

\$22,000 FCC Fine for Failure to Broadcast All Material Rules for a Station Online Contest

January 20, 2012 by [David Oxenford](#)

The FCC released a [Notice of Apparent Liability proposing a \\$22,000 fine for a contest](#) to win a car conducted by a cluster of five stations. The contest (the award of a car to the entrant who produced the best commercial for the car, as voted on by website users) was conducted principally through the **stations' websites**. But the stations did promote the fact that the contest was being conducted on the air. A disappointed contestant accused the licensee of rigging the contest by awarding the prize to a friend of a station employee for a video that was entered after the official end of the contest. The FCC totally rejected the basis of the complaint (finding no basis for the conclusion that favoritism had been shown - especially as voting for the winner was done by website visitors, not station employees). Nevertheless, the FCC proposed the **\$22,000 fine for the failure to broadcast all of the material rules of the contest on the air**. This proposed fine reinforces two principles that we have written about in previous cases:

1. You must provide all of the material rules of the contest in on-air announcements a sufficient number of times so that a listener could be expected to hear such announcements (see our article [here about what are considered the "material terms" of a contest](#)), and
2. The rules for a contest that is primarily conducted through a station website must still be broadcast on the air if the fact that the contest is occurring on the website is promoted over the air (see [our article on a previous case](#) reaching the same conclusion).

Here, the licensee posted the rules of the contest online, which one might think would be sufficient, as all contestants entered online, and the winner was selected through online voting. But the FCC felt that some of the information given on the air (and in the contest rules) about entry dates was somewhat ambiguous, and decided that, once a contest by a broadcaster is mentioned on the air, all the rules must be given on the air. As the contest was conducted by multiple stations, the fine reflects a multiple of the FCC's standard \$4000 fine for a contest rule violation. This decision seems to penalize a broadcaster for being a broadcaster, as a similar contest, had it been run by the car company instead of the station, could have been promoted and conducted in exactly the same way, and the FCC would not have penalized the station. But according to the FCC's interpretation of Section 73.1216 of its rule regarding station contests, a station conducting a contest on its website, but promoted on the air, needs to be careful to publicize all of the material rules on the air avoid this FCC trap for the unwary.

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