Black Tie Lies

POZ investigates where your money goes after your tux comes off

February 1, 1995 By Kiki Mason

The People With AIDS Coalition (PWAC) of New York City had a dilemma. Faced with a mounting financial crisis in late 1992, the relatively small organization desperately needed the revenue from its annual fundraiser, but the director of development had left. The board of directors decided to move the event from February to May and hired an event planner who had recently moved to New York City from Los Angeles. “He came highly recommended,” recalls Chris Babick, who was executive director of the organization. “While his presentation was a little vague on details, he seemed to know what he was doing and promised us lots of celebrities.” As the months went by, Babick and the board became increasingly concerned. “We couldn’t get a decent budget or projections from him,” says Babick. “It was like pulling teeth. Finally the organization threatened to cut him off financially and he produced something.” While there was discussion of canceling the event, PWAC needed the money and hoped for the best.

The event, dubbed “Heart and Soul,” was an unmitigated financial disaster. The headliners were Nell Carter, Phyllis Hyman and Jaffee Cohen of Funny Gay Males—great entertainers but not sure-fire room fillers. “We had a base of contributors who would’ve come to anything,” says activist Spencer Cox, who sat on the board. “We had hoped to reach out to people who had never been to a PWAC event before. The event was horrible, and the cost overruns were enormous. The planner didn’t get anything donated. The organization, which had tons of volunteers, was billed for people to set up chairs. Nell Carter brought her manager and family, and we were stuck with the costs of putting them up. I’ll never forget this—Phyllis Hyman wouldn’t use the stage bathroom and kept peeing in paper cups, which she left scattered around the dressing room. It was truly a nightmare.” Surprise invoices started to pour in after the event, and the net profit, which had been expected to reach $50,000, tallied to less than $2,500. “I wouldn’t say that the benefits disaster alone caused PWAC to close,” says Babick. “But it was the thing that pushed us over the edge.” The organization folded, and the event planner was nowhere to be found. He’s since left New York. (Chris Babick refuses to divulge the party planner’s name, so POZ was not able to verify this or get the planner’s side of how events played out.)

Benefits are a perennial part of the social climbing scene in every major American city, and over the past few years AIDS fundraisers have become the hottest tickets on the circuit. Event planners and AIDS organizations vie to out-do each other in splash and glamour. AIDS benefits have moved from the homegrown gay community disco parties of the early 1980s to major events on the social

calendar. In the process, a shadow industry has grown up to oil the fundraising machine. An entire group of people now make their living throwing big parties billed as AIDS events.

There have always been those who question the validity of benefits. Why not just get wealthy people to donate for a worthy cause, they logically ask. The answer, in many ways, is that the well-to-do simply will not part with their cash unless given an opportunity to display their largesse, not to mention their designer frocks. Events planners argue that benefits bring in large donors, drum up greater media visibility for the organization and support other means of fundraising, such as corporate sponsorships, legacy gifts and direct marketing campaigns. They also say the high-profile benefits by groups such as the American Foundation for AIDS Research (AmFAR) has pioneered the way for celebrities and corporations to get involved in AIDS fundraising nationally.

All of this is true. But what isn't being discussed is why so much money is being lavished on the details.

Want a celebrity at your party? Then you gotta pay, baby. The people who organize events—the smart ones at any rate—are questioning the added costs that celebrities always bring. "Everyone thinks that the star is donating their time, which is usually true," says one events publicist. "But the fact is, most don't go anywhere without limos and first-class hotels and an entourage. They're not used to paying for anything and they don't."

"I spend a lot of my day talking people out of bad ideas," says Tom Viola, managing director of Broadway Cares/Equity Fights AIDS, an entertainment-industry umbrella group that raises money to give it away. "People call all the time with show ideas and the concepts are just too grandiose. We all want to throw the best party, and organizations are under pressure to make each event bigger and better, but you can't forget why you're throwing the party."

The profound financial failure of "Out in New York '94," a joint series of events timed to coincide with the Gay Games and benefiting Design Industries Foundation Fighting AIDS (DIFFA) and Broadway Cares, caused a spasm of finger-pointing among those involved. The controversial former head of DIFFA, Rosemary Kuropat, blamed staff cutbacks and delays in funding grant applications on the event's lack of success, while former staffers told stories of financial mismanagement and blatantly egomaniacal behavior on Kuropat's part. When The New York Observer ran a critical story about Kuropat's troubles at DIFFA, citing the failure of the organization to disburse funds to groups who had been promised grants, it launched a continuing community debate about methods of fundraising and the often monumental egos of those involved.

"We were naive," Viola says. "We thought that the volume of traffic during Gay Pride Week would guarantee us success. We planned for months and when other groups found out what we were doing, everyone decided to get in on the act. Most of our events come from the Broadway community, such as show appeals or bazaars, and they're cheap to produce. 'Out in New York' caused us to re-evaluate the way in which we raise money."

Tim Rosta, executive director of Lifebeat, learned about stars and production costs the hard way. Lifebeat, an AIDS charity for the music industry, was offered the Pet Shop Boys for its first benefit in New York City in 1992. The concert was a high-tech extravaganza, full of the fabulous production values that the Pet Shop Boys are renowned for.

A little too fabulous, as it turned out. The event was held at Roseland, a union house. Overtime costs—plus hefty shipping fees for the tons of light and sound equipment—racked up huge bills. When the luxury-hotel costs for the stars and their entourage were totaled, the event spent $25,000 to make a profit of $15,000.

But Rosta, unlike many who play the name game, learned his lesson. “Celebrities cost money,” he says. “There’s no getting around it. They won’t pay for their own hotels and transportation, no matter how rich they are.” When Rosta began to put together a Gay Pride weekend concert with headliners k.d. lang, Seal, Melissa Etheridge, Jon Secada and Queen Latifah, he refused to go ahead until VH-1 signed on as a corporate sponsor. He asked Warner Bros. records to pick up some of the associated costs for their artists. Rosta got concert promoter Ron Delsener to get Ticketmaster to drop its customary carrying charges and negotiated a tough deal with the union. “I even refused to cater the event backstage,” he laughs. “I asked local delis to send food over for free—and they did. I’ve learned that if you have the right person asking for the donation, you’ll get it. I absolutely wouldn’t have done this event without an underwriter.” While many organizations were burned on Gay Pride events, Lifebeat made a profit of more than $100,000.

While AmFAR tries to position itself above the fray, the organization has become notable for lavish high-visibility events that can make slim profits.

Three years ago in Los Angeles, AmFAR underwrote a huge fashion spectacle for Jean-Paul Gaultier. That photo of Madonna topless walking down the runway flashed on television screens worldwide, but reports published afterward in The Los Angeles Times indicated that while the event raised $750,000, it spent $715,000. The yearly Masquerade, a 1980s style dinner dance, has become increasingly unprofitable. “I’ll never forget the 1992 Masquerade,” says a former employee. “It was event hell. They had supermodel Vendela coming down this huge staircase in Lachrymosa, the Fantasy Mask, and no one noticed her. Then Harry Connick got up to sing and discovered that a) there were fags in the room and b) no one was paying attention to him, either. After he stormed off the stage with his band, Kathie Lee Gifford and Paul Anka got up and filled in. The whole thing was just awful.”

Event planners, former employees and publicists who have worked for AmFAR tell of heavy spending on events without regard for the consequences. “They’re stuck in the ’80s,” says one publicist who now refuses to work with AmFAR but won’t speak on the record for fear of blacklisting. “Last year at Art Object they had Francesco Clemente design 21 pairs of $1,200 silk boots with little penises on them. Who in God’s name is going to buy that?” (The boots were donated, notes AmFAR Director of International Development Sally Morrison.)

One of the biggest disasters was Lachrymosa. Part of a jewelry industry auction, Lachrymosa was

a tacky gold and diamond mask that Elizabeth Taylor modeled. Valued at $1 million, the best price offered at auction in New York City and Los Angeles was $600,000. “It was embarrassing,” says a former employee. “Sally Morrison had to get up and beg people to bid on it.” When the mask didn’t sell, it was returned to the source, but the organization had already paid transportation, promotional and security costs.

“In a way, AmFAR has suffered from success,” says Patty Glynn, who worked in the publicity department. “They wanted to become like every other major foundation, and now they have to pay top dollar for everything—and the staff has stopped asking. I never saw anyone question the bill we were running up on events. Everything was ’necessary,’ from messages to flowers.”

Sally Morrison says AmFAR’s fundraising strategies come out of the desire from co-founders Mathilde Krim and Elizabeth Taylor to create a mainstream foundation. “For people involved in community fundraising,” she says, “it must seem lavish. We want to attract world-class donors, and you need a first-class fundraising effort to do that.” Morrison, who was the third employee at AmFAR and a close personal friend of co-founder Terry Beirn, is widely credited to be the organization’s link to Elizabeth Taylor and the film community. “She’s untouchable because of the Taylor connection and her links with some major donors,” says an ex-employee. “And she knows where all of the bodies are buried.”

The AmFAR program that draws the most criticism from industry insiders is Art Against AIDS, begun in 1987 to combine the fabulous dinner concept with an art auction. Many of these events were lucrative—the events in Basel in 1991 and Venice in 1993 each raised $1.6 million—but some events, such as the recent Art Against AIDS in Japan, have been labeled disastrous by several insiders.

The central character in Art Against AIDS is Anne Livet, whose company, Livet-Reichard, produces the events and sells the art. The flamboyant Texan, whose partner Steve Reichard died of AIDS, was mostly known for producing art events when AmFAR came along. Since then, Art Against AIDS has become a mainstay of her business. Virtually every event planner and publicist interviewed for this article mentioned Livet as an example of outrageous spending. Livet is paid a retainer of $10,000 per month, plus additional staff costs and expenses. Several former Livet-Reichard staffers agreed to talk about their former boss on condition of anonymity. “The expenses are out of control,” says one. “The art component of Cinema Against AIDS raised a negligible amount. The photographs on display had to be shipped at great cost from the U.S. and were shipped back to Los Angeles, where they were eventually sold at a fraction of their true value. While the event was being planned, Anne used every excuse she could to go to Paris, once flying over for one not-very-important meeting.” As the rest of her business has dried up, staffers say Livet is increasingly desperate to hold on. “Anne and Sally Morrison are bound together by what they know about each other,” says another event planner who has worked with both. "Their relationship is kind of like Comedy Central’s Absolutely Fabulous, except it’s not at all funny."

Livet denies any misuse of funds, dubbing the charges against her “annoying.” “We are accountable for every expense,” she says. “We are careful and frugal.”

AmFAR has treated my questioning of its policies or procedures as an attack. While I was interviewing Sally Morrison, a memo was circulating at AmFAR and at Livet-Reichard warning employees not to speak with me or anyone from POZ. But POZ was able to obtain the numbers for a large splashy event this summer on the U.S. Aircraft Carrier Intrepid known as “Big Guns.” While thousands of men danced secure in the knowledge that their money was going to fight AIDS, the reality is that Big Guns raised $396,000 and spent $210,000—more than 50 percent. AmFAR blames the outside event promoters for the (not unusual) high expense.

While AmFAR claims that the overall cost of its benefits last year was 18 percent, insiders point out that major gifts are often publicly announced at benefits to add profits to that event and pad the numbers. But other large AIDS organizations hardly fare better. GMHC claims an average benefit cost of almost 30 percent, APLA says it spends 26 percent to raise its benefits dollars and DIFFA spends a whopping 50 percent of the money it receives from events to produce them. With the tendency of many organizations to indulge in creative accounting, one can only wonder what the real costs are. Broadway Cares, on the other hand, spent only 8 percent on event production of the almost $2 million it raised last year.

With the Republicans in power and AIDS services and research funding under the sword of Damocles, fundraising will become even harder and the need will be greater than ever. In this climate, the entire AIDS community needs to examine the activities of the organizations which claim to represent us.

I have seen every major aspect of the benefits business, first as a journalist covering parties and for the past three years as a pro bono publicist and event planner for the Community Research Initiative on AIDS (CRIA). I know first-hand the reality of corporate sponsorships and how hard it is to get things cheap or for free. And it can be done. But the people who attend these galas have their own responsibility. Before you buy your ticket for that fabulous party, ask how much is being spent. The charity of your choice should be able to give you an estimate before the event, and an accounting afterward, with no grief and no fudging on the numbers. The group should be willing to tell you how much the event planner was paid and how much the dinner cost. Beware of terms like “adjusted net gross” and ask to look at the actual numbers. What’s the bottom line? It’s time to ask the hard questions of the people who are supposedly raising money in our best interest.

In tough times—both financial and emotional—every single dollar raised is a blessing. And fundraising is an important and necessary component to the fight against AIDS. But AIDS service organizations have to make themselves responsible to the community. They must begin dissuading mounting fears by coming clean with their figures.

If they have nothing to hide, they have nothing to fear.

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