

Some Professors Take Payments to Express Views,

by Michael Schroeder, The Wall Street Journal, December 10, 2004 ©

If a professor takes money from a company and then argues in the media for a position the company favors, is he an independent expert—or a paid shill? It's not an academic question. Some companies have been paying professors to promote their points of view on TV shows, in newspaper and magazine articles and in letters to the editor. In many cases the arrangement between the professor and the company isn't disclosed.

In one such case, the U.S. steel company Nucor Corp. hired Peter Morici, a business professor at the University of Maryland, to argue in favor of steel tariffs put in place by the Bush administration. As a debate raged in 2003 about whether the steel tariffs should be kept in place, Mr. Morici, a former chief economist at the International Trade Commission, was quoted in scores of newspaper articles and wrote about two dozen letters to editors. He was most active in promoting his research showing that tariffs benefited the domestic steel industry and economy. In the vast majority of cases his role as a paid consultant to Nucor wasn't disclosed.

While it's difficult to ascertain how widespread the practice is, several Washington-based public-relations executives privately acknowledge that they routinely pay academics to speak on behalf of companies or issues, usually hiring experts who already espouse a certain viewpoint. A particularly popular tool is for PR firms to ghost-write opinion pieces to run on newspaper editorial pages and then solicit experts to lend their name to the articles.

Not all academics who speak out for company positions are paid for doing such work. When they are, the money changes hands either by direct cash payment or indirectly through sponsorship of an academic conference or contributions to a university.

The academics argue that there's nothing wrong with working with PR firms or interest groups when the opinions expressed match their views. In addition, they regard their newspaper quotes or opinion articles as a good plug for their research or university.

Yet the public generally is unaware of such consulting arrangements. Indeed, PR officials usually won't disclose the names of academics they have hired, and they admit that the experts often don't disclose their consulting relationships when contacted by the media.

"These third parties are usually anything but neutral," says Sheldon Rampton, research director at the Center for Media & Democracy, a public-relations industry watchdog group. "They have been hand picked to make you believe what they have to say—preferably in an 'objective' format like a news show or a letter to the editor."

In recent years, media outlets have become increasingly leery of quoting Wall Street analysts because of potential bias: They work for investment banks, which may be paid for banking work by the same companies for which an analyst issues reports.

Academics, though, were perceived to be more independent sources, and it is far less common for journalists to ask them about potential conflicts.

Apart from the medical field, where questions have been raised about the objectivity of researchers whose work is funded by drug or medical-device companies, little attention is paid to the issue of academics hired to participate in policy debates. "The press has been a little lazy about using academic experts as sources," says Jay Rosen, dean of the journalism department at New York University.

Jonathan Knight, staff representative on the American Association of University Professors' committee on professional ethics, says he isn't aware of a single college or university

that has rules requiring professors to disclose outside consulting arrangements to their academic institutions or to anyone on the outside, including the media.

A Nucor spokesman says the Charlotte, N.C., company approached Mr. Morici because he had researched the steel industry and had been an outspoken supporter of tariffs.

Mr. Morici said in an interview that working with the steel industry “gave me an opportunity to do more to get my message and research out. As academics, we don't have venues for our policy-oriented work.” He added that, “I worked for Nucor. I wrote all those letters and sent them to the papers.”

Nucor's pro-tariff lobbying campaign was directed in part by Powell Tate/Weber Shandwick, a PR unit of Interpublic Group of Cos. that arranged some media interviews for the economist. He was paid through Nucor's law firm, Wiley Rein & Fielding LLP of Washington. Nucor and Mr. Morici declined to disclose the size of the payment.

In 2003, Mr. Morici's quotes on tariffs appeared in scores of news articles, with the majority not identifying him as a steel consultant. For instance, a widely published Associated Press article in March 2003 quoted Mr. Morici praising the results of steel tariffs. An AP spokeswoman says that when the news agency's reporter asked Mr. Morici how he should be identified, he gave his university affiliation. “Mr. Morici didn't disclose that he was paid by the steel industry,” the spokeswoman says. A subsequent AP article did identify Mr. Morici as a steel consultant.

The Wall Street Journal quoted Mr. Morici in four articles about steel tariffs in 2002 and 2003, but reported that he was a paid consultant in only two. “Our goal is to consistently report the special financial interests of the sources we quote, including academic experts,” says Paul E. Steiger, the newspaper's managing editor.

A particularly blatant attempt at signing up experts to take a position became public this fall after a speakers bureau tried to recruit experts to slam New York Attorney General Eliot Spitzer. In an Oct. 25 e-mail, Leading Authorities Inc. of Washington asked several outspoken corporate governance experts if they would help insurance giant American International Group Inc. criticize Mr. Spitzer's investigation of the insurance industry. The booking agency said it would pay a \$25,000 retainer, \$10,000 for each TV appearance and for each newspaper opinion piece, as well as regular fees for speeches.

The e-mail leaked out and those involved tried to distance themselves from it. Leading Authorities said it sent the e-mail at the behest of Qorvis Communications LLC, a Washington crisis-management firm that worked for AIG for a time. An AIG spokesman says the company knew nothing of the e-mail and “would never tolerate such a tactic.”

Mark French, president of Leading Authorities, said in a statement: “In this particular instance, Leading Authorities was asked to identify qualified experts and to determine their potential interest and suggested a compensation model for the purpose of discussion. These were early-stage conversations which never proceeded beyond the exploratory phase.”

One researcher who received the e-mail, Kevin Hassett, a scholar at the free-market-oriented American Enterprise Institute in Washington, says he regularly is offered money to lend his name to an issue, but declines the solicitations.

When a Washington public-relations firm got an assignment to lobby Congress in support of cutting corporate taxes on foreign income, it scanned a Web site of the Heritage Foundation that lists noted conservative thinkers. One expert who seemed to fit the bill was Walter Block, a noted libertarian economist at Loyola University in New Orleans.

Professor Block was blunt. He told the PR firm that he'd be willing to assist in arguing for the tax cut—for a \$5,000 consulting fee. The firm declined.

Mr. Block says he used to work free of charge supporting various conservative causes that he advocates. But he says he got so many calls that “to ration” his time he started charging for research, speeches and writing opinion columns. Mr. Block says he publicly discloses such arrangements, but declined to name any of his paying clients.

Perhaps the most common tactic used by PR firms is to ghost-write editorials and shop them around to various experts. Sometimes that can have embarrassing consequences. Last spring, William Adler, a journalist and book author who writes about the nuclear industry, reported similarities in opinion pieces that were published by two different academics in separate newspapers. Both argued for government funding of a proposed nuclear waste disposal facility in Nevada.

On Dec. 9, 2003, The State newspaper in Columbia, S.C., printed an opinion piece by Abdel Bayoumi of the University of South Carolina. He wrote: “(S)cientific organizations around the world have examined the issue of radioactive-waste management. Almost all have reached the same conclusion,” that “geological isolation” is best.

On March 4, University of Texas engineer Sheldon Landsberger wrote in the Austin American-Statesman: “[S]cientific organizations across the world have examined the issue of radioactive-waste management. Almost every organization drew the same conclusion” that “geological isolation” is best.

Potomac Communications Group Inc. in Washington, working on behalf of the nuclear energy industry, wrote the similar op-ed pieces, Mr. Adler reported.

Mr. Landsberger says he saw nothing inappropriate about attaching his name to several opinion pieces presented to him because they represented his viewpoints. But as a result of the recent negative publicity about the practice he says he no longer does so. He says he never has taken money for such pieces.

Mr. Bayoumi says he wrote his op-ed piece “with the help of people inside the university and outside.” He also says he never has taken money for such articles.

Bill Perkins, a partner at Potomac Communications, says his firm worked with Mr. Bayoumi on the piece, but declined to discuss details, beyond saying his firm never pays experts to attach their names to an opinion piece.

“It would be rare if a public-affairs campaign by any advocacy group in the country doesn't have some version of this,” Mr. Perkins adds.◦