

MAIN OFFICE  
100 main st, p.o. box 28  
northampton, ma 01061  
tel 413.585.1533  
fax 413.585.8904

D. C. OFFICE  
1801 18th street nw, suite 9  
washington, dc 20009  
tel 202.265.1490  
fax 202.265.1489



June 15, 2005

Chairman Kevin J. Martin  
Federal Communications Commission  
445 12th Street SW  
Washington, DC 20554

Commissioner Kathleen Q. Abernathy  
Federal Communications Commission  
445 12th Street SW  
Washington, DC 20554

Commissioner Jonathan S. Adelstein  
Federal Communications Commission  
445 12th Street SW  
Washington, DC 20554

Commissioner Michael J. Copps  
Federal Communications Commission  
445 12th Street SW  
Washington, DC 20554

Dear Mr. Chairman and Commissioners:

The purpose of this letter is to file a formal complaint requesting an expanded investigation of the ongoing crisis in our broadcast news media provoked by so-called payola punditry. Hardly a month has gone by this year without a new incident involving pay-for-play news and information — corporations or federal agencies bankrolling commentators to promote commercial products or government programs without disclosing their financial interests to the viewing public. Public anger over these revelations grows as the integrity of broadcast journalism is undermined. As Commissioner Adelstein said in a recent speech on this issue: “It is no wonder trust in the media is at an all-time low — something needs to be done.”<sup>1</sup>

Free Press, the national, nonpartisan media policy and advocacy group, believes this situation must be remedied immediately, or we as a nation risk a complete loss of confidence in the press. On Jan. 13, 2005, when Armstrong Williams was exposed for not disclosing payments he received to promote the Department of Education, thousands of Free Press members filed complaints with the Federal Communications Commission (FCC) demanding an investigation. These citizens requested an explanation of why Williams’ violations went undetected for so long, and more importantly, how pervasive these violations might be across the news industry. At the time, Williams appeared to be the tip of the iceberg — and he indicated that payola punditry happens all the time.<sup>2</sup>

In response to the public complaints, then-Chairman Michael Powell launched an investigation of Williams’ apparent violation of the FCC’s payola rules the following day, January 14.<sup>3</sup> Federal regulations clearly prohibit this brand of undisclosed propaganda in the news media. The FCC’s Payola Rules state: “Any person involved in the production or preparation of a program who receives or agrees to receive payment for the airing of program material must disclose this information.”<sup>4</sup>

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<sup>1</sup> Remarks of Commissioner Jonathan S. Adelstein, “Fresh is Not as Fresh as Frozen,” before the Media Institute, Washington DC, May 25, 2005, [http://hraunfoss.fcc.gov/edocs\\_public/attachmatch/DOC-258962A1.pdf](http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-258962A1.pdf)

<sup>2</sup> David Corn, “Armstrong Williams: I Am Not Alone,” 10 January 2005, *The Nation*, <http://www.thenation.com/blogs/capitalgames?bid=3&pid=2114>

<sup>3</sup> Genaro C. Armas, “FCC’s Powell Orders Probe Into Payment to Commentator,” 15 January 2005, *Washington Post*, <http://www.freepress.net/news/6237> [archived copy].

<sup>4</sup> See Communications Act of 1934, 47 U.S.C. § 317; and “FCC Payola Rules,” <http://ftp.fcc.gov/cgb/consumerfacts/PayolaRules.html>.

The results of the Commission's investigation have not yet been released. However, cases of payola punditry in the news media have continued to emerge — confirming Williams' admission that the practice is commonplace in the news media.<sup>5</sup> These revelations suggest that commercial enterprises and government agencies routinely contract with pundits and journalists to propagandize the public with advertisements disguised as news or independent opinion. This is an alarming trend. Federal regulators should intervene, not only to stop the current violations but to tighten the rules to prevent future abuses.

Recently, two commentators on NBC's "Today" show were revealed to be promoting products on the program without disclosing financial ties to the manufacturer. A recent *Wall Street Journal* report documented numerous examples of this type of fraud.<sup>6</sup> Attached to this letter of complaint is a report on the practice of payola punditry that details a wide array of troubling examples and their implications for the declining public faith in the news.

As the evidence begins to mount that broadcast journalism is chock full of pay-for-play endorsements of commercial products and federal policies, it is imperative for the Commission to expand its investigation beyond the Armstrong Williams probe. Each new scandalous revelation of propaganda reduces the public trust in the media and highlights the weakness of the FCC's payola regulations. It is time regulators got to the bottom of this practice, identified violators, and improved the effectiveness of the rules and the thoroughness of their enforcement. We applaud the recent statements of Commissioner Jonathan Adelstein on his intention to make this issue a priority and trust the Commission will proceed swiftly to expand its investigation and help to restore the public trust in the integrity of the news media.

Sincerely,

Ben Scott  
Policy Director, Free Press

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<sup>5</sup> Eric Boehlert, "Third columnist caught with hand in the Bush till," *Salon*, Jan. 27, 2005, <http://salon.com/news/feature/2005/01/27/mcmanus>.

<sup>6</sup> James Bandler, "How companies pay TV experts for on-air product mentions," 19 April 2005, *Wall Street Journal*.