

PRCA complaint – Democratic Alliance against Bell Pottinger

Disciplinary decision

Bell Pottinger has breached the PRCA Professional Charter and PRCA Public Affairs and Lobbying Code in its work for Oakbay Capital in South Africa in the following respects:

- PRCA Professional Charter clause 1.1;
- PRCA Professional Charter clause 4;
- PRCA Public Affairs and Lobbying Code of Conduct clause 12;
- PRCA Public Affairs and Lobbying Code of Conduct clause 13.

The Professional Practices Committee members - Sally Costerton FPRCA, Tanya Joseph MPRCA, Robert Khan FPRCA, Richard Houghton FPRCA, Michael Burrell FPRCA, Rod Cartwright FPRCA, and David Gallagher FPRCA - were unanimous on all points. Adrian Wheeler FPRCA, in the role of Chairman, was not required to vote but would have voted in line with the rest of Committee if he had been required to do so. On the PRCA Public Affairs and Lobbying Code of Conduct, the Committee took the unanimous view that the work undertaken by Bell Pottinger for Oakbay Capital can accurately be described as public affairs and lobbying, at least in part.

The Committee recommended to the PRCA Board of Management that Bell Pottinger's membership be terminated.

Sanctions

The Board has approved this as appropriate and proportionate. The full sanctions for Bell Pottinger therefore are as follows:

- Bell Pottinger's membership is terminated with immediate effect. Bell Pottinger will not be eligible to reapply for corporate membership of the PRCA for a minimum period of five years.

Clauses

PRCA Professional Charter clause 1.1:

- The Democratic Alliance, represented by Phumzile van Damme MP, alleged during the hearing that Bell Pottinger had 'exploited racial divisions on behalf of the Gupta family'. Numerous media critics have echoed this opinion, leading – as mentioned – to significant negative commentary on Bell Pottinger's work for Oakbay Capital and on the practice of PR and communications in general.
- The Committee understood the burden of Bell Pottinger's response to be that the offending element was just one component of a single workstream in a large and complex programme. Further, that the programme was essentially corporate and financial by nature. The Committee tried unsuccessfully to reconcile these assertions with what actually happened in terms of the reaction to the campaign and the level of criticism which it provoked.

- The Committee acknowledged Bell Pottinger’s eventual response to the problems but felt that a programme designed and managed in accordance with the highest standards of practice in PR and communications could not, and should not, have caused such problems in the first place.
- The Committee, therefore, found that Bell Pottinger had breached PRCA Professional Charter clause 1.1.

PRCA Professional Charter clause 4:

- The Committee found that the nature of the programme depicted in the documents submitted to Oakbay Capital by Bell Pottinger, and as conducted by Bell Pottinger on Oakbay Capital’s behalf, was by any reasonable standard of judgement likely to inflame racial discord in South Africa and appears to have done exactly that. The Committee did not find the suggestion that this theme of the campaign and its consequences were unintentional to be plausible. The targeting of white corporate South Africa is a material consideration here.
- The Committee, therefore, found that Bell Pottinger had breached PRCA Professional Charter clause 4.

PRCA Public Affairs and Lobbying Code of Conduct clause 12:

- Certain aspects of the manner in which the Bell Pottinger campaign was conducted on behalf of Oakbay Capital fell so far short of expected standards that an apology was issued by James Henderson MPRCA, CEO, in which he described the social media campaign highlighting economic emancipation to be ‘inappropriate and offensive’: ‘these activities should never have been undertaken’. The partner in charge of the campaign was dismissed and two employees were suspended.
- Asked by the Committee if Bell Pottinger acknowledged that work undertaken by the account team fell short of Bell Pottinger’s own standards, Henderson answered in the affirmative. Henderson agreed that the PRCA’s standards, as set out in the PRCA Professional Charter and Codes of Conduct, could not be described as lower than those of Bell Pottinger itself. Bell Pottinger failed to maintain and protect its own reputation and the standing of the profession as a whole.
- The Committee, therefore, found that Bell Pottinger had breached PRCA Public Affairs and Lobbying Code of Conduct clause 12.

PRCA Public Affairs and Lobbying Code of Conduct clause 13:

- The Committee formed the unanimous view that the manner in which the Oakbay Capital programme was conceived and delivered indicated a failure on the part of Bell Pottinger’s senior management to oversee and control a campaign which, in the Committee view, required the highest level of scrutiny and supervision, given the sensitive political and social environment in which it was activated.
- In probing this question the Committee was not satisfied that Bell Pottinger’s explanations were fully convincing. The Committee remained mystified by this disconnect, which was not in

accordance with its members' own experience as senior managers of large consultancies implementing opinion-forming programmes in sensitive or volatile climates.

- One consequence was a large volume of highly-critical media coverage of Bell Pottinger's work on behalf of Oakbay Capital, both in South Africa and internationally, which – in the Committee's view – has caused damage to the reputations of both Bell Pottinger and the profession of public affairs and lobbying.
- The Committee, therefore, found that Bell Pottinger had breached PRCA Public Affairs and Lobbying Code of Conduct clause 13.