

CARU[®] NEWS

Immediate Release

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CARU REVIEWS SITE OPERATED BY WALT DISNEY INTERNET GROUP *Company Agrees to Modify Site to Better Protect Children's Privacy*

New York, NY – August 24, 2007 – The Children's Advertising Review Unit (CARU) of the Council of Better Business Bureaus, Inc., has recommended that **Walt Disney Internet Group**, the operator of the www.mdisney.com Website, change certain functions of its Website to ensure that the site is in compliance with the privacy-protection provisions of the CARU Self-Regulatory Program for Children's Advertising and the federal Children's Online Privacy Protection Act (COPPA).

An advertisement for the Website, www.mdisney.com, was featured on the back cover of a recent issue of "Discovery Girls," a magazine intended for girls ages 8 and up. The Website came to the attention of CARU, the children's advertising industry's self-regulatory forum, through CARU's ongoing monitoring program.

The advertisement at issue featured promotions for various Disney music artists and directed readers to the Website, www.mdisney.com, in order to get "Hot Disney Hits for Spring!" Once at the Website, visitors were offered an array of images, ringtones, screensavers, games and other mobile entertainment from the Disney collection available for purchase.

Each form of mobile entertainment could be purchased directly from the Website for either \$1.99 or \$2.99, depending on the content. Upon clicking the "Buy" button, the child was asked to enter her cell phone number, mobile carrier and manufacturer and follow the steps to complete the transaction. There was no request for age or proof of parental permission before the information was collected.

CARU questioned whether the Website was in compliance with CARU's *Self-Regulatory Program for Children's Advertising* (the *Guidelines*) and the Children's Online Privacy Protection Act.

In response to CARU's initial inquiry, WDIG replied that its advertising campaign for the [mdisney](http://www.mdisney.com) Website was targeted to a general audience and not specifically to children under 13. WDIG stated however, that because it takes CARU's mission and concern for children seriously, it would implement additional privacy-protection measures.

WDIG disabled the Website's download functionality and undertook a re-evaluation of the Website's advertising and online data collection practices. The company said that, in order to ensure the protection of children's privacy on its site, it is developing functionality that will further limit the collection of information from users under 13.

WDIG also noted that it would be happy to consult with CARU on the functionality it ultimately develops prior to the relaunch of the Website. The company noted, as well, that it is creating processes to help assure that advertisements for the Websites are not run in publications with a target audience similar to that of the magazine identified by CARU.

The company, in its advertiser's statement, noted that the Website in question is a general-interest Website and that its marketing efforts for the Website are targeted toward a broad audience and not, as a whole, aimed at children under 13.

“Nevertheless, in keeping with WDIG's commitment to protect children's privacy on the internet and in mobile, WDIG made the Website unavailable and has been working with CARU and the Mobile Marketing Association, as co-chair to the Marketing to Children Subcommittee, to develop industry-wide marketing and sales practices in this growing area of new media.”

CARU's inquiry was conducted under *NAD/CARU/NARB Procedures for the Voluntary Self-Regulation of National Advertising*. Details of the initial inquiry, CARU's decision, and the advertiser's response will be included in the next *NAD/CARU Case Report*.

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About advertising self-regulation: 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 the 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. ERSP's funding is derived from membership in the Electronic Retailing Association. For more information about advertising self regulation, please visit www.narcpartners.org.