



NEWS

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445 12th Street, S.W.
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This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action.
See *MCI v. FCC*, 515 F.2d 385 (D.C. Cir. 1974).

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NEWS MEDIA CONTACT:
Neil Grace, 202-418-0506
E-mail: neil.grace@fcc.gov

JOURNAL BROADCAST CORPORATION TO PAY \$115,000 PENALTY FOR AIRING PAID ADS POSING AS STATION'S "SPECIAL REPORTS"

Journal admits violating FCC rule that requires broadcasters to disclose the identity of program sponsors

Washington, D.C. – The Federal Communications Commission’s Enforcement Bureau has settled an investigation of Journal Broadcast Corporation, licensee of station KTNV-TV, Las Vegas, Nevada, for broadcasting purported “Special Reports” that were actually commercials paid for by local car dealerships. Because the station did not disclose that these were paid announcements, it violated the FCC’s Sponsorship Identification Rule. This rule protects consumers and competition by ensuring that consumers know who is trying to persuade them and by providing a level playing field for advertisers who follow the rules.

“Broadcasters are not allowed to deceive the public by presenting commercial announcements or other paid programming in the guise of news or editorial content,” said Travis LeBlanc, Chief of the FCC’s Enforcement Bureau. “Transparency is especially crucial in a situation like this one where a pseudo news report invites viewers to rely on their perception of the station’s independence and objectivity when, in fact, the message has been bought and paid for by an undisclosed third party.”

The Enforcement Bureau’s investigation of possible sponsorship identification violations in Las Vegas uncovered that an advertising agency paid KTNV (Channel 13) to produce and broadcast “Special Reports” about liquidation sales at local Dodge, Chrysler, Jeep, Nissan, and Hyundai car dealerships in Las Vegas in 2009. KTNV formatted the commercials in the style of news reports, which featured a KTNV staff person on location at the dealerships posing as a journalist. She held a microphone, asked questions of management concerning the details of the sales, and identified herself as “reporting on behalf of channel 13.” The announcements were headlined “Special Reports” and aired adjacent to the local weekend news. The announcements gave the appearance of being a news item, and KTNV did not disclose that they were actually sponsored and paid for by the car dealerships.

Under the terms of today’s settlement, Journal admits that it violated the Sponsorship Identification Rule. As part of the settlement, Journal will also pay a civil penalty of \$115,000 and will implement a three-year compliance plan. Journal must file a compliance report with the Bureau within three months and then every year for three years.

For more information about the FCC’s sponsorship identification rules visit <http://transition.fcc.gov/eb/broadcast/sponsid.html>.

The Order and Consent Decree are available at:
https://apps.fcc.gov/edocs_public/attachmatch/DA-14-1692A1.pdf