

## **\$44,000 Fine for Radio Station Not Including Sponsorship Identification in Paid Message**

February 5, 2012 by David Oxenford

The FCC [proposed a \\$44,000 fine](#) on a Chicago radio station for running **11 announcements that did not contain a sponsorship identification**. This fine was not for 11 different announcements for different groups, but instead a single announcement run 11 times. Each airing of the announcement triggered a \$4000 fine (which is the amount of the FCC "base fine" for a sponsorship identification violation). According to the FCC decision, a group called the Workers Independent News ("WIN") bought 2 two-hour programs, one one-hour program, and a number of shorter promotional announcements for those programs. 11 of the promotional announcements did not specifically state that they were sponsored. Instead, these 11 announcements - each 90 seconds long - consisted of an interviewer, identifying himself as being with Workers Independent News, discussing a local issue with local legislator. While the announcement did open with a mention of WIN, it didn't specifically say that they had paid for the spot. Presumably, the FCC feared that the spot sounded like a program element, perhaps even a news interview (even though it ran in a commercial break), and held that the mere reference to WIN without any explicit statement that the spot was paid for by that group was not enough to convey sponsorship of the ad or to meet the FCC rules requiring sponsorship identification.

The decision here shows how seriously the FCC takes the issue of being able to identify who is trying to influence listeners by providing some form of valuable consideration to a broadcast station in exchange for the broadcast of a message. This issue is the subject of [an FCC rulemaking proceeding](#), has previously led to fines for other stations (though rarely ones of this magnitude, even where the FCC has found whole programs or portions of programs to have been sponsored - see, for example, the cases we've written about [here](#) and [here](#) dealing with "**video news releases**"), and has become part of the [proposals for the new on-line public file](#), suggesting that sponsorship identification information be made available for any "pay-for-play" programming in such a file. The issue has even become **important in the online world**, with the **FTC issuing rules that require similar sponsorship identification even in connection with social media posts** for which the author has received consideration (see our [summary of the FTC order here](#)).

This case, though, seems to impose a very high penalty for a limited number of violations. Here, the announcement arguably let people know that WIN was involved with the production of the spot, even if it did not explicitly say that they had paid for the airtime. As the Licensee argued, ads for normal commercial products and services don't need explicit sponsorship tags, as listeners assume that they are being persuaded by the company that offers that product or service (even if the company is totally anonymous).

So what is the lesson of this case? First, the case says that the FCC is very concerned about sponsorship identification. Moreover, it says that the stations need to be especially careful in any sort of **paid programming dealing with controversial issues**. Many of the FCC's recent sponsorship fines have been in the areas of issue programming, and in those cases the fines tend to be higher than in commercial cases (compare the cases we wrote about [here](#) involving programming dealing with political issues where the host had received consideration for expressing his on-air opinions on controversial issues, with those in the cases linked to above and [here](#), involving commercial programs where the fines were much lower). So if you are airing programming - especially programming dealing with political or controversial issues - and receiving anything of value for that programming, make sure that the audience knows who is paying for that message to reach the airwaves.

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