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A historical study of payola: advertising and public relations or bribery

Christina Guadagno
Rowan University

A Historical Study of Payola:

Advertising and Public Relations or Bribery

Christina Guadagno

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ABSTRACT

Christina Guadagno

A Historical Study of Payola Within the
Record Industry From 1960 to 1995.
1997

Dr. Steve Shapiro
Corporate Public Relations

Payola helps get songs played on radio stations. Decades ago, it involved record company promoters giving cash, marijuana and other inducements to disc jockeys so they would add a new song to their playlist. The courts always found the disc jokey at fault.

Then in 1973, the courts began to go after the record companies. This caused the record companies to seek a middleman -- independent promoters. Independent promoters helped record companies get songs added to the playlist so record companies did not have to deal with radio stations directly.

Some independent promoters gave large amounts of cash, harder drugs and prostitutes to program directors in exchange for space on their playlists. With the government cracking down on such illegal activity, payola took on a legal form. Independent promoters began to give tens of thousands of dollars to the station for marketing purposes.

This historical study examines how payola changed over the decades and identifies some significant cases. It lets some experts voice their opinions on the payola issue. This study also compares payola to advertising and public relations.

MINI ABSTRACT

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Over the decades payola changed from nickel-and-dime affairs between record companies and disc jockeys to a million-dollar industry with the addition of independent promoters.

TABLE OF CONTENTS

Chapter One

History/Background

Myth . . . Songs receive strong airplay because of their popularity with audiences. Truth . . . Some songs receive more airplay than others due to illegal activities and extraordinarily large amounts of money given to a radio station's marketing department. This practice was coined payola. NewWorld Dictionary defines payola "as the practice of paying bribes or graft for commercial advantage or special favors, as to a disc jockey for unfairly promoting a particular record over others."[1] Payola weaved its way into the record industry in the mid-30s and still exists today and will probably be around tomorrow.

Juggy Gayles, known as the Moses of Promo Men, the Prince of Prognosticators and the King of Song Pluggers, entered the business in the mid-30s. During his five-decade career, Gayles worked with various entertainers, everyone from Nat King Cole and Frank Sinatra to Led Zeppelin. In 1938, while he worked at Remick Music, a publishing company, he found wining and dining music men, partying at clubs and betting on horses with them persuaded some to play his songs.

Even though payola was around as early as the '30s, the illegal activities involved in payola weren't unveiled until the big Alan Freed scandal of the '60s. Freed worked as a disc jockey for WINS-AM, a New York station. He admitted accepting a total of $2,500, but said the money didn't affect airplay. It was a token of gratitude. On May 19, 1960, a grand jury indicted Alan Freed and seven others for taking bribes to play records.

As a result of the scandal, a federal antipayola statute was passed. In 1960, Congress passed a law which made payola a misdemeanor offense punishable by a maximum fine of $10,000 and a year in prison. But this was rarely enforced.

Until 1973, payola involved going after the bribe-takers -- the disc jockeys. But Project Sound, led by Jonathan Goldstein, the U.S. attorney in Newark, wanted to go after the bribe-givers -- the record companies. Allegations surfaced in the press that CBS Records bribed black radio stations and conducted business with organized crime figures. Project Sound was an inquisition into payola and "drugola," (a word coined to describe the use of cocaine as a payoff) and initiated a grand jury probe in four cities.

In late 1973, a Newark grand jury targeted Brunswick Records, an R&B label, and its president, Nat Tarnopol. A Philadelphia grand jury investigated Philadelphia International Records. In Memphis, a grand jury built a case against Stax Records, a black label distributed by CBS. And in Los Angeles, a grand jury conducted a probe of a local promotion man.

On June 24, 1975, the investigations indicted 19 people in the four cities. In Newark, seven Brunswick Record senior executives, including Nat Tarnopol, were indicted for taking $343,000 in kickbacks (giving back part of money received as payment, commission, etc., often as a result of coercion) from retailers, to whom they allegedly sold records below wholesale price; and for using part of the funds to pay off radio stations. Kenny Gamble and Leon Hull, from Philadelphia International Records were accused of spending approximately $25,000 to bribe program directors.

In the '70s, congress passed the Racketeer Influenced and Corrupt Organizations (RICO) statute so that any company found guilty of bribery paid heavy penalties. But according to a 1987 study on the "new payola," in Harvard Journal of Law and Public Policy, it furthered the need for independent promoters. The study concluded, "The threat of RICO liability created an incentive for record companies to retain independent contractors for record promotion in order to insulate themselves from criminal liability or complicity."[2]

Then in a strange twist of events, the Federal Communications Commission (FCC) weakened the statute passed by congress in 1979. The FCC ruled that "social exchanges between friends are not payola." This loophole became a difficult obstacle for lawyers to overcome.[3]

Interestingly, some record industry people tried to stop payola by not using independent promoters, also known as indies (outside contractors whom record companies hire to persuade radio stations to add their songs to their playlists. Apparently, this would commit radio stations to play the songs and give the public the opportunity to hear them) to promote records. Their efforts failed. Without the help of indies, some songs were left off playlists.

For example, in 1980, Deputy President Dick Asher of CBS Records subtly tried to decrease independent-promotion payments by experimentally cutting off Los

Angeles indie money for Pink Floyd's single "Another Brick in the Wall (Part two)." The album was a smash hit. The group's tours sold out immediately. But in Los Angeles, four big Top 40 stations refused to play the song at all.

Another example occurred in 1981, when Warner Bros. tried to lead an industry boycott. Warner Bros. Chairman Mo Ostin tried to exclude an indies group called "The Network." The Network was an informal alliance of a dozen or so Top 40 independent promoters. Some Network men plied station program directors with cash, cocaine, expensive gifts and prostitutes. As a result of his actions, The Who's, "You Better You Bet" hit the charts running -- then just stopped, showing the power of the independent promoter.

Even though the industry boycotts failed, the industry didn't give up the fight. The Recording Industry Association of America (RIAA), a trade group of record companies only, would investigate whether indies engaged in payola. If evidence proved payola existed than record companies could suspend use of indies without being susceptible to an antitrust suit. The RIAA passed a resolution October 1, 1985. The resolution stated:

"The RIAA should fund and, through its general counsel, direct a private investigation to determine whether or not the conduct of independent promotion involves or results in criminal violations or other violations of federal regulations or law."[4]

The RIAA was unsuccessful. Many proposals were rejected by some members.

A proposal to hire outside investigators was rejected. A proposal for all the record companies to participate was rejected by Dick Asher, president of Polygram Records.

In the spring of 1986, the government started an unsuccessful payola probe in Los Angeles which lasted six years. The probe's main target was Joe Isgro, once considered one of the most powerful men in the record industry. But it started with Ralph Tashjian. Tashjian worked out of Isgro's office during the early to middle '80s. Isgro dealt with the record companies, who hired him to get records on the air, while Tashjian handled the program directors at the radio stations. In exchange for the director's help, Tashjian sent cash via Federal Express. Sometimes, Tashjian provided program directors with prostitutes at radio conventions.

In April 1989, a federal grand jury indicted Tashjian on 157 counts of making illegal payments of cash, cocaine, or both (payola) to radio programmers in exchange for the airing of records. Some of the major stars Tashjian promoted during 1984-85 were Paul McCartney, Mick Jagger, Prince, Billy Joel, Bruce Springsteen and Michael Jackson, as well as other less successful artists.

On May 22nd, Tashjian admitted to making undisclosed payments of drugs to some radio station employees in exchange for getting singles added to playlists. He pleaded guilty to misdemeanor payola charges, as well as the felony counts of obstructing justice and falsifying a corporate tax return.

In order to indict the primary target, Joe Isgro, the U.S. Justice Department made a deal with Tashjian. The government requested a lighter sentence for Tashjian, in exchange for his cooperation with the ongoing payola probe of his boss, Isgro. On July 31st, Tashjian was sentenced to 60 days in a halfway house, three years' probation, a $60,000 fine and one hundred hours of community service.

Then on November 30, 1989, a federal grand jury issued a 51-count indictment against Isgro, along with former Columbia Record Vice-president Ray Anderson and convicted cocaine dealer Jeffrey Monka. The grand jury charged Isgro with a long list of criminal schemes including payola, conspiracy to distribute cocaine, racketeering, mail fraud, obstruction of justice and paying kickbacks to record company executives in order to secure and maintain relationships with companies that hired him. Anderson was charged with taking part in a conspiracy to defraud Columbia Records that included receiving kickbacks from Isgro. And Monka was charged with conspiracy to defraud the Internal Revenue Service by creating a sham corporation, Star Promotions, through which Isgro exchanged corporate checks for cash. All three pleaded not guilty.

In 1990, Federal Court Judge James M. Idelman dismissed all charges against Isgro, Anderson and Monka after hearing testimony in the biggest payola trial in 30 years. Idelman learned that six volumes of testimony by a key government witness, Dennis DiRicco, a former IRS attorney who went into private practice and worked as Isgro's accountant, was withheld from the defense and the grand jury that indicted Isgro, Anderson and Monka the previous year.

Monka's attorney, Gerson Horn, first uncovered the discrepancies. DiRicco told the Los Angeles grand jury he laundered money from a drug lord through Isgro and delivered the money to Isgro's ex-bodyguard, David Smith, for transport to Isgro. But in San Francisco, he denied any such dealings.

On October 20, 1995 Sonji Shepherd, a former promotion assistant at Maverick Records, the label co-owned by Madonna, filed a wrongful termination lawsuit garnished with an incidental litany of payola excesses. Maverick provided influential radio executives with pricey laptop computers and the services of Heidi Fleiss's call girls.

But times changed since the big payola scandal of the '60s and so did the rules. Due to the FCC's ruling in 1979, the federal payola statute covers payoffs that go to an individual, making any transaction that benefits an entire radio station legal.

By the early '90s, indies planned a way to avoid legal scrutiny. Instead of paying off program directors to influence playlists, indies began giving tens of thousands of dollars directly to the stations to market themselves.

Basically, it comes down to a expensive game called payola. It changed over the years. Sources estimate a $25,000 cost in indie promotion to launch a song nationally. And this entrance fee stops smaller labels from entering the game and their artists from reaching radio listeners.[5]

Chapter Two

Topic Statement and Methodology

TOPIC STATEMENT:

A historical look at the payola scandals from 1960 to 1995 and the laws that apply to it.

In 1960, Congress passed a statute which made payola a misdemeanor offense punishable by a maximum fine of $10,000 and a year in prison. In 1979, the Federal Communications Commission (FCC) said that "social exchanges between friends are not payola." To date, no one has ever spent a day in jail because of the antipayola statute.

METHODOLOGY:

DEFINITION OF TERMS:

Payola: the practice of paying bribes or graft for commercial advantage or special favors, as to a disc jockey for unfairly promoting a particular record over others.

New payola: (also known as institutionalized payola) coined during the Isgro scandal of the 80s, refers to the payola made by independent promoters.

Indie (independent promoter): a lobbyist who cultivates close relationships with key programmers on behalf of record producers.

Label: a record company's brand name under which they sign artists and release their songs under that brand name.

PRIMARY RESEARCH:

DIRECT INTERVIEWS WITH:

At the interviewees' requests, no names are mentioned.

Program manager who is a primary decision maker. For the past two years, he made the playlists and decided which songs received more airplay than others.

Former intern turned employee for two and a half year. He witnessed the working of a record company -- how it deals with the radio stations.

Former record company producer of a major label for about 20 years.

SECONDARY RESEARCH:

A content analysis of news articles and commentary from experts in the record industry.

Sources for secondary research include the following consumer publications: Rolling Stone, Entertainment Weekly,Variety and the New York Times. Frederic Dannon's book "Hit Men: Power Brokers and Fast Money Inside the Music Business," is another secondary source.

The study on the 'New Payola' and the American Record Industry: Transaction

Costs and Precautionary Ignorance in Contracts for Illicit Services in the Havard Journal of Law and Public Policy was reviewed for my secondary research.

Chapter Three

Data

Getting a song on the radio takes more than a great voice and wonderful musicians. It takes a lot of money to get a song added to a playlist. Sometimes it involves promised in-person or over-the-phone interviews with the artist, an area appearance at a local record store, or payola. Some people say that's what it takes and some say it always will.

A program director expains the relationship between record companies and radio stations, "Record companies provide a product, meaning the CDs and songs for us to play on the radio. We need their product in order to have a successful radio station. They want us to play their records so they can sell them. In the end, they need us to promote their music."[6]

A senior vice president of promotions interprets the record companies' view. "A radio station's playlist is about 40 records long. And the average add to a playlist is between three and five records. And the record company might have 50 new records. So the competition is difficult. What do you do to get your record on over the next?

"There's all different ways of going about it. Using what's happening in other markets, smaller markets, and saying its been successful there, or advertising and payola. Payola has been used in the past and probably still used today.

"A record company hires promotion people to work for them in each major market. They work for them and try to go to radio stations and present their product to the radio stations."[7]

At first payola involved small amounts of cash. It didn't take much for record companies to bribe a low paid program director at a radio station. And it was never noticeable at the corporate level. But with the introduction of independent promoters in the eighties, "new payola" made its way into the arena. New payola involved more than just small amounts of cash. It involved vice presidents of record companies, large amounts of cash and illegal activity.[8]

The promoter known as the Moses of Promo men, Juggy Gayles explains how payola was a "fact of life" during his five-decade career in the music industry. But through the years it changed. He states, "There was always payola, even in the days of swing. It changed from one thing to another. First it was grass, then it was coke. From coke it went to everything else. Beginning in the '40s, everybody knew I had the good grass, but I didn't mess with the coke. Later on, when I worked for Atlantic in the '60s, I had to go out and pay off the disc jockeys with cash."

Having worked with artists like Nat King Cole, Gayle also mentions that it was the songs that made it easy, not certain influences, such as dinners, drugs and prostitutes. "My creative power has always been in publicizing great geniuses, says Gayles. I looked for winners. I didn't make hits. All I did was help make a hit."[9]

The former senior vice president of promotion said, "It doesn't take just dealing with money. There are all kinds of aspects.... they used drugs; they used prostitution. They used everything to corrupt these people to get them to help them play their records."[10]

During the 1960 Senate hearings on record payola one congressman asked a deejay, "Do you think without payola that a lot of this so-called junk music, rock-and-roll stuff, which appeals to teenagers would not be played?"

He replied, "Never get on the air."[11]

Tim Sommer, Atlantic A&R rep who signed Hootie & the Blowfish said " In theory you can pay people to play records, but you sure can't pay people to buy them."[12]

The former record company intern/employee heard through the grapevine what upper management felt about their artists. He said, "Some higher ups felt that without playing the payola game, certain artists may never get the shot they deserve.

"You could use your label position with another artist to lever in a new band. You'd say, 'Hey, why don't you add ------ to your top ten theory rotation and I'll send you to see ---- at the Garden (Madison Square Garden)."[13]

The senior vice president of promotion added, "In the past .... records have gotten on the radio and probably never would have if record company executives and the higher ups weren't pushing their staff to get this on (the air)."[14]

In 1979, Profesor Ronald Coase of the University of Chicago argued in his paper, "Payola in Radio and Television Broadcasting," that payola was another form of advertising. He argued three fundamental issues:

- First, every time a radio station plays a song, it in effect advertises a specific product that a record company has for sale. There is no reason to believe that a record company that dispenses payola will spend its finite advertising resources promoting "bad" music rather than "good" music.
- Second, long before the commercial development of radio, a similar pricing system was commonplace in the United States with respect to the inclusion of songs in live performances by popular singers and musicians. At the time, the implicit advertisements was for sheet music sold by music publishers.
- Third, since at least the 1890s, movements to prohibit payola have been used as competitive weapons by record and music publishing firms. Those firms have acted, sometimes in concert, not only to reduce their own advertising costs, but also to restrict the advertising alternatives by which new entrants expose to the public their sound recordings and copyrighted compositions.[15] (Para Sic)

There are many record industry people who feel the same way. A head of promotion at one label compares it to supermarket product placement. The promoter says, "There's nothing idealistic about what I'm doing. Alternative radio has turned into supermarkets. And if I have to pay for shelf space, that's what I'll do."[16]

But there are a number of ways to promote or advertise the song. The former senior vice president of promotion says, "Instead of just giving him (program manager) something personally, whether it's drugs or prostitution which has been done .... they also can help them to be successful at the station by giving them things to make them succeed. Whether it's having a big band come and play a big concert."[17]

One label employee wrote online, "They 'legalized' it (payola) a long time ago with time buys (on-air commercials), co-op advertising (money for local print ads) and fly-aways (trips for contest winners)."[18]

The senior vice president of promotion said, " Acutally they're getting really smart with it (payola). They got lawyers. They're using legality by the slimest of margins -- using the law to help corrupt. The law can be interpreted in different ways and they're really pushing it to the end in a lot of ways in doing promotion."[19]

The former record label intern/employee added, "Big stations got interviews with big artists -- live on the air. These stations would then be given a block of tickets to the show or perhaps we would set up a contest to meet the band."[20]

But some program managers do not always feel the same way. When Steve Hoffman started his job as operations manager at KCXX II Riverside, California, he learned his general manager had cut a deal with indie Jeff McClusky of Jeff McClusky & Associates. McClusky got exclusive access to KCXX programmers in exchange for thousands of dollars in marketing money toward the station.

After leaving KCXX Hoffman said, "I found it to be a very uncomfortable situation. I felt it was particularly inappropriate (having) an independent promoter putting dollars back into a radio station. While I don't believe anything was illegal, it just smacked of impropriety."[21]

A program manager said that small record labels use independent promoters which offer VCRs and TVs for promotion. Meanwhile, the intention was for the station to keep them instead of giving them away. "Payola is not really a big thing. It's more like fringe benefits. You get dinners and stuff like that . . . ."

During a recent convention for operation and program mangers in New Orleans, the program manager suggested a "rap party" label provided a certain form of payola for the attendees. The source said no drugs or cash were lying around, but there was certainly another element present (prostitutes).[22]

Ron Rodrigues, managing editor of Radio & Records, said that intense competition enhances the use of payola. He said, "There's a limited amount of airtime, a lot of records, and certainly a fervent battle to get your records on the air. So the bottom line is, anything is possible."[23]

Independent promoters (indies) began using large amounts of cash and drugs with payola. Steve Gottlieb, president of TVT Records said, "We use indies because we want lots of voices talking about our music. It's like advertising. Why do people advertise? Because everybody else is. And if you don't, the competition will be louder than you."[24]

While a person develops a career in the record industry, they try to avoid the reputuation of being a "whore" by taking everything. This explains the use of indies. The record companies go through the indies to get to the radio stations. "It keeps their (record executives) access a lot lower, said the former senior vice president. Not a lot of people know what's going on, admits the senior vice president of promotion. Secrecy is a big thing, especially since all that hoopla of the 80s (Isgro scandal)."

He continues by saying, " Independent promoters are a necessary evil and they will take you down the drain and try to take as much from you as possible. And if you're naive -- they'll take all the money they can get from the record company."[25]

But fear of not being successful also makes it easier to use independent promoters. The senior vice president said, " It's such a fast-paced business that people don't last at jobs for real long periods of time. It ends up people are paranoid and afraid they're going to lose their jobs -- so they say 'Oh, I'll spend this money. It's not my money. And they give it all to the promoters figuring thats going to help them keep their jobs. And they (independent promoters) take advantage of the weakness.

A lot of people running record companies, heading up the promotion departments are naive and think they can't live without them. They spend more money then they should."[26]

One label source explained what happened without the use of an indie. "I can talk to (a program director) all day (about adding a new song), but without McGathy (an indie), it's not going to happen," he admits. After the song got added to the playlist, the source's boss received a $300 invoice from McGathy anyway.

The source concluded, "You pay it. I don't need the problems down the road. He expalins by saying the indie can get the record dropped. Then the indie waits until the label puts him back on. Anyway it goes -- the indie gets paid.[27]

The program director views independents by saying, " I don't come across too many good independent promoters. I find them 'slimey.' The more credible independent promoters don't really offer too much. They'll bend over backwards for you, but they wont give 'certain things' to get you to add a song."[28]

With all this corruption, some record companies introduced policies for dealing in payola. The former senior vice president of promotion said, "Each record company label after the big hoopla (the Isgro scandal) had a policy made that each new employee had to sign if they had any involvement with payola. They would be immediately fired. And that is still a policy today. But it's hard to prove something is done unless you catch people redhanded. To think because there is a policy that it stopped, is naive thinking. It might not be as bad as it was in the Isgro--Desipio days, but its still out there."

He continued by saying the record companies wanted to do something for public knowledge to deal with this corruption. But behind the scenes, it would be hard to do. First of all -- it is almost impossible to get everyone in all companies to agree to it. People will agree and then do it anyway because they want to be successful. They want the competitive edge.[29]

Some companies found another way to use independent promoters -- through the management of the artist. The artists' managers and record companies have funds they deal with. There is a fund for touring, a fund for promotion, a fund for advertising on MTV and on radio stations. What they do is switch the funds around.

The former senior vice president of promotion said, "The record companies gave that promotional budget to the management and the management paid (the independent promoters). So the artist got promoted independently at the time without the record company paying -- saying that they weren't dealing with them, (the independent promoters) but the managers were."[30]

The former record label intern/employee said, "Payola is unethical but I'm a realist. I can't say for sure that I would never participate. In life you have to take chances for a better chance at success. Sex, drugs, money and rock-n-roll seem to go hand in hand. It's a very seedy business. There are many unethical ways to achieve a given means to an end."[31]

The former senior vice president of promotion said, "The record company or independent make an arrangement with the management of the artist and they work it out. They're gonna get something in return for that. Is that payola -- there's definitely a fine line there."[32]

Chapter Four

Conclusion

People listen and buy songs for a number of reasons. Some people listen to songs to relieve the stress in their lives. Most people listen to music for pure enjoyment. But for the people who work in record companies, radio stations and independent promotion agencies, music causes stress, tension and fear.

Working in the music industry seems to drive people to do illegal and unethical things. It initiates an expensive game of bribery, drugs and prostitution. And these practices didn't just happen over night.

For decades, making a song a hit took more than adoring fans (consumers). After all, the consumer does not decide what songs get played. Disc jockeys and program managers do not initially play a song four or five times a day because their listeners want to hear it. Behind the scenes, favors are exchanged, money is given, and drugs and prostitutes used as bribes. The practice that the music industry lives on is called payola.

Even though it has been around for years, players were added and the stakes were raised. It started between record companies and disc jockeys, involving small amounts of cash, casual dinners and maybe marijuana. As competition grew, independent promoters made their way into the game. The independent promoters turned this small insignificant business into a billion dolllar industry.

Some people see payola as another form of advertising. When examined, a certain number of similarities exist. Songs are the product. Radio stations offer the best advertisements. Obviously, the bands that offer the give-away items, such as a signed guitar by a band member, will get more air time than a band who didn't offer any promotional items. All this seems to be legal. But it depends on the individual whether or not it is unethical.

Even though a majority of bands become famous because a well-known label signs them, occassionally it happens the other way. There are bands that make a record company a major player. Most record companies start somewhere looking for a new band with a great sound. And on the way, the record company becomes well-known.

Obviously, it becomes illegal when prositutes, drugs and large amounts of cash exchange hands. And the blame can be placed on both sides of the fence. It is definitely unethical and illegal for independent promoters to offer drugs and prostitutes to program managers in exchange for air time. At the same time, it's unethical and illegal for program managers to add a song to a playlist because these extras given to them.

The record industry unsuccessfully tried to deal with corruption two ways. First, through the establishment of the Recording Industry Association of America (RIAA). The RIAA, which made the record companies look like they were taking responsibility, could not get all the record companies to participate. Second, a few record companies led industry boycotts. The songs were quickly dropped from radio stations' playlists.

Within the public relations industry, PRSA (Public Relations Society of America) developed a set of codes for its members to follow. These codes pertain to the practices which some independent promoters and record executives use. Article six states, "A member shall not engage in any practice which has the purpose of corrupting the integrity of channels of communications or pressures of government."[33]

The document continues to explain this article in better detail. The following are parts relevant to the game of payola. The practices prohibited place representatives of media or government under obligation to the member, or the member's employer or client. They include:

- the giving of gifts of more than nominal value;
- any form of payment or compensation to a member of the media in order to obtain preferential or guaranteed news or editorial coverage in the medium;
- providing trips for media representatives that are unrelated to legitimate news interest.

Although payola is called by some another form of advertising, payola can also be similar to some functions of public relations as well. The goal of the independent promoter and record executive is to increase record sales. The strategy is to get the song added to a station's playist. A goal of a public relations practitioner might be to increase sales of a product. The strategy would be to increase editorial coverage of the product.

There are some public relations practitioners who take editors out to dinner, to a play and send samples for hands-on experience. Instead of deciding based on the product's merit. Does an editor decide to give one product more or better editorial coverage over another because the public relations practitioner talked about the product over dinner. Who is the unethical party -- the public relations practitioner, the editor or both.

Sometimes editorial coverage is linked with advertising. And this happens on both ends. To tell an editor that advertising will stop because of low or no editorial coverage is looked down upon by most in the industry. On the other hand, some editors will tell the advertising department to call a company if it is a focus of one of the articles.

As with any business, the record industry's corruption is driven by greed and failure. Record company executives fear their songs would not get added to the playlists without the use of independent promoters.

All these behind the scene actions affect the consumer negatively. The high price for getting a song on the radio drives the price of CDs up. Bands that have a high promotion budget play concerts more than other bands. Consumers hear what the record companies want them to hear, instead of the best artists. In the end, the consumers are the ones who get cheated.

Chapter Five

Suggestions for Further Study

- A study of the effects of payola and video placement on stations like MTV and VH1.
- A study of the educational backgrounders of the independent promoters.
- Continued research of the effects of payola in the rap industry. Conduct interviews with rap radio station program managers and rap independent promoters.
- Continued research of the effects of payola in the alternative rock industry. Conduct interviews with alternative rock radio station program managers and alternative rock independent promoters.
- A study of the effects of payola on music trade publications. Conduct anonymous interviews with trade publication editors.

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19. Interview with senior vice president of promotion -- May 4, 1997.