

FCC Determines Radio Station Failed to Comply with Contest Rules

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Last year, a CBS radio station in North Carolina ran a “Carolina Cuties” contest in which listeners were invited to submit pictures of their babies on the station’s website. The grand prize winner was determined by public votes. Although broadcast announcements for the contest stated that voting would end on September 5, 2011, the station’s website and e-mails to the finalists stated that voting would end by September 4, 2011. One of the contestants complained to the FCC about the discrepancies.

The FCC requires broadcast licensees to disclose the material terms of their promotions -- including when and how winners will be selected -- and to conduct their promotions substantially as advertised. The agency wasn’t persuaded by the station’s argument that the discrepancies were due to inadvertent errors, holding that inadequate oversight of staff does not excuse a failure to run the promotion as advertised. The agency also rejected the station’s argument that the errors did not put any consumers at a disadvantage. Instead, the FCC noted that there was a potential for harm, and that a showing of actual harm is not necessary in determining whether a violation occurred. Accordingly, the FCC proposed a fine of \$10,000.

This case demonstrates that companies can be held responsible for discrepancies between how they advertise a promotion and how the promotion is actually run. If you are running a promotion, make sure that your rules and marketing materials are in sync with how you actually run the promotion.