

NAD Referrals To FTC: How Big Is That Stick?

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The Federal Trade Commission has long supported advertising industry self-regulation as a means of promoting truthfulness and accuracy in advertising. One of the key aspects of this success has been threat of referral to the FTC: Advertisers that refuse to participate in the self-regulatory process or refuse to comply with recommendations after participating are referred to the appropriate government entity, usually the FTC's Division of Advertising Practices, which will review the claims at issue. Over the years, the specter of a National Advertising Division referral to the FTC has prompted most advertisers to participate in the self-regulatory process and comply with the final decision.

[Law360](#) published the article "NAD Referrals To FTC: How Big Is That Stick?," co-authored by partner John Villafranco and senior associate Donnelly McDowell. The article provides an analysis of recent NAD cases that suggests referrals to the FTC are on the rise over the past two years and discusses advertiser commitment to the self-regulatory process. Are advertisers turning their back on self-regulation and rolling the dice at the FTC? And are they doing so based on an assessment of the risk that a referral could result in a major FTC investigation or enforcement action?

To read the article, please click [here](#).