

LEVEL 1 - 2 OF 25 STORIES

Copyright 1997 The Richmond Times Dispatch
The Richmond Times Dispatch

June 1, 1997, Sunday, CITY EDITION

SECTION: BUSINESS, Pg. E-1

LENGTH: 1070 words

HEADLINE: VARIETY OF PEOPLE TRY TO PROTECT CHILDREN FROM DANGERS ONLINE

BYLINE: Paula Squires; If you have consumer concerns, write Paula Squires, Richmond; Times-Dispatch, P.O. Box 85333, Richmond, Va. 23293. Her e-mail; address is tdbizfprodigy.com

BODY:

A good parent would never drop a child off in a strange city and let it wander around. It wouldn't be safe.

One wrong turn down a bad street and the child could lose its way or its innocence.

The same is true in the large and potentially dangerous metropolis of the World Wide Web. While many Internet sites offer children fun, interactive learning activities, there's also a dark side.

In cyberspace, children must beware the black holes of sexual and commercial exploitation. In this new and largely unregulated world, children may be exposed to graphic sexual displays and incentive-based come-ons from manufacturers.

Parental controls and blocking devices, though not perfect at this stage of Internet development, provide children with some protection. And more help may be on the way.

The **Federal Trade Commission** will hold its second set of hearings on consumer **privacy** June 10-13 in Washington. The hearings are open to the public. The afternoon of June 12 and all day June 13 has been set aside for discussions on children's online **privacy**.

The commission's first hearings on **privacy** last June resulted in voluntary **privacy** guidelines by online marketers.

Privacy advocates hope this year's hearings will tackle what they feel remains to be done.

'It's going to take a combination of self-regulation, parental involvement and government oversight,' says Shelley Pasnik, director of children's policy for the Center for **Media Education** in Washington.

FTC commissioners are expected to get updates from law enforcement, the advertising industry and Internet software manufacturers on how to protect children's **privacy** and how to regulate the collection of personal information



LEXIS·NEXIS™
A member of the Reed Elsevier plc group



LEXIS·NEXIS™
A member of the Reed Elsevier plc group



LEXIS·NEXIS™
A member of the Reed Elsevier plc group

about them while they're online.

A big concern is children's safety.

According to the FBI, it isn't unusual for pedophiles to masquerade as children as they prowl through chat rooms in search of potential sexual relationships.

Mary Johlle, public information officer for the Richmond office of the FBI, said sexual predators frequently pose as pen pals. ''Then they'll try to set up a meeting and the kids will want to meet their computer pen pal. The parents should never let them go alone,'' she said.

Since 1994, the FBI has arrested 91 people in connection with a nationwide undercover investigation code named Innocent Images. The ongoing investigation focuses on the use of online services and the Internet to lure children into illicit sex and to distribute child pornography.

''You have no idea who you're talking to on the Internet,'' Johlle warns. ''Parents should tell children never to give out their **address**, telephone number or where they go to school.''

While technology hasn't figured out a way to pierce a pedophile's disguise, it can block children's access to objectionable material. Several types of parental controls are available.

Blocking software, with names such as Cybersitter and Net Nanny, can restrict access to particular sites, block access to objectionable sites using key words to identify them and prevent children from disclosing personal information.

Another alternative relies on Web sites to label content with a voluntary industry rating. Then browser software can spot the labels and block access with parents setting limits on violence, nudity, language and sexual content.

Consumer Reports recently investigated four software blocking products and found none was totally effective. Their usefulness was muted by the Internet's constantly changing nature and the fact that some Web sites haven't adopted voluntary ratings.

Major online services, including America Online and Prodigy, offer parental controls. Parents can create separate screen names for children and restrict their access to **e-mail**, chat rooms, news groups and the Web.

In Pasnik's opinion, current child protective measures are more effective at restricting their access to objectionable material than protecting them from intrusive marketing practices.

Pasnik monitors Web sites regularly. She says many collect personal information about children through required registration forms or voluntary surveys that are tied to a reward such as free merchandise.

''The advertising industry is paying lip service to the concerns, but they've done little to implement changes that ensure children's **privacy** is safeguarded,'' she said.



LEXIS·NEXIS

A member of the Reed Elsevier plc group



LEXIS·NEXIS

A member of the Reed Elsevier plc group



LEXIS·NEXIS

A member of the Reed Elsevier plc group

The Richmond Times Dispatch, June 1, 1997

The Center for **Media Education**, a national, nonprofit group, supports government regulation or legislation that would require full disclosure and parental consent before companies could collect personal information about children for marketing purposes.

Advertising trade groups prefer self-regulation. They say new, voluntary guidelines and educational programs prove the industry is responding to concerns about children's **privacy** on the Internet.

'We know that the **privacy** of children is something our customers care about,' said Patricia Faley, vice president of consumer affairs for the Direct Marketing Association.

The agency recently developed a quiz to help parents discuss online **privacy** with their children (<http://www.the-dma.org/pan/savvy-test.html>). It plans to add other activities on teaching children about electronic **privacy**.

The Children's Advertising Review Unit of the Council of Better Business Bureaus recently updated its advertising guidelines to **address** Internet concerns. They say advertisers who collect identifiable information about children should make reasonable efforts to get parental permission first.

Elizabeth Lascoutx, vice president and director of the unit, says, 'With the click of a mouse now, a child can disclose a lot of information. The approach we've taken is that we shouldn't tell advertisers how to meet goals, but just set out what the goals are.'

PRIVACY HEARINGS

WHEN: June 10-13.

WHERE: Room 432, **FTC** building, Sixth Street and Pennsylvania Avenue N.W.

READER'S FILE

Here are Web **addresses** and telephone numbers for some computer software that restricts children's access to Internet sites. Some online services offer blocking software at no charge. Other programs can be purchased.

- * Cyber Patrol, <http://www.cyberpatrol.com> (800) 828-2600
- * Cybersitter, <http://www.solidoak.com> (800) 388-2761
- * Net Nanny, <http://www.netnanny.com> (800) 340-7177
- * SurfWatch, <http://www.surfwatch.com> (800) 458-6600
- * SafeSurf, <http://www.safesurf.com> (800) 720-3628

LOAD-DATE: June 4, 1997



LEXIS·NEXIS
A member of the Reed Elsevier plc group



LEXIS·NEXIS
A member of the Reed Elsevier plc group



LEXIS·NEXIS
A member of the Reed Elsevier plc group

LEVEL 1 - 3 OF 25 STORIES

Copyright 1996 The Des Moines Register, Inc.
The Des Moines Register

May 26, 1996, Sunday

SECTION: LifeStyle Pg.3

LENGTH: 334 words

HEADLINE: Internet site for kids called marketing tool

BYLINE: Leslie Miller

SOURCE: GNS

BODY:

By LESLIE MILLER
GANNETT NEWS SERVICE

The **Federal Trade Commission** was asked to investigate a popular kids Internet site in the first formal complaint about deceptive marketing to children on the World Wide Web.

Marketing ''woven into the fabric of the Internet . . . is potentially very troubling,'' says Kathryn Montgomery of the Center for **Media Education**, which singles out SpectraCom's KidsCom site because ''its entire format is misleading.''

KidsCom says it's an education and entertainment area for ages 4 to 15. But Montgomery says its real purpose is market research on children.

That's not true, says SpectraCom's Jorian Clarke. Mandatory registration is ''to keep kids safe,'' not to market to them; most questions are to help match kids with **e-mail** pen pals around the world.

Marketing surveys on the site are optional, Clarke adds, and ''personal information is never given to companies.''

The company uses KidsCom (<http://www.kidscom.com>) ''to showcase our skills as Web developers,'' she says. About 30,000 kids have registered.

FTC spokeswoman Victoria Streitfeld says the agency will review the complaint to decide whether to investigate. ''Concerns about children are taken very seriously.''

She says the **FTC** also is reviewing other sites criticized in the Center for **Media Education's** March report on on-line marketing to kids and plans a public meeting June 4 and 5 on consumer and children's **privacy** on the 'Net.

LANGUAGE: English

LOAD-DATE: May 25, 1996



LEXIS·NEXIS™
A member of the Reed Elsevier plc group



LEXIS·NEXIS™
A member of the Reed Elsevier plc group



LEXIS·NEXIS™
A member of the Reed Elsevier plc group

LEVEL 1 - 4 OF 25 STORIES

Copyright 1997 The New York Times Company
The New York Times

April 21, 1997, Monday, Late Edition - Final

SECTION: Section D; Page 5; Column 3; Business/Financial Desk

LENGTH: 837 words

HEADLINE: New Guidelines on Net Ads for Children

BYLINE: By LAWRIE MIFFLIN

BODY:

Responding to growing concerns about familiar cartoon characters prancing around World Wide Web sites and inviting children to enter contests, buy products or provide information about themselves, an advertising industry group will release new voluntary guidelines today for "responsible marketing to children" on the Internet.

Christine A. Varney, a member of the **Federal Trade Commission**, challenged the industry last June to come up with satisfactory voluntary regulations. In the meantime, some consumer and **privacy**-rights advocacy groups have filed reports with the **F.T.C.** urging the agency to establish rules for on-line advertising to children.

The guidelines by the industry group, the Children's Advertising Review Unit, expand on those that the industry has used for 23 years to help regulate advertising to children in all media.

The older guidelines were also published by the industry group, known as CARU, which is part of the Council of Better Business Bureaus and also associated with the National Advertising Review Council.

"I feel strongly that CARU has done a terrific public service by getting its members to understand they have to **address** these questions," Ms. Varney said Friday, after reviewing the guidelines. She stopped short, however, of endorsing them.

She also cited a different set of proposed guidelines submitted to the **F.T.C.** by a team from the Consumer Federation of America and the Center for **Media Education**, a research and lobbying group on children's media issues, and said it was her challenge to help negotiate a path between the proposals.

"We now have a good place to have a dialogue," she said. "We can take the **C.M.E.** guidelines and the CARU guidelines, put them side by side, and see where the gaps are. Then we can try to narrow the gaps."

The industry guidelines include asking advertisers to make "reasonable efforts" to get children to ask their parents for permission before purchasing a product or service through the Internet, or before children answer any personal questions about themselves or their families.



LEXIS·NEXISTM

Ⓜ A member of the Reed Elsevier plc group



LEXIS·NEXISTM

Ⓜ A member of the Reed Elsevier plc group



LEXIS·NEXISTM

Ⓜ A member of the Reed Elsevier plc group

Under the guidelines, advertisers are urged to disclose why information is being requested and how it will be used ("We'll **E-mail** you with information," or "We'll add you to our mailing list"), and to give parents an opportunity to cancel further **E-mail** exchanges.

Researchers at the Center for **Media Education**, in contrast, believe no personal information should be solicited from children unless the solicitor can verify that the child has a parent's permission -- even if such verification is difficult to obtain.

"Until we reach a point where parents really know what's being collected, why and how it will be used, they should not be collecting this information," said Kathryn C. Montgomery, the center's president. "We should err on the side of caution, of protection of children."

In June, the **F.T.C.** will hold a four-day public workshop to review the matter further. Ms. Varney has been the most outspoken of the five **Federal Trade Commission** commissioners in urging the industry to come up with solutions, although she does not rule out Federal regulation. "Whether a regulatory code needs to emerge or whether it can be a voluntary code revolves around whether the industry rallies to commit itself to these principles," she said.

Asked about parental consent, Ms. Varney said: "I think the industry has to step up to the plate and say whether that's a principle they can live with. If they don't think you need a parent's permission to collect personally identifiable information from a 10-year-old, they had better be able to sit down and tell me why."

Relatively few families are reached by such **techniques**, but the number has been growing fast. About four million children under 18 regularly used the Internet in 1996, up from two million in 1995, according to Jupiter Communications, a New York media research firm that tracks computer use.

At the McDonald's Web site, for example, children are invited to write to Ronald McDonald and tell him their name, grade in school, favorite McDonald's food item and favorite sport, and they get an **E-mail** response if they do so.

Some sites let children enter contests for merchandise or trips by filling out forms that include personal data useful to marketers.

Elizabeth Lascoux, vice president and director of the Children's Advertising Review Unit, said the industry group had succeeded with self-regulation of other media, like television. "I'm very optimistic that these guidelines will be as successful with new media as they have been with the old," she said.

But Ms. Varney pointed out that television stations "won't take an ad if CARU says it doesn't meet the standards," adding "CARU has to look at whether these standards can work in a highly decentralized medium like the Internet."

Also, since 1972 the Federal Communications Commission has had regulations governing television advertising to children. Stations can lose their licenses for violations.

**LEXIS·NEXIS™**

A member of the Reed Elsevier plc group

**LEXIS·NEXIS™**

A member of the Reed Elsevier plc group

**LEXIS·NEXIS™**

A member of the Reed Elsevier plc group

The New York Times, April 21, 1997

GRAPHIC: Chart/Photos: "Some Popular Sites"

With at least four million children under 18 regularly using the Internet, cyberspace has become the latest way for big marketers to reach a young audience with allowances to spend.

M&M'S Web site does not collect information from children, but it does attempt to get them to stay for an extended period, using interactive material. In one humorous instance, for example, the M&M cartoon characters are screen testing for a movie version of "Hamlet." Rather than trying specifically to sell the product, the site aims to build brand loyalty.

Address: www.m-ms.com

MCDONALD'S Web site -- like some of the company's stores, with their Playlands -- has separate areas for children and adults. Once they enter the child's area of the site, they are offered a number of activities, such as writing to Ronald McDonald. Once the form letter, which asks for the child's name, grade in school, favorite McDonald's food, favorite sport and favorite book, is sent in, a response comes immediately, thanking the child for writing and telling a joke.

Address: www.mcdonalds.com

COCA-COLA'S Web site is aimed at preteens who are interested in activities like skateboarding -- and in slaking their thirsts with soft drinks. To gain access to the site, users must register, with a log-on and identification. This lets Coca-Cola send back a message reminding the user of those bits of information -- presumably, so that the site can be visited again.

Address: www.cocacola.com

Photos of McDonald's, Coca-Cola's, and M&M's web sites.

LANGUAGE: ENGLISH

LOAD-DATE: April 21, 1997

**LEXIS·NEXIS™**

A member of the Reed Elsevier plc group

**LEXIS·NEXIS™**

A member of the Reed Elsevier plc group

**LEXIS·NEXIS™**

A member of the Reed Elsevier plc group

LEVEL 1 - 8 OF 25 STORIES

Copyright 1996 The Kansas City Star Co.
THE KANSAS CITY STAR

March 29, 1996 Friday METROPOLITAN EDITION

SECTION: NATIONAL/WORLD; Pg. A1

LENGTH: 1597 words

HEADLINE: Child-friendly Internet sites: Fine fun, or sly salesmanship?

BYLINE: DAVID HAYES, Consumer Writer

BODY:

Is Tony the Tiger a snake in the grass?

Say your daughter points your computer mouse at the Internet's World Wide Web and visits <http://www.kelloggs.com>. At this brightly colored Web site, she can learn all about Tony the Tiger or she can "party with Pop" of Snap! Crackle! Pop! fame. But first, she is asked to register an **e-mail address** with the Kellogg Co.

Later, she gets an **e-mail** message from Kellogg signed "love, Snap! Crackle! Pop!"

Is it just good fun? Or is it a new form of advertising that, by using the unregulated space of the Internet, evades federal regulations geared to protect children?

A coalition of parent and consumer groups contends that some of the nation's largest corporations are baiting sites on the World Wide Web to lure children to spend hours with their ads or provide personal information.

That information then is used to market products in ways that would be prohibited on broadcast or cable television, according to a study released Thursday by the Center for **Media Education**.

Organization officials said many food and entertainment companies have such Web sites. Among those cited were D.C. Comics, Binney & Smith, Nickelodeon, the Walt Disney Co., Frito-Lay, Nabisco, Pepsico, Time Warner, Toys R Us and Warner Bros.

The Center for **Media Education**, National PTA, Consumer Federation of America and other groups on Thursday asked the **Federal Trade Commission** to put a stop to the advertising practices.

The Kellogg Co. issued a statement defending its Web site.

"Kellogg Co.'s home page on the World Wide Web is a family-oriented site that provides an excellent learning environment for children and adults alike," spokesman Karen Kafer said in the



LEXIS·NEXIS
A member of the Reed Elsevier plc group



LEXIS·NEXIS
A member of the Reed Elsevier plc group



LEXIS·NEXIS
A member of the Reed Elsevier plc group

statement. "The site offers a way of communicating with and learning more about our company, characters and products in a fun, interactive way."

Other companies also denied that their Web sites exploit children.

Although cartoon characters are at the heart of this dispute, serious issues are on the line.

According to industry estimates, as many as 4 million children have access to the Internet and 1 million use it regularly. With the number growing daily, advertisers see that audience - dubbed by the **media education** center as the "lucrative cybertot category" - as a new market.

But the parents of those "lucrative cybertots" are concerned that businesses are brainwashing their children with well-designed World Wide Web "playgrounds" that are nothing more than elaborate ads.

The center found two troublesome Web advertising practices:

Invasion of children's **privacy**. The companies overtly - or covertly - are gathering and recording information about a child's on-line habits and personal likes and dislikes.

Unfair and deceptive advertising. The companies' sites allow children to play on line with product characters for hours with no warning that the site is only an advertisement.

"Companies are creating electronic pipelines into children's subconscious, urging them to identify with their brands," said Jeffrey Chester, executive director of the center.

The Center for **Media Education**, a nonprofit group supported by private foundations, has been urging TV stations to broadcast more educational shows and to rate cartoons and other children's programs.

The center recommended that ads and promotions be labeled and separated from editorial content. It also proposed that product characters such as Tony the Tiger not be allowed to communicate in any way with a child over a computer network and that personal information should not be collected from children.

Lee Peeler, assistant director for advertising practices for the **Federal Trade Commission**, said the commission would investigate the center's allegations.

"The allegations of collecting information directly from kids is troubling," he said.

The commission monitors and investigates complaints about unfair or deceptive advertising or marketing practices. The commission has taken action against 10 companies for deceptive advertising on the



LEXIS·NEXIS™

Ⓜ A member of the Reed Elsevier plc group



LEXIS·NEXIS™

Ⓜ A member of the Reed Elsevier plc group



LEXIS·NEXIS™

Ⓜ A member of the Reed Elsevier plc group

Internet. None involved advertising aimed at children.

The Center for **Media Education** spent six months studying advertising on the Web.

"The interactive nature of the Internet has given marketers unprecedented powers to gather detailed information from children," said Kathryn C. Montgomery, president of the Center for **Media Education** and co-author of the report. "Marketers want this information to establish direct and intimate relationships with children on line. "On-line marketers are able to pursue children with no holds barred."

Advertising on broadcast and cable television that is geared to children is regulated to some degree. "Separators" are required between children's programs and advertisements, hosts of children's shows can't hawk products aimed at children in ads, and advertising is limited during children's programming.

The center said a proposal several years ago by the Fox Children's Network to start a television program based on Chester Cheetah - spokescharacter for Fritos corn chips - was scrapped because it violated rules against program-length commercials aimed at children.

"Today such blatant forms of overcommercialization are the norm in cyberspace," according to the center's report.

In some cases, children are given the chance to win contests with prizes - but first they must fill out detailed on-line surveys. In other cases, technology developed by software companies allows a company to know exactly which areas on a Web site each user visited.

"The ultimate goal is to create personalized interactive ads designed to 'microtarget' the individual child," according to the center's study.

The center said the study found numerous examples of unfair or deceptive advertising.

"Entire electronic advertising 'environments' have been built to entice children to spend countless hours playing with such popular product 'spokescharacters,' " the study said.

Jake Weinbaum, president of Disney Online, said he was surprised by the center's criticism of the Walt Disney Co.'s new Web site.

"Our view of our site is that it was built for families to give them a wealth of information about all things Disney," Weinbaum said.

Weinbaum also said there was a difference between Disney's site and those run primarily as advertising sites.



LEXIS·NEXIS™
A member of the Reed Elsevier plc group



LEXIS·NEXIS™
A member of the Reed Elsevier plc group



LEXIS·NEXIS™
A member of the Reed Elsevier plc group

"I view us, as the world's leading entertainment company, as a content provider," he said.

But the industry does need to set standards for Web advertising, Weinbaum said.

"You need to apply the same sorts of standards that you apply to other media, although they will have to be reinvented for this medium because it's a combination of print, television and other entertainment," Weinbaum said.

Can children really be influenced by what they see on their computer monitors?

The **media education** center cited this survey: In January, visitors to the Nickelodeon Network's area on America Online, the nation's largest on-line service, were asked who they trusted most - their parents or their computers. A majority of the children who participated in the survey said they put more trust in their computers.

What you see today may be only the beginning, said Marc Rotenberg, director of the Electronic **Privacy** Information Center.

As technology improves, advertisers will get "intimate knowledge of each child's interests," giving marketers "unprecedented powers to tap each child's unique vulnerabilities," Rotenberg said.

"Instead of doing a commercial that's roughly targeted to boys 5 to 6, which is a lot of advertising on Saturday morning TV, now you're targeting to a particular boy," Rotenberg said. "We've never really existed before in an information environment where the TV could reach out to your child and say, 'Bob, wouldn't you like to have this new action figure, just like in the movie you saw last week?'"

One playground site, KidsCom, owned by SpectraCom Inc. of Milwaukee, was criticized by the center because it requires children to answer questions about themselves.

Jori Clarke, president of SpectraCom, said the critics have misconstrued what KidsCom is about. Although the company does use the KidsCom site to do some market surveys, names of participants are never provided to clients, she said.

Clarke said KidsCom was set up to provide children with a safe place to "play" on the Internet.

Although Clarke hadn't received a copy of the report, she agrees with its basic findings.

"As a parent myself, I want to make sure that what they do entertains and educates and stimulates them, and doesn't just make them another statistic," Clarke said.



LEXIS·NEXIS
A member of the Reed Elsevier plc group



LEXIS·NEXIS
A member of the Reed Elsevier plc group



LEXIS·NEXIS
A member of the Reed Elsevier plc group

The trend toward advertising playgrounds even alarms Diana Simeon, editor of Digital Kids Report, a monthly magazine for businesses that target children on the Internet.

"I do agree that much in the same way that there are some regulations for advertising on television, they should carry over," Simeon said. "I can see why some parents would be concerned. It's not a dangerous place, but it's like playing in a playground that's really just an ad."

GRAPHIC: Photo (color), "Kellogg's Clubhouse" and other child-friendly Internet sites sponsored by companies exploit vulnerable children, a coalition of parent and consumer groups contends. It wants the **Federal Trade Commission** to regulate the advertising practices of such sites.

LOAD-DATE: March 29, 1996



LEXIS·NEXIS[™]
A member of the Reed Elsevier plc group



LEXIS·NEXIS[™]
A member of the Reed Elsevier plc group



LEXIS·NEXIS[™]
A member of the Reed Elsevier plc group

LEVEL 1 - 12 OF 25 STORIES

Copyright 1996 Gannett Company, Inc.
USA TODAY

May 14, 1996, Tuesday, FINAL EDITION

SECTION: NEWS; Pg. 1A

LENGTH: 237 words

HEADLINE: Kids' Internet site called a marketing tool

BYLINE: Leslie Miller

BODY:

The **Federal Trade Commission (FTC)** was asked Monday to investigate a popular kids Internet site in the first formal complaint about deceptive marketing to children on the World Wide Web.

Marketing "woven into the fabric of the Internet . . . is potentially very troubling," says Kathryn Montgomery of the Center for **Media Education**, which singles out SpectraCom's KidsCom site because "its entire format is misleading."

KidsCom says it's an education and entertainment area for ages 4 to 15. But Montgomery says its real purpose is to do market research on kids.

That's not true, says SpectraCom's Jorian Clarke. Mandatory registration is "to keep kids safe" not to market to them; most questions are to help match kids with e-mail pen pals around the world.

Marketing surveys on the site are optional, Clarke adds, and "personal information is never given to companies."

The company uses KidsCom (<http://www.kidscom.com>) "to showcase our skills as Web developers," she says. About 30,000 kids have registered.

FTC spokeswoman Victoria Streitfeld says the agency will review the complaint to decide whether to investigate. "Concerns about children are taken very seriously."

She says the **FTC** also is reviewing other sites criticized in the center's March report on on-line marketing to kids and plans a public meeting June 4-5 on consumer and children's **privacy** on the Net.

LANGUAGE: ENGLISH

LOAD-DATE: May 14, 1996



LEXIS·NEXIS™
A member of the Reed Elsevier plc group



LEXIS·NEXIS™
A member of the Reed Elsevier plc group



LEXIS·NEXIS™
A member of the Reed Elsevier plc group

LEVEL 1 - 15 OF 25 STORIES

Copyright 1996 Journal Sentinel Inc.
Milwaukee Journal Sentinel

May 14, 1996 Tuesday Final

SECTION: Business Pg. 1

LENGTH: 567 words

HEADLINE: INTERNET FOR KIDS

FTC probe sought on Web site

Group broadens attack on SpectraCom, claims it uses deceptive ads

BYLINE: PRADNYA JOSHI

SOURCE: Journal Sentinel staff

BODY:

A national non-profit group that earlier this year labeled a Milwaukee-based World Wide Web site for children as "incessant hucksterism" took its campaign a step further Monday by filing a complaint with the **Federal Trade Commission**.

The Center for **Media Education** asked the federal agency to investigate SpectraCom Inc., charging that the Milwaukee company's Web site (<http://www.kidscom.com>) uses deceptive advertising. The Washington-based group said that Kids-Com's format was misleading and lured children into submitting personal data.

The **Federal Trade Commission** said it had received the complaint and planned to look into the matter. "We do take all concerns regarding children very seriously," said **FTC** spokeswoman Vicki Streitfeld.

The **FTC** is organizing a workshop June 4 and 5 on consumer **privacy** issues in cyberspace. The second day of the workshop will focus solely on the collection and use of information about children via the Internet and other technologies, Streitfeld said.

SpectraCom, a market research firm that also designs Web pages, disputes the claims in the center's press release. Its KidsCom site features 14 different areas ranging from adventure stories to new arts and crafts. Only one of the areas asks any survey research questions, said SpectraCom President Jorian Clarke.

Earlier this year, SpectraCom fully cooperated with the **FTC** in answering the agency's questions about its Web site, Clarke said.

In March, the Center for **Media Education** criticized SpectraCom and 31 other companies for using the Internet as a means of gathering data or marketing to children. In its **FTC** complaint Monday, the organization named only SpectraCom, saying it was the worst example.

"We believe that the KidsCom site is deceptive by its nature. It's clearly a



LEXIS·NEXIS™

A member of the Reed Elsevier plc group



LEXIS·NEXIS™

A member of the Reed Elsevier plc group



LEXIS·NEXIS™

A member of the Reed Elsevier plc group

marketing and advertising site," said Jeff Chester, executive director for the center. "SpectraCom is really doing a great disservice to the Internet."

Clarke questioned the center's motives in attacking her company Monday and not some of the bigger companies it had also cited in March, including Kellogg's and Frito-Lay.

"I find it very interesting that they should go after the smallest company with the smallest pockets," said Clarke, who founded the 15-employee company in 1990. "I am surprised they have the nerve to single us out when they haven't even accurately described what we do."

Children who enter KidsCom first fill out a survey to register. The survey asks questions ranging from basic demographics to attitudes on various questions such as "My favorite TV commercial is . . ."

But Clarke stressed that no mailing lists or personal information is ever sold or given to any client. Many of these questions are used to match up pen-pals or other children with similar interests.

The Center for **Media Education** also cited areas such as KidsCom's "New Stuff for Kids," which includes press release-like information about various products. Recent offerings included Topps trading cards and Atari products.

The non-profit group, which describes itself as a research and advocacy organization focusing on the electronic media, said that only companies that have given SpectraCom donations of at least \$1,000 in product value are listed in the New Stuff area. But Clarke said all companies and organizations are invited to submit their press releases to KidsCom.

LOAD-DATE: May 15, 1996



LEXIS·NEXIS

A member of the Reed Elsevier plc group



LEXIS·NEXIS

A member of the Reed Elsevier plc group



LEXIS·NEXIS

A member of the Reed Elsevier plc group