

The Beltway insider's
"whirling dervish" act didn't mesh
with Am Law 200 firms.
But will it work at his own shop?

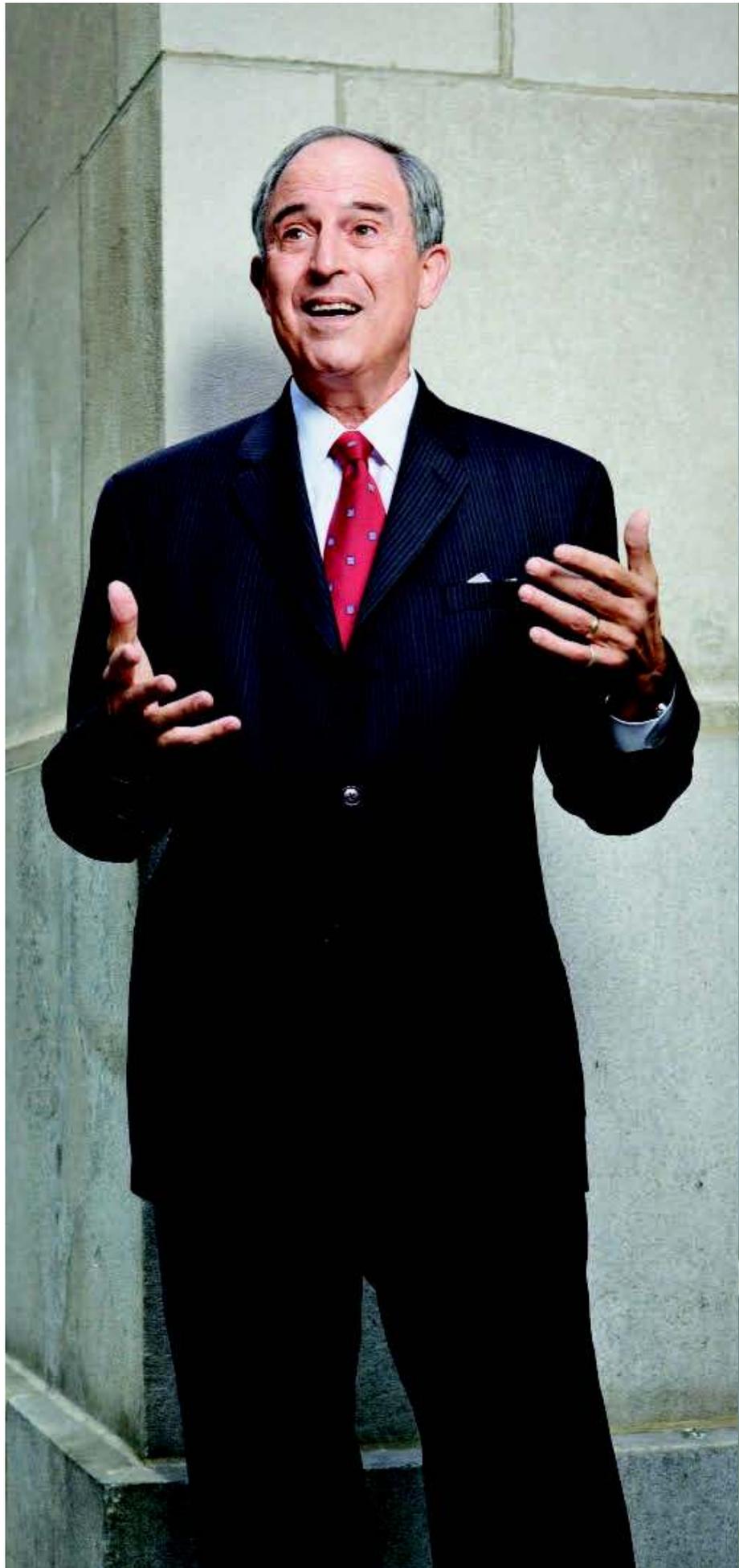
The Lanny Davis — Show —

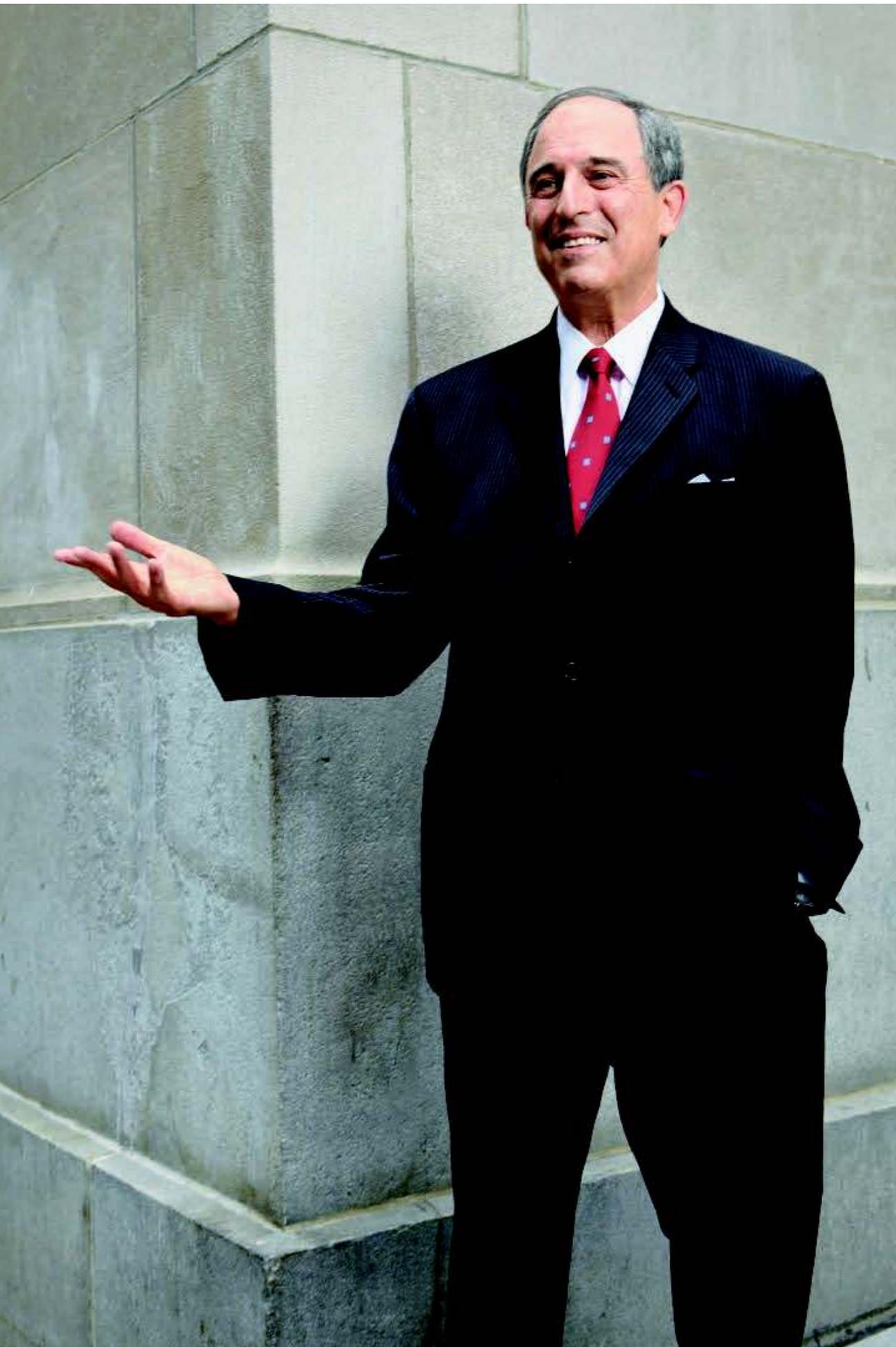
BY D.M. LEVINE

Photographs By David Yellen

*"This town is worse today than I've ever
seen it in all the years that I've been in
Washington. And that's a lot of bad years."*

Lanny Davis is racing down K Street on a sweltering day in early August—late for an interview at *ABC News*. That line, the one about how D.C.-is-worse-today-than-he's-ever-seen-it-before, is his main talking point of the moment; it's an idea he first tested out in a column for *The Hill* the day before and a point he went on to make almost verbatim on his *ABC World News* appearance, later that day as a guest on MSNBC, to this reporter in his car, and even to an old acquaintance he happened to run into. Davis gets so distracted mining his own thoughts on the subject that, at one point, he turns the wrong way on a one-way street and freezes for what feels like hours (though he continues talking) before finally pulling over to the curb. It's a truly amazing skill: the ability to stay on message in the face of oncoming traffic. But Davis is experienced.





MORE ONLINE 
FOR MORE NEWS
on Lanny Davis's
clients, go to
americanlawyer.com.

*“What is crisis
management
if it is not
figuratively
shoveling
horse manure?”
Davis says.*

His work as a lawyer and lobbyist; as a Democratic party operative; as an adviser, friend, and defender of the Clintons; and above all as a political spinmaster par excellence, known for his willingness to take on some truly controversial clients (including coup-supporters in Honduras and the president of Equatorial Guinea), has won Davis his share of criticism and a fair number of detractors. It also helps explain why he has bounced from one law firm to another—he had stints at Patton Boggs; Orrick, Herrington & Sutcliffe; and McDermott Will & Emery in the last eight years. But his work has also earned him an unrivaled Rolodex. “Lanny is a person who has a wide-ranging and eclectic group of friendships,” says former George W. Bush adviser Karl Rove. “And when he takes on a tough task, whether it’s defending [President Bill] Clinton or something else, he can keep going. Sort of like a Timex—he takes a lickin’ and keeps on tickin’.”

Davis’s persistence is one of his defining features. His career has been marked by a near-superhuman ability to relentlessly hammer home the day’s message—across the airwaves, by phone, in meetings, on K Street, in his black Infinity—wherever—on behalf of whatever client he happens to be representing. Davis has

Mark Cowan, a former Davis colleague, puts it: “Attorney-client privilege is not a complete blanket. It only applies in certain circumstances. You only have that when you’re acting as an attorney. . . . It’s not like you have this sheepskin, so you get attorney-client privilege with anybody who happens to be a client for any purpose.”

Nevertheless, Davis’s bet is that the qualities that make him a singular personage in D.C.—his media ubiquity, his blended legal practice, his contacts, his reputation for taking on high-profile, controversial clients—will attract new business. But there are risks to putting out his own shingle. “My biggest handicap is that I can’t define myself in a traditional law firm [context]. Where am I in a traditional department? Am I in the litigation department? Am I in lobbying? I’m a little bit between the lines,” he admits.

Davis honed his crisis management and PR skills working for Bill Clinton in the bevy of scandals that preceded the Monica Lewinsky affair (he left the White House shortly before that crisis broke). Davis—a Yale Law School classmate of Hillary Clinton’s—had the official title of “special counsel” to the president. For just over a year, beginning in 1996, which he describes as “the lon-



a “passionate devotion to causes and people he believes in,” Bill Clinton writes in an e-mail.

Today, as always, Davis is on message—but this time about himself. “I don’t think anybody else around is combining law practice, crisis management, and lobbying in the way that I am,” he says. “[I’m] putting it all together, trying to change the world for the better.”

Last April, Davis left his partnership at McDermott after only six months to start Lanny J. Davis & Associates and its sister public relations operation, Davis-Block LLC (founded with his new PR partner, former AIPAC spokesman Josh Block). His solo shop occupies office space in the McDermott building, and Davis leans on McDermott lawyers for his firm’s legal work (though he says he’s starting to work with other firms as well). Davis’s big sell is that he’s a lawyer with all the contacts and experience of the best PR firms and lobbying shops in the Beltway. But because he’s no longer officially part of one, Davis doesn’t have to worry about big-firm client conflicts. Plus, he’s got something a typical public relations firm can’t promise: attorney-client privilege. This, Davis insists, allows him access to certain sensitive facts that help him do a better crisis management or PR job. Attorney-client privilege protection “has immense value in allowing me to craft an effective and credible message,” Davis says.

But that protection only goes so far. As Patton Boggs partner

gest 14 months of my life,” Davis made the rounds on cable news, worked the phones and the Sunday morning TV circuit, and gave interviews on the South Lawn in daily defense of his boss. The White House gig was Davis’s first foray into the media spotlight. It also helped refine the Lanny brand. But while his Zelig-like media strategy worked well in his Clinton days, since then his approach has proven to be an awkward fit at outfits like Orrick and McDermott. “Lanny’s practice doesn’t fit naturally in a law firm and doesn’t fit naturally in a public relations firm,” says Patton Boggs’s Cowan. He adds, “I wouldn’t characterize what he does as traditional law. It’s a hybrid.”

Client conflicts were a contributing factor in Davis’s departure from McDermott, although cochair Jeffrey Stone describes the parting as “amicable.” Stephen Ryan, head of McDermott’s government strategies group, adds that “Lanny has to act very quickly, and sometimes clearing conflicts in a 1,000-plus-lawyer firm doesn’t allow you to do that. In a firm with as rich a client base as ours, we end up having to negotiate a lot of conflicts—so his having his own shops permits him some freedom.”

Spend enough time around Lanny Davis, and you start to notice something about him: He’s a big believer in full disclosure. When bad news surfaces about a cause he’s championing, he immediately jumps on it to start spinning. It’s a PR approach that has come to define his professional philosophy. Davis made it the title

of his 1999 book, *Truth To Tell: Tell It Early, Tell It All, Tell It Yourself*. “What in God’s name is the reason not to talk to the press when it’s going to be a story anyway?” Davis exclaims.

At other times, Davis puts his specialty a different way: “What is crisis management if it is not figuratively shoveling horse manure?” he asks. In keeping with his PR philosophy, Davis spends an inordinate amount of time shoveling that manure publicly—sometimes to his colleagues’ or clients’ dismay. Once during interviews for this story, one of Davis’s new clients was upset because they had not been forewarned that Davis was letting a reporter sit in on a conference call. “Lanny wasn’t 100 percent of the time practicing law for clients at our firm,” says a former law firm colleague who asked not to be identified. “Lanny would be running out to do a CNN appearance and then take a red-eye. That’s why it makes so much sense for Lanny to be out on his own. He’s a whirling dervish.”

Some clients like that approach. In 2005 Davis was hired by Royal Caribbean Cruises Ltd. to advise it on potential legal risks and liability arising from the mysterious disappearance of passenger George Allen Smith. The Federal Bureau of Investigation

firm had “cleared” Scruschy of allegations that he engaged in an improper stock dump based on inside information.

According to Davis, after the release went out, Fulbright partner Hal Hirsch (who was overseeing the HealthSouth audit) said that the Fulbright team had not preapproved the word “cleared.” Davis maintains that he and his Orrick colleagues had, in fact, approached Hirsch (now at Greenberg Traurig) with that wording before the release went out, and that Hirsch had okayed it. A second press statement was released soon after, which omitted the word “cleared.” Davis says, “There is honest disagreement over whether Hirsch approved the press release when we sent it to him.” Hirsch sees it differently, “I think Lanny pushes the limits of his ability and of what’s allowed because of his genuine passion for the interests of his clients.”

Davis also handles run-of-the-mill corporate litigation and PR matters: He is currently representing Whole Foods Market, Inc., in its public relations efforts as it seeks to build a store on a Brooklyn Superfund site, and he’s doing litigation and settlement work for Motel 6 (both clients are being billed on a flat fee). But some of his client choices are more controversial. In July 2009,



looked into the case as a possible murder. Allegations swirled that evidence in Smith’s cabin had been tampered with, and Smith’s family accused Royal Caribbean of a cover-up. The case remains unsolved, and Royal Caribbean settled a lawsuit with Smith’s family for a reported \$1.3 million. “Many lawyers perceive their role as giving you legal advice. And basically, they view [their advice] as ‘this is how a court would adjudicate,’” says Royal Caribbean CEO Richard Fain. “Lanny goes to a different place and says, ‘Companies have more at stake than just winning in a court of law. Oftentimes winning in a court of public opinion is just as important both legally and commercially.’ It’s fundamental to his counsel.”

But Davis’s flashy style can also get him into trouble. In 2002, at Patton Boggs, Davis was retained to do crisis management and legal and media advisory work for HealthSouth Corporation and its CEO, Richard Scruschy. At the time, Scruschy was facing questions about HealthSouth’s accounting and Medicare billing practices. (Scruschy was ultimately acquitted of securities fraud in 2005, but convicted of bribery in 2006 and sentenced to almost seven years in prison.) Davis advised Scruschy and the HealthSouth board for just four months. But in the course of that work, questions were raised—most notably by a congressional inquiry into the Scruschy affair—about some of Davis’s PR tactics. Specifically, Davis came under scrutiny for a press release he authored in late October 2002, which said that in Fulbright & Jaworski’s audit of HealthSouth, the

while still at Orrick, Davis began lobbying Congress on behalf of the Honduras branch of The Business Council of Latin America, a coalition of business interests that supported the 2009 ouster of left-leaning president Manuel Zelaya. Davis’s representation of CEAL was met with criticism. “For many Hondurans . . . the confirmation that [Lanny] Davis is working with powerful, old Honduran families . . . proves that Davis serves the powerful business interests that ran, repressed, and ruined Honduras [in the last decade],” wrote *The American Prospect* last year. Davis defends his CEAL work. “I saw my role as the narrow role of lawyer, not as a defender of a coup,” he says. “I was representing CEAL to American public opinion. My role was to articulate in the media why Zelaya deserved to be removed.”

Before leaving McDermott last spring, Davis took on a much more reviled client. He agreed to represent the government of Equatorial Guinea, a small West African republic that, since a bloody coup in 1979, has been run by President Teodoro Obiang Nguema Mbasogo. According to a 2009 U.S. Department of State human rights report, Obiang’s government is reported to have engaged in, among other crimes, “unlawful killings by security forces; government-sanctioned kidnappings, and systematic torture of prisoners and detainees by security forces.”

Equatorial Guinea pays him \$1 million per year, but Davis says he took the job only after being assured by Obiang that the

SPIN CYCLE

Some of Davis's biggest clients:

CLIENT	ENGAGEMENT	BACKGROUND
Bill Clinton	December 1996– January 1998	Davis made a name for himself when he took a job as special counsel to President Bill Clinton. He helped with PR and crisis management in response to the various scandals that plagued the Clinton White House, such as the Lincoln Bedroom imbroglio and Whitewater (he left the post right before the Monica Lewinsky affair broke). Davis calls his time representing Clinton “one of the longest, one of the best, and one of the worst years of my life.”
Royal Caribbean Cruises Ltd.	December 2005– June 2006	In 2005, newlywed George Allen Smith was on a honeymoon cruise on a Royal Caribbean ship when he went missing. Blood was found on the exterior of the vessel, and questions arose about the cause of Smith's disappearance. Was he the victim of a tragic accident at sea, or something more sinister? Royal Caribbean determined that the disappearance was an accident, but allegations surfaced that someone may have tampered with evidence in Smith's cabin. Investigators never came to a conclusion in the case, and Royal Caribbean ended up settling with Smith's family for around \$1 million. Davis advised the company on how to manage the legal fallout and potential liability from the bad press.
Whole Foods Market, Inc.	October 2008– January 2009	At Orrick, Herrington & Sutcliffe, Davis represented Whole Foods. He advised the company on its litigation and PR strategy during Whole Foods's drawn-out antitrust battle with the Federal Trade Commission over its attempt to acquire competitor Wild Oats Market, Inc. The FTC originally brought its antitrust suit in 2007, claiming that the merger would constitute a monopoly in the upscale organic grocery market. The saga ended when a federal appeals court in D.C. declined to block the merger; Whole Foods settled the FTC antitrust claims in March 2009.
Honduras (The Business Council of Latin America–CEAL, Honduras branch)	July–November 2009	It was a controversial move when Davis first started lobbying Congress on behalf of business leaders backing the transitional Honduran government of Roberto Micheletti—who took power in the summer of 2009 after a military coup. Davis defended his decision to represent the council, arguing that Honduras's former president, Manuel Zelaya, deserved to be removed.
The Government of Equatorial Guinea	March 2010–Present	Last spring, Davis agreed to represent the government of Equatorial Guinea, a West African country whose president, Teodoro Obiang Nguema Mbasogo, is widely criticized for his human rights record. Davis calls himself the “reform counsel” for the government. Davis says he is helping Equatorial Guinea improve its image in the West and implement a judicial economic and political reform plan at home.

government was looking to make real reforms. “I regard myself as a reform counsel for President Obiang,” Davis says of the work. He is advising the Obiang government on creating a reform platform and says he's also working to improve Equatorial Guinea's relationship with the United States.

Once again, though, Davis's client choice was panned in the press. His Equatorial Guinea representation has also led some of his close friends to distance themselves from the client choice. “Everybody's got to do for themselves what they feel is right,” says Congressman Eliot Engel, a New York Democrat. “I was asked, not by him specifically but by his group, if I would meet with the president of Equatorial Guinea, and I declined to do it because of [Obiang's human rights] record.”

There are other challenges to representing far-flung political figures. As Mark Fabiani, who recruited Davis to the Clinton White House (Fabiani also served as White House special counsel), puts it: “The coin of your realm if you're Lanny Davis is your credibility. And if you're taking on clients that ultimately you can't speak authoritatively for, then you're risking your credibility.”

As a testament to just how difficult this is, in late June, after Davis began working with him, Obiang gave a speech before the Cape Town Global Forum pledging his government to human rights and election reforms. Obiang invited aid groups to monitor those efforts. But only a few weeks later, Obiang's government tried four accused coup-plotters before a military tribunal and summarily executed them within an hour of sentencing. The incident outraged human rights groups and was criticized by the State Department. “Equatorial Guinea would not have approached me if they were in

great shape internationally. . . . I've been asked by President Obiang to help him find policies that would improve relations with the United States, get right with the world community, and that's what I've been doing since day one,” Davis says of the incident.

A few weeks after his ABC and MSNBC spots, Davis is delivering a talk before a group of insurance executives—many of them American International Group, Inc. (AIG) refugees—over a lunch at the Pine Street Club in downtown Manhattan. “Potential clients,” Davis leans over and whispers. He then steps to the podium and makes his pitch: “I am a lawyer. I practice law, and I give legal advice. And I have attorney-client privilege, which means that anything that is said to me is sacrosanct, cannot be repeated, I cannot be forced to testify, no subpoena alive can force me to testify.”

Whether Davis's new operation will actually prove successful depends on a number of factors. He will have to sort out the attorney-client question, and figure out just how far his pitch will actually fly. He'll also have to answer the basic question of why someone would retain him, if that client could go to a PR shop, law firm, or a lobbying firm instead.

Fundamentally, though, Davis's fortunes will depend on how successfully he can sell clients on the Lanny Davis brand. Luckily, that's one thing he has always been particularly good at. “My biggest challenge is that I need to clone myself,” he says. “I don't have enough hours in the day. I'm looking for people who remind me of me.”

E-mail: dmlevine@alm.com.