

CARU NEWS

For Immediate Release

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CARU WORKS WITH WEBSITE OPERATOR TO PROTECT CHILDREN'S PRIVACY

New York, NY – April 27, 2005 - The Children's Advertising Review Unit (CARU) of the Council of Better Business Bureaus, Inc., the children's advertising industry's self-regulatory forum, is pleased to announce that the operator of **www.kids-online.net** has committed to modify his Website in order to comply with CARU's *Self-Regulatory Guidelines for Children's Advertising* (the *Guidelines*). The Website came to the attention of CARU through its routine monitoring of the Internet.

The www.kids-online.net Website gave children the opportunity to, among other activities, chat, join the kids club, get an email address, find an email pal. CARU found that the Website was in violation of the *Guidelines*. The Website lacked a privacy policy and was allowing children to disclose personally identifiable information (PII) without age screening mechanisms or parental consent.

CARU has taken the position that in order to responsibly address the child audience, Websites that potentially appeal to children should implement neutral age screening along with a tracking mechanism. In addition, the operator of a Website has to obtain parental consent prior to collecting information from children under 13 years of age.

The operator was receptive to CARU's concerns and responded by posting a privacy policy and by temporarily shutting down the sections of the Website that were collecting PII. The operator committed to implement neutral age screening including a tracking mechanism when he re-opens those sections of the Website stating, "CARU has been very helpful in guiding me through the changes I have made so far. I will contact CARU first before any attempt is made to reopen the areas that were in violation to the public, making sure that the changes will be satisfactory to both CARU and COPPA".

CARU's inquiry was conducted under NAD/NARB/CARU Procedures for Voluntary Self-Regulation of National Advertising. Details of the inquiry, CARU's decision and the advertiser's response will be included in the next NAD/CARU Case Report. Members of the press who wish to see a copy of the decision now should email elascoutx@caru.bbb.org.

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The National Advertising Review Council (NARC) was formed in 1971 by the Association of National Advertisers, Inc. (ANA), the American Association of Advertising Agencies, Inc. (AAAA), the American Advertising Federation, Inc. (AAF), and the Council of Better Business Bureaus, Inc. (CBBB). Its purpose is to foster truth and accuracy in national advertising through voluntary self-

regulation. NARC is the body that establishes the policies and procedures for the CBBB's National Advertising Division (NAD), the Children's Advertising Review Unit (CARU), and the National Advertising Review Board (NARB).

NAD and CARU are the investigative arms of the advertising industry's voluntary self-regulation program. Their casework results from competitive challenges from other advertisers, and also from self-monitoring traditional and new media, including the Internet. The National Advertising Review Board (NARB), the appeals body, is a peer group from which ad-hoc panels are selected to adjudicate those cases that are not resolved at the NAD/CARU level. This unique, self-regulatory system is funded entirely by the business community; CARU is financed by the children's advertising industry, while NAD/NARB's sole source of funding is derived from membership fees paid to the Council of Better Business Bureaus.