

# Corporate spin can come in disguise

*To get their views in the mainstream, some companies help finance columnists, whose work can appear in print as independent opinion.*

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WASHINGTON - If McDonald's makes the case that fast food is nutritious or ExxonMobil argues against higher taxes, it looks like simple self-interest. But when an independent voice makes the case, the ideas gain credibility.

So big corporations have devised a form of idea laundering, paying hundreds of thousands of dollars to seemingly independent groups that act as spokesmen under disguise.

Their views wind up on the opinion pages of the nation's newspapers - often with no disclosure that the writer has financial ties to the companies involved. A few examples:

- James K. Glassman, a prominent syndicated columnist, denounced Super Size Me, a movie critical of McDonald's. Readers were not told that McDonald's is a major sponsor of a Web site hosted by Glassman.
- John Semmens, a policy adviser at the Heartland Institute, wrote a column for the Louisville Courier-Journal that called Wal-Mart "a major force in promoting prosperity for everyone." Readers were not told that his think tank had received more than \$300,000 from the Walton Family Foundation, run by the heirs of Wal-Mart founder Sam Walton.
- Steven Milloy, an analyst at the Competitive Enterprise Institute, wrote a column in the Washington Times that sided with the oil industry against windfall profits taxes. Readers weren't told that groups closely affiliated with Milloy have received at least \$180,000 from ExxonMobil.

By having others deliver their talking points, the companies stay above the fray, said John Stauber, whose Center for Media and Democracy tracks corporate front groups. "What these companies are doing is paying somebody else to attack their critics while keeping their fingerprints off the attack."

Mark Feldstein, director of the journalism program at George Washington University, said that a pundit's corporate connections "is one of the dirty little secrets in Washington. The average American citizen out there is not aware that these think tanks - that they think are objective and neutral - are in fact beholden. It's part of the culture of corruption in Washington."

## **'Outrageously dishonest'**

Super Size Me was a PR nightmare for McDonald's. The film, released in 2004, documented how Morgan Spurlock ate nothing but McDonald's food for 30 days, gained 24 pounds and damaged his liver. It said McDonald's was partly to blame for the nation's obesity epidemic and it sparked a national debate about fast food.

McDonald's said the film was misleading because Spurlock acted irresponsibly by eating too much and not exercising.

Enter Glassman, a Scripps Howard columnist and former publisher of the New Republic and the Atlantic Monthly.

He is the host of Tech Central Station, a Web site owned by a Washington lobbying firm called the DCI Group. The Web site describes itself as a journal of free-market economics, but it also has elaborate Web pages promoting positions that affect DCI's lobbying clients. Its "About TCS" page discloses that Tech Central Station is owned by DCI and sponsored by McDonald's, ExxonMobil, General Motors and drug manufacturers.

After Super Size Me debuted to many positive reviews, DCI and Tech Central Station launched an aggressive effort to discredit the film. In his weekly Scripps Howard column, Glassman called the movie "an outrageously dishonest and dangerous piece of self-promotion."

Such columns are known as op-eds because they often appear opposite from the editorials. Glassman's piece, published in at least four newspapers, carried a tagline that identified him as a fellow at the American Enterprise Institute, but readers would have had to do their own Internet research to discover his financial link to McDonald's.

After the column appeared, a group with ties to the food industry issued a video news release with footage of Glassman and "nutrition experts" criticizing the movie. The release offered Glassman for interviews that could be arranged through an employee of the DCI Group.

Then came the echo effect. Tech Central Station published an extensive "Super Size Con" Web site with negative reviews and op-ed articles against the movie, including Glassman's. Writers from the Houston Chronicle, National Journal's CongressDaily and other publications quoted his column.

Glassman wrote a second column criticizing the film, which Tech Central Station offered free to newspaper editorial pages. This time, his role with Tech Central was listed in the tagline. The column was published in the St. Louis Post-Dispatch, the Detroit News and the Milwaukee Journal-Sentinel.

But after a reader called the Post-Dispatch to complain that Glassman's McDonald's connection was not mentioned, the newspaper published an editor's note. Commentary editor Eric Mink said Glassman should have disclosed the financial ties and that readers "deserved to know about the connection between McDonald's and the Web site to which Glassman lends his name and

reputation."

In the editor's note, Mink quoted Glassman saying he should have disclosed the connection. "I'll make sure that's absolutely clear in the future," Glassman said.

But he didn't.

His Scripps Howard columns continued to run without identifying his sponsors, even when he promoted their views on issues such as oil taxation and pharmaceutical regulation.

In a brief interview with the St. Petersburg Times, Glassman said he has changed his mind about disclosing his conflicts and that the "About TCS" page of the Tech Central Web site is sufficient. He does not believe he needs to reveal his corporate ties to newspapers that publish his columns.

"I've done enough disclosure," he said. "We list who our advertisers, and sponsors are right on the site so people can see it. They can make their own judgment." Glassman stopped writing for Scripps Howard this year so he could write a book, he said.

McDonald's spokesman Walt Riker said his company has been open about its relationship with Glassman. "We work with a lot of different agencies," Riker said. "Tech Central Station happens to be one of them."

Stauber, of the Center for Media and Democracy, said the disclosure on the Tech Central Web page is not enough.

"What is most disturbing about the effectiveness of Glassman's deceptions is that it works," he said. "Any journalist who just Googles Glassman's name should see he is a corporate snake-oil salesman. But instead, this stuff gets picked up and used and re-used as journalism."

Glassman's decision not to disclose his corporate ties is surprising given that he lambasted fellow journalists for similar conflicts. In a 1995 column in the Washington Post, Glassman predicted that reporters accepting speaking fees from companies and owning stock in businesses they cover would become "the next great American scandal."

### **A chorus for ExxonMobil**

When gasoline prices skyrocketed last fall and oil companies reaped huge profits, there was much harrumphing from Congress. Some lawmakers said oil companies should pay a windfall profits tax.

Writers with ties to ExxonMobil responded with a flurry of remarkably similar op-eds: "We tried the windfall profits tax approach in the 1980s - and rejected it ... the policy simply didn't work to improve our energy situation," Steven Milloy wrote in the Washington Times.

Glassman wrote that ExxonMobil was entitled to profit from the risks it took by investing in

drilling: "Is that a windfall? No more than it is for a farmer who plants a crop at one price and harvests it at a higher one. Or a homeowner who buys at \$500,000 and sells at \$1-million." Readers were not told that the authors have financial ties to ExxonMobil.

Groups run by or affiliated with Milloy have received at least \$180,000 from the oil giant since 2000, according to company records. ExxonMobil is a major underwriter of Glassman's Web site and has paid at least \$140,000 for lobbying services to the DCI Group.

The writers said the money from ExxonMobil was not a factor.

Glassman said he has consistently supported a free-market approach. He said his columns take positions backed by "some of DCI's clients - and only in areas where they fit with my beliefs." Milloy runs a Web site called JunkScience.com that says many conclusions about global warming are based on faulty science. He discloses on the site that his groups have received money from ExxonMobil. But the disclosure was not included with the op-ed.

Milloy said he wrote the column because he opposes windfall profits taxes and supports free-market economics. He said the money he received from ExxonMobil was not a factor. "I don't know what Exxon's position on windfall profits is," he said.

ExxonMobil spokesman Dave Gardner said the company donates to groups that research relevant issues but does not dictate what they write or say. "When it comes to expressing our opinion about key issues, we speak for ourselves," Gardner said in an e-mail message. "Third-party groups speak for themselves and do not speak for ExxonMobil."

Yet they often say the same things. Here's what ExxonMobil said in its own August 2006 opinion column about the tax proposal:

"When energy companies were singled out for higher taxes on their profits in the 1980s, domestic oil production fell 6 percent and oil imports grew 16 percent, according to the Congressional Research Service."

Here's what Glassman wrote in his Scripps Howard column nine months earlier: "In 1980, Congress enacted a windfall-profits tax. The result, according to the Congressional Research Service, was a decline in domestic oil production of about 5 percent and an increase in oil imports of about 12 percent."

### **Helping Wal-Mart**

The Walton Family Foundation, run by the heirs of Wal-Mart founder Sam Walton, has given more than \$100,000 to the American Enterprise Institute and more than \$300,000 to the Heartland Institute since 2002.

When Wal-Mart came under fire for everything from its treatment of employees to its impact on mom-and-pop stores, the think tanks came to its defense.

Kevin Hassett of AEI wrote an op-ed for the Bloomberg News Service that said "high-tech goons" from labor unions were leading an unfair attack against Wal-Mart.

The Heartland Institute got an op-ed published in the Louisville Courier-Journal that called Wal-Mart "a major force in promoting prosperity for everyone, including consumers, employees, shareholders, and suppliers."

Neither column disclosed the financial connection between the groups and the Walton foundation.

The Heartland Institute has been particularly energetic defending Wal-Mart. When labor unions criticized the retail chain for its hiring practices in late 2005, the institute issued a news release that highlighted pro-Wal-Mart essays written by Semmens and other Heartland authors and invited reporters to contact them for interviews. The news release said "none of these authors was paid to defend Wal-Mart" and said the institute did not receive funding from the company. The release did not mention the \$300,000-plus Heartland had received from the Walton foundation. Semmens said the institute asked him to write about the retail chain but did not pay him or tell him what to write. That wasn't necessary, he said. "I agree with Heartland philosophically. We're all supporters of a free market."

Jay Allen, a spokesman for the Walton foundation, said the group is not affiliated with Wal-Mart and does not promote the store's interests. He said the foundation promotes education reforms, environmental restoration and economic development in Arkansas. The grants to the think tanks were for projects on education reform, he said.

But Stauber, of the Center for Media and Democracy, said he believes the Walton foundation is trying to win support for Wal-Mart: "There is an understanding that this money is going to be spent in ways that Sam Walton, wherever he is, would look down and smile."

### **'Ask the right questions'**

Op-eds can be important because they can have a "multiplying effect," said Feldstein, the journalism professor. "The networks read them, the radio stations pick up from them and decide who their guests are, members of Congress read from them on the House floor."

Editors realize that writers sometimes try to publish the columns without revealing their connections.

"You've got to play lawyer a little bit," said David Langworthy, Outlook editor for the Houston Chronicle. "If you don't ask the right questions, you don't get the right answers."

Keith Runyon, the opinion editor at the Louisville Courier-Journal, said he was unaware of the connection between the Walton foundation and the Heartland Institute when he ran the Wal-Mart column. Had he known, he said, he probably would not have published it or at least would have disclosed the financial connection.

Sometimes, editors know a writer's financial ties but decide readers don't need to know.

Peter Copeland, editor and general manager of Scripps Howard, said his organization knew about Tech Central Station's sponsors but decided not to mention them with Glassman's columns. "Anybody can go to Tech Central Station and see for themselves," he said.

Susan Brenneman, deputy op-ed editor of the Los Angeles Times, said writers should disclose if they have a financial stake in their topic, such as stock ownership or membership in a board of directors. But less-direct links, such as sponsoring Tech Central Station or corporate contributions to a think tank, fall into a gray area and may not need to be disclosed.

"You have to expect a certain amount of knowledge on the part of the reader," she said.

Brenneman said her paper is developing a form that contributors would sign indicating if they have financial ties. Copeland said Scripps Howard now requires columnists to sign a statement about conflicts of interest and journalistic integrity.

David Carlson, a journalism professor at the University of Florida and the immediate past president of the Society of Professional Journalists, said that's not enough.

"It seems like there is a reasonably simple solution - that an op-ed editor should require people to sign some kind of a statement when they submit a column that says, 'I have no financial ties to someone who may benefit from these opinions.' "