

CARU® NEWS

Immediate Release

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MAJOR LEAGUE BASEBALL ADVANCED MEDIA PARTICIPATES IN CARU REVIEW PROCESS

MLBAM Acts to Strengthen Children's Privacy Protections

New York, NY – October 4, 2006 – The Children's Advertising Review Unit (CARU) of the Council of Better Business Bureaus, Inc., has recommended the Major League Baseball Advanced Media, which markets sports-related merchandise, take steps to better protect children's privacy online. The company has done so.

Advertising for the MLBAM Website, MLB.com, came to the attention of CARU, the children's advertising industry's self-regulatory forum, through routine monitoring of advertising directed to children.

CARU was concerned that the Website violated the *Self-Regulatory Guidelines for Children's Advertising* (the *Guidelines*) and the federal Children's Online Privacy Protection Act of 1998 (COPPA) by collecting children's contact information without screening for age, or making a reasonable effort to ensure that parents receive notice and have the opportunity to request that the operator make no further use of the children's information.

Child visitors to the site, which was advertised in *Nickelodeon Magazine*, could simply enter an email address and click on the "Sign Up" button to receive a free email newsletter.

"When online contact information is collected to provide an emailed newsletter to a child, the company must directly notify the parent of the nature and intended uses of the information collected and give the parent a chance to opt out," CARU's decision states.

The advertiser noted that before CARU's inquiry began, the company had asked its third-party service provider to disable the email feature before the advertisement first appeared in *Nickelodeon Magazine* and the third-party service provider failed to do.

After CARU launched its review, MLBAM successfully requested that the service provider disable the feature.

The advertiser "informed CARU that it confirmed that none of the email addresses collected through the newsletter feature was used by the company, no children received any email or other communication from MLB.com as a result of the advertisement, and the email addresses collected through the Website were deleted," the decision states.

MLBAM, in its advertiser's statement, said it is "pleased to have addressed CARU's concerns, and will continue to be sensitive to online privacy issues in connection with promotions targeted to children."

For a copy of the decision or for press inquiries, please contact Linda Bean, Director of Communications, 212-705-0129.

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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) and Children's Advertising Review Unit (CARU), as well as for the National Advertising Review Board (NARB) and Electronic Retailing Self-Regulation Program (ERSP).

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. 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/NARC/NARB's sole source of funding is derived from membership fees paid to the CBBB. Funding for ERSP is derived from membership in the Electronic Retailing Association. For more information about advertising self regulation, please visit www.narcpartners.org.