

## COVER STORY

### Leader of the Pack

Dan Pallotta Has Turned the AIDS Rides Into a Fund-Raising Tour de Force, and His Salary's Not Bad Either. His Supporters Say His Passion Is Well Worth the Price.

By JANET WISCOMBE, Janet Wiscombe's last piece for the magazine was a profile of talk-show host Laura Schlessinger

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While neighbors in Laurel Canyon enjoy patios and pools, Dan Pallotta's backyard view is from the flap of a canvas tepee. The towering wigwam, a retreat and meditation center big enough to house a trio of buffalo, is a fitting hide-out for a Harvard-educated entrepreneur who can talk as easily about Einstein as he can about est and has a special place in his heart for John F. Kennedy--and cowboys and Indians.

On this chilly afternoon, however, the sanctuary will remain a mystery. The dashing handsome 37-year-old creator of the AIDS Rides--promoted as the most successful fund-raising events in the history of the epidemic--has decided he'd prefer to talk while hiking than entertain at home. He's still angry at Buzz magazine for reporting last year that he was building a \$1-million house. He says he bought the three-bedroom fixer-upper in 1995 for less than half that amount. He and his dad completely gutted the structure and rebuilt it with their own hands, and he's weary of insinuations that he's getting rich off money intended for AIDS services.

As he steers a leased Lexus to a forested reservoir tucked in a canyon below the Hollywood sign, a preserve where deer and hawks play and beautiful people graze, he apologizes for driving a luxury car. Then he reaches for a cassette on the console and apologizes again. "I didn't plan this," he says with a bashful, boyish grin. The tape is composed and sung by one Dan Pallotta. When encouraged to play it, he politely obliges. Diffidence vanishes like a thunderbolt. He shamelessly cranks the volume way up.

Pallotta is a good singer. Astonishingly good. But, as he will tell you, not one of the greats--not Dylan, not Mitchell, not Springsteen. It wasn't until he created--and copyrighted--the AIDS Rides that he knew he'd found his niche. "I wanted to do something truly original," he declares. "I don't want to be a copy. I don't think Bob Dylan could put on an AIDS Ride. Do you?"

Five years ago, when the L.A. Gay & Lesbian Center hired him to produce a landmark fund-raiser, Pallotta was a fledgling event consultant who operated out of the bedroom of a modest Hollywood apartment. Today he is a highly successful promoter who charges a production fee of \$160,000 to \$360,000 per ride, employs a staff of 217 in 10 cities and recruits legions of volunteers who are only too happy to slog through mud and rain for a chance not only to raise money for a good cause but also to participate in what many describe reverentially as a spiritual, life-altering experience.

On May 31, 600 volunteers and 2,300 pedalers, who have each raised a minimum of \$2,500 for the cause, are expected to rendezvous in San Francisco to begin the grueling seven-day, 560-mile California AIDS Ride to Los Angeles. And this year, Pallotta is shifting into higher gears with a client list extending beyond AIDS Rides. He has accounts with GTE--sponsors of this summer's 48-day Big Ride Across America to raise money for the American Lung Assn.--and with Avon, which hired him to produce a three-day walk from Santa Barbara to Malibu in October to raise money for breast cancer.

As fortunes swell, however, Pallotta finds himself at the epicenter of a public diplomacy nightmare. Critics call him a huckster on a 21-speed ego trip. They label him a brigadier in the burgeoning You-Can-Have-It-All Altruism Movement, a phony who delivers nauseating New Age sermons about "envisioning" an end to AIDS and teaches staff members to stage weepy emotional breakdowns to hook participants. "It's part of the training [for volunteers and crew]," says Daniel Moesching, an AIDS Ride veteran who is HIV positive. Still, Moesching says without qualification: "Dan Pallotta saved my life. He has saved many lives. He is an inspiration."

However, Wayne Turner, an organizer for ACT UP in Washington, speaks of Pallotta with disdain: "I call the AIDS Ride 'The Big Scam.' Dan Pallotta is an AIDS profiteer."

While an easy target of criticism and gossip in the highly competitive realm of AIDS charities--a world encompassing many thousands of organizations--Pallotta receives hosannas from supporters who willingly circle the wagons to sing his praise. They describe him as a brilliant young visionary who brings out the best in others, champions moral responsibility, dedicates himself to social justice and genuinely wants to make the world a better place.

Lorri Jean, executive director of the L.A. Gay & Lesbian Center, says Pallotta's contributions to the battle against AIDS are undeniable. "He's raised millions for AIDS. The people who suggest he isn't committed are cruel and misinformed." And from writer and liberal political organizer David Mixner, whose close friends include Bill Clinton--and Dan Pallotta--"I have extraordinary admiration for his passion."

Pallotta believes that the AIDS Rides serve as a model of a new way of thinking about making money while doing good. Nowhere is it written that you can't live well and make a difference in the world, he recently told a group of students at Harvard. "If we paid people as well to end hunger as we do to market and sell Nike, everyone would be better off. You have to make it as easy for people to give to others as Starbucks makes it easy for me to get coffee. My goal is to inspire people to become more involved, to go beyond the limits. We market making a difference in the world. We stir up passion to care."

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Rhe trouble started last year. That's when the headlines turned ugly--especially on the East Coast. "Questions on Expenses Dog AIDS Bike-Trip Organizer," proclaimed the Washington Post. "Do some AIDS

events take donors for a ride?" was the question posed by several publications, including U.S. News & World Report. The magazine estimated that about half the money donated to Pallotta's firm, Pallotta TeamWorks, goes to local charities, half to administration and ride expenses. The National Charities Information Bureau recommends that overhead and expenses not be more than 40 cents on the dollar.

Pallotta says, on average, 57% of the money he raises goes back to charity. Considering the costs of mounting an AIDS Ride--a bivouac featuring mobile tent cities, hot meals and showers, medics and masseuses--it's a bargain, Pallotta says. "You can't treat a disease with percentages. What you have to look at is volume. We've raised \$70 million. We've given \$40 million back to charities. And that money doesn't include the massive education about AIDS we provide throughout the year. Or the mass empowerment."

Pallotta has enjoyed his sweetest successes on the West Coast. Last June, for example, the California AIDS Ride alone raised \$9.7 million. Proceeds of \$6.2 million--or 63.9%--went to two of his biggest clients, the L.A. Gay & Lesbian Center, which offers a variety of HIV/AIDS services, including medical care at its Jeffrey Goodman Special Care Clinic, and the San Francisco AIDS Foundation.

On the East Coast, however, Pallotta has pedaled into a couple of buzz saws. Following a rash of complaints about the way the 1996 Philadelphia-Washington AIDS Ride was conducted, the Pennsylvania attorney general's office investigated. Despite Pallotta's promises that the AIDS Ride would distribute 60% to charities, only 19% trickled down to AIDS agencies, says Mary Beth O'Hara Osborne, acting chief deputy attorney general. Pallotta agreed last spring to pay the state penalties and restitution of \$110,000 for making misleading promises and failing to register as a professional solicitor. Rather than climb back into the saddle and move on, he became so outraged by press coverage of the debacle that he threatened to sue the Philadelphia Gay News for libel.

Matters only got worse last spring in Florida, where Pallotta has produced AIDS Rides for the past two years. John Weatherhead, executive director of CenterOne, an AIDS service organization in Fort Lauderdale, says 92% of the event's revenue was gobbled up by salaries and expenses. When asked what he learned from his mistakes in Pennsylvania and Florida, Pallotta responds curtly: "No more than Kevin Costner learned by doing 'Waterworld.' For some reason, people just didn't respond."

What's important is that AIDS Rides have been vastly successful most of the time, he says. Then he returns to the subject that plagues him most: his salary. He won't disclose it; he isn't required to since his business is a privately held corporation. Pennsylvania state investigators say he personally made \$325,000 for all his efforts in 1995. On top of that, he received about \$67,000 just for the Philadelphia-Washington ride. O'Hara Osborne is quick to add, however, that he was unusually cooperative with investigators and that she didn't believe his motives were "nefarious." When asked if the published figures are correct, Pallotta says: "I won't say one way or the other. I don't discuss my salary." Then he asks: "Where is it written that to make a difference in the world, you have to have a low-paying job? I'm not Gandhi or Mother Teresa."

Tanqueray, makers of gin and godmother to the AIDS Rides, will have ponied up \$15 million by the end of this year in direct money to support the rides--and for a chance to plaster its name on everything from bike bags to banners. Peggy Bernstein, spokeswoman for Tanqueray's importer, Schieffelin & Somerset, says the company was looking for a cause "that paints the picture we are socially aware" when Pallotta originally came calling.

Painting pictures is, of course, what corporate benevolence is all about. (Tanqueray's American AIDS Rides puts out a merchandise catalog of products ranging from cotton caps for \$15 to denim jackets with embroidered logos for \$75.) But even corporate players are swept up by the nobility of emotion inspired by the event. Bernstein, a smoker who'd never ridden a bike with more than one speed, pedaled 250 miles in a Boston-to-New York AIDS Ride. "It was really grueling, but I'm really glad I did it," she says. "The Ride is a perfect-world scenario. Everybody helps everybody out, and no one's in a hurry. You feel an enormous sense of community."

Joanne Mazurki, spokeswoman for the upcoming Pallotta-produced Avon's Breast Cancer 3-Day, is so stoked that she and several college friends from Duke University, all in their mid-40s, are flying to Southern California from all parts of the country for the trek, a kind of Outward Bound slumber party with granola bars and Gatorade. "I call it 'The Big Chill' with walking," she says. "It's the most extraordinary thing we've done since college."

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It's a magnificent summer day in Chicago, and a throng of ebullient if exhausted bike riders, many of whom are HIV positive, join friends and family members at carefully orchestrated closing ceremonies. They've pedaled 470 miles from Minneapolis. Sunburned drag queens stand in solidarity with sweaty heartlanders waving American flags. It's an Olympic love-in with gays and straights bonding. Beauty is measured by acts of kindness, and everyone goes home a winner. Pallotta's simple messages about being kind, doing your best and helping others may sound like sentimental hokum to some, but no one seriously doubts his ability to offer an opportunity for people to do something of consequence, to participate in an event that combines meaning and magnitude. He's hip to the cultural search for meaning, the collective insecurity and loneliness that come from ever-escalating materialism, ever-lessening human contact, never-ending images of being the best rather than doing your best, of winning and losing, races rather than rides. Pallotta produces rides.

"Hey, everybody!" he bellows from a loudspeaker in the video recording he supplies to the media of the closing ceremony in Chicago. "You are my heroes. I have never felt more excited about what the future holds for humanity than I do today. . . . You are the John Kennedys and the Martin Luther Kings of the '90s . . . Maybe it's our turn to help people believe that it's time to dream again." As he thanks the helmeted throng for their courage and commitment, he's overwhelmed with tears of emotion.

From the time he was a young boy, Pallotta has been masterminding special events and putting his heart into everything--whether blocking a

puck as an ice hockey goalie or delivering a speech as student body president in high school. His parents, Patricia, a homemaker, and Anthony Pallotta, a crane operator and proud member of the International Union of Operating Engineers, never talked about Harvard--or homosexuality. They reared their four children in working-class Catholic neighborhoods in a couple of towns near Boston where kids played kickball in the street, spent Sundays with extended families and attended parochial school. Two of their parents sailed to the United States from Italy, one with a boat ticket bought by selling the family cow.

By the time Pallotta, the firstborn, was in sixth grade and the family had moved to the town of Melrose, north of Boston, where he entered public school, he was an established student-athlete-entrepreneur. While the other kids were content to sell lemonade, he jury-rigged a rolling food cart, scrounged up a couple of hibachis and made a killing selling hot dogs, hamburgers and Italian sausages. While the other kids had to be coaxed to do chores, the engaging altar boy, christened Daniel Mark, operated lucrative, well-advertised lawn-mowing and snow-blowing businesses. In high school, when he wasn't winning a debating-team trophy, earning straight A's or taking a girl to a dance, he worked in a janitorial service his father once owned, mopping floors and cleaning toilets.

"He always had a mind of his own," Anthony Pallotta says. "He was always gifted." The elder Pallotta tells about the memorial service his eldest son initiated for a high school friend who died of cancer. "The scholarship fund he started for her is still in existence. Dan's always been very caring, very charitable."

As a work-study student at Harvard, Pallotta earned extra cash singing at nightclubs in Boston. He viewed Harvard not as a ticket to the corner office but as a launching pad for his deep commitment to social causes. He was born Jan. 21, 1961, one day after John Kennedy was sworn into office with the words: "And so, my fellow Americans, ask not what your country can do for you; ask what you can do for your country." The message is no mere slogan to this kid from Massachusetts, this New Age patriot who displays in his office a framed copy of the Gettysburg Address and a bronze bust of JFK, a museum of family pictures, stuffed animals, a large bouquet of fresh orchids and a flat rock on which is chiseled the word "integrity."

He makes frequent references to his heroes--JFK, Robert F. Kennedy and Dr. Martin Luther King Jr., and to Apollo 11 and the New Frontier. He was a college student when he organized a group of Harvard undergraduates to pedal in Ride for Life, a monumental trek from Seattle to Boston to raise money to fight world hunger. And he was still in college when he successfully ran for a seat on the school board in Melrose--the youngest member ever elected to the council in the town's 148-year history.

It was as a sophomore majoring in economics that his world convulsively erupted with the realization that he was homosexual. "I never knew about being gay," he says. "I was protected. No one told fag jokes. As it became more of an issue in my life, it really began to scare me. I knew instantly it wasn't OK, and that it would have to be a secret."

Eventually the subject came up with his family when his mother asked him a question about his relationships with women. "I think I'm gay," he blurted out. "It was horrible. They were depressed, angry, confused, hurt. My dad thought it was his fault. My mom thought it was a phase. I was wholly unprepared to deal with it."

Though there was never a time he wasn't close to his family, the subject of his sexuality wasn't raised for eight years. By then he'd started therapy and wanted to talk about it. He and his parents were at a restaurant the day he asked them if they were afraid to talk about his sexuality, or if they didn't want to talk about it. They said they did want to talk. Now there are no shameful secrets, he says, and he and his parents are extremely close. They talk freely about whom he's dating and are enthusiastic volunteers at AIDS Rides. His father, a highly skilled carpenter, came to California for three months to help Dan remodel his house. For his father's 60th birthday, Dan took him to Cape Canaveral to watch a space launch, a passion that the two share.

"I tell people: 'Not to tell your parents who you are is robbing them and you of so much. If you don't face adversity, you never learn what could come from real knowledge. You have only one set of parents. Are you going to give that up because you're afraid?' "

Fear isn't a feeling he pretends he's licked. He says fear of discrimination and rejection probably drove him out of politics. "Back then, it wasn't good to be in politics and gay. Now Brokaw and Rather talk about gay issues. It's politically incorrect to denigrate someone who is gay or lesbian. There's been a huge change in the past 15 years."

In 1985, he resigned from the Melrose school board, climbed into his Datsun with his guitar and drove to Hollywood to become a rock star. A few months later, his money and prospects gone, he introduced himself to David Mixner and was hired to work on the Great Peace March, a symbolic cross-country trek that called for global nuclear disarmament but largely fizzled out in Barstow.

He says he feels blessed to have come out sexually when the AIDS virus was publicly known. The generation of gay men before him has been decimated. If he'd been born three years earlier, he says, he'd probably be dead. He's healthy but says there are about 30 people in his phone book he can no longer call, friends who have died of AIDS. Other friends and employees, including Bill Barker, his chief operating officer, are HIV positive.

As he speaks about his background and how the AIDS horror propelled him into action, Pallotta isn't the mawkish promoter some have described. He's an attentive conversationalist with a shy side who seems genuinely interested in those around him but isn't completely comfortable with himself. He shares his thoughts on mobilizing for social action, then asks diffidently: "Does anything I say sound original?" It's not so much the musing of a narcissist as the almost plaintive pondering of a man who's never quite sure of himself, never quite satisfied, always a little hungry.

Those who know him best says he's quick to nurture family relationships, loan people money, take flowers and food to sick friends,

volunteer to mentor troubled kids. Much as he'd like to be in an intimate relationship and raise a family, however, he says it just hasn't worked out. He's not quite sure why. He's a man who cherishes connections but is something of a loner--a solitary pilgrim who ministers to himself, a natural student accustomed to thinking things out on his own.

"Some people aren't moved to explore themselves or the past--even after something horrible happens," he says. "I've been interested in exploring. I've been in therapy for six or seven years. First you explore, then you can create. I want to find and create peace."

Twenty years ago in Boston, he happened to come across a reference to est on the liner notes of a John Denver album. He knew est had something to do with consciousness and that the album was an expression of joy. He wanted to tap into it, so he wrote to Denver and asked about est. Denver sent him a brochure, and Pallotta signed up for one of est's intensive self-help workshops in Boston.

That was years ago. Since then, several of his employees have become interested in a related group, The Forum, and he's joined them at a couple of the group's functions. Critics seize upon his interest in the human-potential movement as proof that he's a shallow self-help junkie who engages in selfish New Age morality for profit. He's weary of the topic and says: "What I learned from est is this: One, it's OK to be me, and two, anything's possible."

Though he's pedaled in a couple of AIDS Rides, he prefers running to bicycling, has studied Italian and music, is learning how to fly, subscribes to Time and Newsweek, Out and the Advocate, Rolling Stone and, yessiree, a magazine called Cowboys & Indians. On his birthday in January, he and a group of friends rented horses and rode over the Hollywood Hills for dinner in Burbank. "It's amazing," he says with boyish wonder. "Five minutes from my office, and you can be in Montana." He can often be found cruising in the local mountains on his cherry-red motorcycle, a vehicle that has become another chink in his public relations armor. During one California AIDS Ride, he didn't have time to pedal, so he cruised up the coast to pay a visit to the troops on his Yamaha. The foot soldiers, legs aching and muscles burning from pumping for 80 miles, were not thrilled by the sight of their gorgeous general leading the charge from the saddle of a chrome-plated stallion.

"He has had success, but he's lost touch with the riders," Moeschling says. "If there was one thing I would tell him, it would be this: 'Be yourself.' He's lost touch with the community he created. He's very closed. He doesn't open up to anyone."

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Americans love conspicuous charity. They're more than willing to eat, drink, dance, sing, run, walk, shop and pedal for a cause. Philanthropy, benevolence without strings or receipts, has faded from fashion, but the era of the mega-event produced by commercial fund-raisers is growing swiftly and steadily. Irving Warner, L.A. consultant and author of "The Art of Fund Raising," points out that the term "nonprofit" is no guarantee of fiscal or moral responsibility. That is why he can't understand all the righteous fuss about AIDS Rides. He has worked with

Pallotta as a consultant.

"UCLA is a nonprofit institution," he notes, adding that he introduced one of the first courses in fund-raising at the university's extension program many years ago, a subject that since has become a staple on college campuses.

"Institutions like UCLA can't give money to stockholders. But they can pay their coaches a lot more money than their ethics professors. No one objects to that. Should there be a ceiling on the amount of money doctors make?"

"Dan came up with a brilliant, innovative, worthwhile program. He isn't selling foam-rubber pillows. He makes a nice living doing something that helps humanity. What the hell's the matter with that?"

Like Pallotta, Craig Miller is a bleeding heart salesman in what journalist Elinor Burkett refers to as the AIDS industrial complex, or "AIDS Inc." (The national Centers for Disease Control and Prevention has identified 17,601 AIDS service organizations in the country.) Miller's event-production firm, Miller, Zeichik and Associates, Inc., raises about \$3 million a year producing AIDS walks in Los Angeles. He says an average of 80 cents on the dollar goes to beneficiaries. He lives in a two-bedroom rent-controlled apartment in Santa Monica and drives a 1985 Chevy Celebrity. "Dan is handsomer and the better marketer," he says wryly.

Without mentioning any person or agency by name, Pallotta wonders aloud how anyone could compare the "massive, historic" AIDS Rides with any other single fund-raising event, for what they teach as well as what they raise. "We're out there in the mud supporting one another. We teach people about the power of commitment, challenge and service.

"The work I do affects people's lives. It brings hope and joy. I'm glad of that," he says as he strolls back to the Lexus after a hike around the reservoir. "We have a moral responsibility to be involved. John Kennedy talked about how one person can make a difference and that every person should try. Leadership is about taking people places they don't even think they can go. What if we came together as a nation to end gang violence in seven years with the same excitement and commitment we had going to the moon? I want to inspire people to get involved. I want to make giving accessible.

"Let's start making a difference in the world."

But, for now, let's head back to the office. It's time to deal with more mundane matters like loading the wagons, enlisting the teamsters and movin' out. The coming weeks are going to be hell on wheels for the urban cowboy with the hippie heart and the business brain--beginning with California AIDS Ride 5 and continuing with five other major events originating in Seattle, Raleigh-Durham, Minneapolis-St. Paul, Boston and Austin, and ending with Avon's Breast Cancer 3-Day Walk Oct. 23-25 from Santa Barbara to Malibu. The pressure of commanding the mother of all bike seasons is daunting. Still, he says he's determined to get away from phones and airplanes long enough to pray to God and the universe and to listen to the voice within.

Despite a reputation as a slick promoter, Dan Pallotta has a streak of innocence and idealism that sets him apart and propels him forward. For all the questions about the cost of producing AIDS Rides and the blurring of money and morality, giving and getting, he is a big thinker who is passionately concerned about helping people in need. He's a master at inspiring a lasting sense of mission and at satisfying people's longing for community. What's harder for him is to satisfy his own longing. There is urgency in his voice when he says, "We all want to feel connected." Then he retreats to a backyard sanctuary to meditate alone in a canvas tepee.

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