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AP Exclusive: Moth-spraying public relations contract questioned

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SACRAMENTO—State officials struggling to convince critics that aerial spraying to control an invasive moth is safe awarded a \$500,000 no-bid contract to a prominent public relations firm with ties to Gov. Arnold Schwarzenegger.

E-mails obtained by The Associated Press show a senior state contracting official questioned the arrangement. He said it was difficult to justify a public affairs campaign related to moth spraying as an emergency, which entitled the deal to be exempted from normal contracting rules designed to limit favoritism.

The \$497,000 contract was awarded last November to Porter Novelli, a leading international public relations firm with an office in the state capital, after hundreds of residents complained about breathing problems and other health effects from the spraying.

The California Department of Food and Agriculture invoked emergency powers to award the contract without competition. Typically, the government would advertise such contracts and allow firms to bid for the job.

"I can see how spraying would be an emergency. But I am having some difficulty with why Cdfa could not get bids or go through (a national competitive bidding) process for the public relations work being undertaken by Porter (Novelli)," Henry D. Nanjo, a senior counsel with the Department of General

Services, wrote in an internal e-mail to a state contracting analyst and an acquisition manager. "In addition, I don't have anything by which I can judge the reasonableness of PN's rate."

Nanjo told the AP it was the first time he had been asked to approve a no-bid contract for public affairs work.

The series of e-mails related to the contract were obtained through a California Public Records Act request.

Under the deal, Jeff Randle, a frequent campaign and political adviser to Schwarzenegger, was promised a share of the work. Mitch Zak, Randle's partner, said the firm wanted to win the full contract but lost to Porter Novelli. The firm later was contacted by Porter Novelli to do subcontracting work, as state officials promised in internal e-mails.

Donna Lucas, former chief of staff to first lady Maria Shriver and a member of Schwarzenegger's inner circle during his first years in office, also was consulted in planning the deal, the e-mails show.

Her name originally appeared alongside Porter Novelli in a summary of the contract but was scratched off.

Lucas also is affiliated with Porter Novelli, which lists her as counsel for strategic communications. She said she declined offers to work on the contract and does not know why her name appeared on the original agreement. Lucas said she has not done any work on the apple moth campaign.

Nanjo told the AP he could not remember many details of the contract he began looking at in October but said he received an e-mail and a couple phone calls from food and agriculture officials that

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ultimately satisfied his concerns.

"I would not have approved it unless questions were answered to my comfort level," he said.

A Department of Food and Agriculture spokeswoman defended the contract.

Nancy Lungren, the deputy secretary for public affairs who first solicited proposals for the work from Randle and Lucas, said it was necessary for the state to begin communicating quickly with the public amid a growing wave of concern over the spraying.

"I am very familiar with Donna and her work," Lungren said. "It's all word-of-mouth when you're in PR. You know who the good other people are. That's how it works. ... People probably think there's some political thing here, but there's really not."

She said the U.S. Department of Agriculture is reimbursing California for much of the cost of the Porter Novelli contract but could not say how much has been spent or how much the state has sought in reimbursement.

Schwarzenegger's deputy press secretary, Rachel Cameron, said the governor "supported the department's effort to educate the public on the safety of this project and the threat the moth has on California's agriculture industry and environment." But she added, "The details were left up to the department."

State agriculture officials ordered aerial chemical spraying last year to combat the light brown apple moth, an unintended import from Australia that state officials say threatens more than 2,000 varieties of California plants and crops.

Opponents have called for a halt to the spraying while scientists study whether it is harmful.

Community activists and some state lawmakers say more than 600 people complained of health problems after a synthetic pheromone that disrupts the moth's mating cycle was sprayed over Monterey and Santa Cruz counties last year.

The state plans to expand the spraying this summer to Alameda, Contra Costa, Los Angeles, Marin, Monterey, Napa, San Francisco, San Luis Obispo, San Mateo, Santa Clara, Santa Cruz and Solano counties.

A report released last week by scientists at the University of California, Santa Cruz raised further concerns about whether the spraying program is necessary. It said the moth likely can be kept in check by natural predators, as it is in New Zealand, and may not pose a grave threat to agriculture and native species.

The e-mails obtained by the AP show Lungren solicited proposals from Randle, Lucas and others for the work after residents complained to officials in Monterey and Santa Cruz counties, prompting local governments to question the spraying.

In an e-mail to Nanjo justifying the contract, food and agriculture officials said the department's own public affairs operation had been handling the situation well until early last fall, when a "highly organized environmental group" complained vociferously about the spraying.

"Despite our efforts to educate and assuage their concerns and fears, the small group of activists rallied against the plan to aerielly treat the county," wrote Paula Lewis, a branch chief for the department.

She also said newspaper and television reports had

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been mixed.

"The press has been generally fair, although at times biased, and the editorials have been critical of our outreach efforts, but supportive of the need to eradicate," Lewis wrote to Nanjo.

She also invoked Asm. John Laird, D-Santa Cruz, in the e-mail, saying "our main critic" had encouraged CDFA to hire a consultant.

"I did suggest the public communications on this issue could be dramatically improved," Laird said Wednesday. "At no time did I suggest anything about the bid process or which public relations firm do the work ... in fact, I don't think it's particularly gotten better."

William Schreiber, general manager of Porter Novelli Sacramento, said he could not comment on the state's rationale for awarding the contract on a no-bid basis.

"It's straight-ahead public relations work," he said. The firm has done public relations on the moth in New Zealand, Lungren said.

The contract reveals a plan to create a highly coordinated public relations push by the Department of Food and Agriculture.

It includes using focus groups to test potential public messages and media ads, according to e-mails. The campaign is intended to counter the concerns raised by local environmentalists and residents, who complained of breathing problems and other ill health effects after the spraying.

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