitude as, "Get as much as you can because these accounts may dry up tomorrow." Questionable charges include \$50 for leaving a phone message and \$850 for a two-hour business lunch (not including the cost of the meal).

### Honorable Mentions

The Center for Media and Democracy would also like to recognize the following efforts to expose and counter spin in 2004:

- The post-debate media feeding frenzy where campaign officials talk up their candidates has come to be called Spin Alley. Comedian Jon Stewart of Comedy Central's "The Daily Show" appeared on CNN's Crossfire in October, calling it as he saw it. "You go to Spin Alley, the place called Spin Alley," he said. "Now, don't you think that, for people watching at home, that's kind of a drag, that you're literally walking to a place called deception lane?" On Jay Rosen's PressThink weblog, Lisa Stone offered an illuminating history of Spin Alley. Stewart, she wrote, "was hitting on a practice that had grown more and more disreputable. As a designated spot for the practice of spin, the Alley only fell from legitimacy when an alternative practice rose up and called out to conscience of the press. It was one lesson of Campaign 2004: Forget about spinning the outcome, just fact check the debates."
- Tami Silicio and the *Seattle Times* brought the first images of U.S. military casualties to the American mass media in April 2004. Silicio, a Kuwait-based cargo worker whose photograph of flag-draped coffins of fallen U.S. soldiers was published in the *Times*, was fired along with her husband. Her employer, a private contractor, said it decided to fire her after receiving a complaint from the military about her violation of the Pentagon's ban on images of soldiers' caskets.