

White House Tie Booms Ad Agency

By Jack Anderson

Since the Los Angeles managers of the giant J. Walter Thompson advertising agency went to work in the White House, the agency has increased its federal accounts dramatically.

Four years ago, the Thompson firm's federal business was limited to a \$160,000 contract to provide "counsel, advice and assistance" to the Marines. This year, the company should collect more than \$3.5 million from the federal government.

It may be merely a coincidence that President Nixon drew three of his top aides from the Thompson agency. His chief of staff, H.R. Halde- man, formerly merchandized 7-Up as the "Un-cola." Appointments Secretary Dwight Chapin made his mark hawk- ing bug killer and floor wax. And Press Secretary Ron Zeigler started as a Disney- land guide and later handled the Disneyland account for the Thompson agency.

A number of J. Walter Thompson executives took time off to work for the Nixon campaign both in 1968 and 1972. Most are back at the agency working on the new federal accounts. A few stayed in government.

The ACTION agency, for ex- ample, has three ex-Thompson hucksters—Ronald Gerevas,

who heads the public affairs branch; Nissen Davis, who oversees "special projects;" and Robert Druckenmiller, who is in charge of the adver- tising branch.

At the Interior Department, Pamela Coe, a pretty, young advertising expert from J. Walter Thompson's New York office, is now advising Interior Secretary Rogers Morton.

There's no evidence of im- proper intervention by these people to get contracts for their former firm. More likely, government agencies have fa- vored J. Walter Thompson in hope of impressing the power- ful Thompson trio in the White House.

Curious Contract

The Food and Drug Admin- istration, for instance, re- cently awarded the Thompson agency a contract that should be worth around half a million dollars. The circumstances were curious if not downright suspicious.

Each holiday season, the FDA sponsors a campaign to alert the public to dangerous toys. Last year, a slide show was prepared that cost the tax- payers about \$600.

But this season, the FDA bigwigs waited until late Au- gust, then asked 13 "qualified sources" to bid for the job. Five companies responded, and J. Walter Thompson was

awarded the contract for \$137,600.

Federal procurement regula- tions require civilian agencies to advertise for bids, or at least make a prompt, official announcement of an award on all deals exceeding \$5,000.

There was no such an- nouncement of the J. Walter Thompson contract. An FDA spokesman explained that "unique and compelling" cir- cumstances made it necessary to rush the deal. In other words, they wanted to get the toy safety campaign rolling in time for the Christmas rush.

The FDA failed to note, however, that the "compelling" circumstances were created by its own tardiness. Christ- mas, after all, comes at the same time every year.

For their \$137,600, the tax- payers will get a 14-minute color film starring baseball pitcher Tom Seaver and actor Arnold Stang; four television commercials; six radio com- mercials; and a press kit con- taining printed matter, photo- graphs and a slide show.

Taxpayers Rooked

We contacted a production company, experienced in gov- ernment work, to find out whether the price was right. The company, after studying the requirements, said it could produce the same package for \$55,000—less than one-third what Thompson will get.

The Thompson contract,

furthermore, contains some hidden benefits. Not only will the firm handle the toy safety promotion; it also won rights to do two other pub- lic service advertising campaigns for FDA. The fees will be ne- gotiated later, but insiders ex- pect the full contract to ap- proach \$500,000.

The Marine Corps, meanwhile, has also increased payments to J. Walter Thomp- son. After the Thompson firm moved into the White House, the Marines jacked up their contracts with the advertising agency from \$160,000 to \$300,000. In fiscal year 1972, it was \$870,000. This year, the Mar- ines have budgeted a whopping \$3 million for the Thomp- son firm.

Footnote: The J. Wal- ter Thompson agency, in respon- se to our inquiries, gave us a written statement. "The com- mate of \$3.5 million" in gov- ernment business, said statement. "amounts to one- fourth-tenths of one per cent of the (agency's) estimated work- wide billings" in 1972. "The agency stressed that it was engaged in open, competi- tive bidding for government bus- iness over the years" and that in addition to the success of the Marine Corps and FDA it had lost a bid for a \$5 million postal service contract. Of the advertising agencies, the state- ment claimed, had a high volume of federal business.