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Lanny Davis: TV Democrat, litigator, corporate defender *Former White House counsel on 'legal crisis'*

By *Bob Cusack*

In CNN's green room during the Monica Lewinsky scandal, Lanny Davis approached Sen. John McCain (R-Ariz.) and held out his hand. But McCain refused to shake it.

Davis, a former White House counsel to President Clinton, tried to explain that he admired the senator, but McCain wasn't interested in small talk.

"You can question [independent counsel] Ken Starr's judgments," McCain barked, "but I don't like how you question his integrity. You should not be attacking his motives."

A rattled Davis thought a lot about the tense exchange with McCain. In subsequent television appearances, Davis continued to question Starr's decisions but never questioned his motives again.

The next time McCain ran into Davis was at a White House Correspondents' Dinner when the senator was running for president. With cameras trailing him, McCain approached Davis.

As a nervous Davis held out his hand again, McCain gave him a bear hug. He told Davis that he had been watching him on television.

"He whispered to me that he appreciated how I took his advice," Davis recalled.

Impeachment and other investigations of Clinton helped catapult Davis's career.

Drawing on his experience at the White House, he gradually assembled a "legal-crisis communications" practice at Patton Boggs. Last October, he took his team to Orrick, Herrington & Sutcliffe.

Davis, 58, represents many corporate clients that have their backs to the wall.

"When you parachute him in, you know you've got a serious problem," said Ed Mathias of the Carlyle Group.

Davis represented dietary supplement giant Metabolife as the Food and Drug Administration and Congress investigated the dangers of ephedra. He also defended HealthSouth and rental-purchase company Rentway amid their respective accounting and securities controversies.

But most of the time, Davis works behind the scenes, or, as he says, "without footprints." He usually talks to reporters on the condition that they quote him anonymously, also known as "on background."

He has come a long way in dealing with the media since joining the White House in 1996 for a two-year stint. Even though he was charged with responding to reporters' questions about



FILE PHOTO

Raymond Mullady Jr., right, of Orrick's Washington practice, recruited Lanny Davis, left, from Patton Boggs.

the numerous congressional investigations of the president, Davis did not initially know the difference between “off the record” and “on background.”

Fred Zeidman, chairman of Seitel, credits Davis for getting his corporation, which provides data to petroleum companies, through a tough time. “He has a way of understanding problems confronting corporations,” he said.

When he met Davis about three years ago, Zeidman expected someone different. Like most, he was familiar with the Davis who appeared on TV regularly criticizing Republicans.

Zeidman, a staunch Republican, said, “President Bush once even said to me, ‘I can’t believe you’re friends with Lanny.’”

Davis is still battling an image as a partisan Democrat. An editor at *The Wall Street Journal* last year killed a long piece on him, not wanting to give the former Clinton aide “a wet kiss.”

The fact is that since leaving the White House, Davis has befriended many Republicans, including Sens. Trent Lott (Miss.), Lindsey Graham (S.C.) and Orrin Hatch (Utah).

Raymond Mullady Jr., the head of Orrick’s Washington, D.C., litigation practice who recruited Davis from Patton Boggs, said: “I would venture to say most of our corporate clients are probably not big supporters of the Democratic Party. But I bet you all of them would want to have this guy by their side if they had a nasty problem.”

“I’m not just a Democrat,” Davis said. “I let people know that whatever my political views are — which are pretty strong — they have nothing to do with my ability to represent you.”

These days, Davis doesn’t sound like a typical Democrat: “I think it’s not too extreme to say we’re in the new era of McCarthyism when it comes to making accusations against the business community. Presumed guilty is the current climate.”

In his 1999 book *Truth to Tell*, Davis writes that it is important to talk to the media and be honest with reporters: “We can’t change bad facts or avoid all damage ... by attempting to deny the obvious, you only succeed in motivating the press corps to prove the obvious — and to prove you wrong.”

Some lawyers representing corporations refuse to talk to the press amid controversy because they don’t want to hurt their cases in court. But Davis said this strategy puts the client at a disadvantage.

“Judges read newspapers,” Davis said. “Jurors read newspapers. Public opinion does affect outcomes.”

Mullady and Davis point out that their crisis-management team is filled with lawyers who know politics and the media. It includes former Clinton White House spokesman Adam Goldberg and Joshua Galper, who has worked for several congressional Democrats as a top aide. Caroline Nolan and Eileen O’Connor, who both worked as journalists for television networks, are also part of Davis’s inner circle.

People who know Davis say one of the keys to his success is convincing clients to put negative information out.

Bill Lerner, chairman of Rentway’s board of directors, said Davis’s input helped pull the company “out of a death spiral.”

“Lanny was key in convincing the board to tell it early and tell it accurately,” Lerner said.

A key difference between Davis and other lobbyists is that much of Davis’s work is geared toward losing his clients’ business.

Once Davis puts out the fire, the client usually doesn’t need his services anymore.

But many companies are becoming more aware that putting out the fire is no easy task. Sometimes, the fire can overtake the entire company.

Mullady said that when a corporation seeks his firm’s assistance, “the focal point is protecting the company, protecting the share value and navigating through the crisis. That kind of service is essential in this post-Enron, post-Sarbanes-Oxley world.”

Davis said: "We all know the stock market reacts to bad news headlines. The worse the headlines are, the more the market will drop share value and market capitalization."

The goal often is to minimize damage, Davis said. "Let's say there is a corporate accounting scandal. OK, you did something wrong. You're not going to be able to undo it. You can't deny it. What can you do? You can mitigate the story by *The New York Times* by announcing a new corporate governance reform policy."

There are many framed photographs in Davis's office, but there is a small one that quickly catches the eye. It shows Davis smiling with Starr. He explained how it was taken about a year after Clinton's impeachment and added that their interaction that day was unexpectedly cordial.

Davis said he views that moment as the closing of the door of the bitterness that impeachment generated.

But he quickly added, "I don't want Bill Clinton reading this thinking I have gone soft on Ken Starr. I haven't changed my opinion of his judgments one iota."

He certainly is not changing his stripes.

Bush's policies "have been driven way right toward the [House Majority Leader] Tom DeLay [R-Texas] wing of the party," he said, adding that Sen. Joe Lieberman (D-Conn.), the godfather of Davis's son, Seth, poses the best chance for Democrats to win back the White House.

Davis continued criticizing the Republican Party, and then suddenly stopped, perhaps realizing he was not on TV.

"But all that is not important for your article," he said, grinning.

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