

ADVERTISING / By JOANNE LIPMAN

## Scientology Dispute Draws In WPP Chief

A bizarre run-in between Time magazine and the Church of Scientology has ensnared an unlikely victim: WPP Group's Martin Sorrell.

Ever since Time ran a May 6 cover story depicting the Scientology group as a "cult of greed," the Scientologists have been striking back, criticizing the article as a "sensationalized attack" full of "falsehoods." In the past week, the Scientologists have broadened their attack. This time, in one of the stranger plot twists Madison Avenue has seen, their target is Mr. Sorrell, the low-key Briton who runs one of the world's largest advertising and public relations conglomerates.

Though they cite no evidence to back up their claim, the Scientologists are accusing Mr. Sorrell of pressuring Time into running the article. Heber Jentzsch, president of the Church of Scientology International, charges in an interview: "The guy to look at is Martin Sorrell. He called the shots in terms of . . . determining what went into Time magazine. There's no question it was completely planted."

Time terms "patently absurd" the Scientologists' accusation that the story was planted by anyone.

Mr. Jentzsch insists that Mr. Sorrell was backed by all the advertising dollars that WPP's J. Walter Thompson spends in Time magazine. "It's very clear J. Walter Thompson was able to put the pressure on Time magazine. They have an awful lot of money they put in there," he says.

Mr. Sorrell, who declined comment, got caught up in the fray by a curious turn of events. His company's Hill & Knowlton public relations firm in 1988 took on the Scientologists as a client. His company's Thompson agency, meanwhile, handles Eli Lilly, which makes the antidepressant drug Prozac, a prescription the Scientologists have vehemently attacked. Eli Lilly complained to Mr. Sorrell about Hill & Knowlton's link to the group, and in May the PR firm dropped the Scientologists as a client.

"We told him [Mr. Sorrell] we found it intolerable to do business with people who would do business with people of the ilk of Scientology," a Lilly spokesman says. "Did we tell them to drop the church? No. It was their decision what to do." Hill & Knowlton executives say other conflicts within the PR company also led to the resignation.

Generally, communications conglomerates insist on a Chinese Wall between their advertising and public-relations units, letting them handle conflicting clients. Saatchi & Saatchi Co.'s Rowland PR unit handles McDonald's, for example, even though Saatchi's advertising subsidiary works for Burger King.

But at WPP, ad clients like Lilly have occasionally pulled rank. Hill & Knowlton dropped the American Newspaper Publishers Association as a client several years ago, for example, after its sister unit, Thompson, got complaints from its own client, Bell Atlantic. The two clients were on opposite sides of the highly charged debate over electronic yellow pages.

The Scientologists, though, depict their split with Hill & Knowlton as part of a plot by WPP to smear the group and help Thompson's client, Lilly.

On Friday, the group distributed a glossy, 28-page advertisement in USA Today that suggests Lilly planted the story in Time "through its advertising connections and media influence." The insert, which according to USA Today's rate card costs \$161,000, was part of a massive, \$2 million-plus ad campaign to discredit Time that includes full-page ads every day through mid-July. (Rate card price: \$74,000 a pop).

"How far will Time go to support its advertisers?" the insert asks. It answers by noting that WPP's clients supposedly spend \$57 million in Time or 15% of the magazine's ad revenue—a calculation it cites without giving a source. "That kind of money has influence," the ad says. It shows a big photograph of Mr. Sorrell with a sidebar about WPP's "extreme financial difficulties" and implies that WPP had to do Lilly's bidding because "entire companies can evaporate with the loss of a major client."

In an interview, Mr. Jentzsch goes even further. Lilly executives called Mr. Sorrell to Indianapolis headquarters, he insists, and "were able to put pressure on Martin Sorrell" and to demand, "We want an article." While Mr. Sorrell did meet with executives in Indianapolis in August, the Lilly spokesman dismisses Mr. Jentzsch's assertions as "nonsense" and "laughable."

Almost no one in the ad business takes the Scientologists' accusations seriously. They only wish they had the kind of power to "plant" articles that the Scientologists ascribe to Mr. Sorrell and WPP. But there is, nevertheless, a bit of head-shaking going on among advertising and public relations executives around town—all thankful they aren't Mr. Sorrell.

Says Herbert Rowland, Rowland's chief executive officer, "I wouldn't be interested in accepting any kind of role for an organization like that. I'm uncomfortable with any group that has a fanatic point of view."

### Ad Notes...

**CLIO ALERT:** Despite the chaos and unanswered questions surrounding this year's Clio awards, award winners will receive their statuettes and certificates, a Clio spokesman said. Winners have been questioning whether they will ever see their coveted statuettes since Monday night's ceremony at Manhattan's Lincoln

Center was canceled. The spokesman said, though, that the awards probably will be distributed privately—Monday night's show won't be rescheduled.

**McCANN:** Sean Kevin Fitzpatrick, vice chairman and chief creative officer of McCann-Erickson North America, was named to the additional post of executive vice president of McCann-Erickson Worldwide. In the new post, Mr. Fitzpatrick, 49 years old, will be responsible for worldwide account coordination of General Motors, one of the Interpublic Group unit's biggest clients, and will relocate to Detroit from New York. His duties as day-to-day creative head of the agency's flagship New York office will be taken over by four deputy creative directors: Nina DiSesa, Ken Domanski, Ira Madris and Irwin Warren. His appointment brings the number of McCann's world-wide executive vice presidents to 12.

**STAKE:** William E. Phillips, the former chief executive officer of Ogilvy & Mather, is setting his sights on a much smaller company. Mr. Phillips has purchased a 5% stake in Executive Office Group, a New York-based company whose board he recently joined.

### Noted. . . .

**SETTLEMENT:** Actress Roseanne Barr and her husband, actor and producer Tom Arnold, settled their invasion of privacy suit against the National Enquirer and the Star on undisclosed terms. Ms. Barr's attorney said. They had filed the action against the tabloids in federal court in Los Angeles last October after letters Ms. Barr wrote to Mr. Arnold appeared in the papers. Spokesmen for the National Enquirer, Lantana, Fla., and the Star, Terrytown, N.Y., couldn't be reached.

**ACQUISITION:** Rowland Worldwide Inc., the public-relations unit of Saatchi & Saatchi Co. PLC, acquired Sullivan Communications Group of Minneapolis/St. Paul. Terms weren't disclosed.

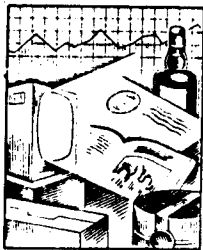
### Gannett Co.

#### Concern Buys Back Stake From Gannett Foundation

Gannett Co. said it completed the purchase of 15.9 million shares of its common, or a 10% stake, that was held by the Gannett Foundation for \$670 million.

An official of the Arlington, Va., media company said the purchase was being financed through a commercial-paper issue backed by Gannett's revolving credit line. He said the financing increased the company's total debt outstanding to about \$1.5 billion, about \$1.2 billion of which is commercial paper.

After the purchase, Standard & Poor's Corp. said it lowered the rating on about \$300 million of Gannett's senior debt to double-A-minus from double-A. The issues were removed from CreditWatch, where they were placed April 22 with negative implications.



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On Friday, the group distributed a glossy, 28-page advertisement in USA Today that suggests Lilly planted the story in Time "through its advertising connections and media influence." The insert, which according to USA Today's rate card costs \$181,000, was part of massive, \$2 million-plus ad campaign to discredit Time that includes full-page ads every day through mid-July. (Rate card price: \$74,000 a pop).

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