

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of

iHeartMedia, Inc.

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File No.: EB-IHD-25-00038481
FRN: 0019970417

ORDER

Adopted: July 8, 2026

Released: July 9, 2026

By the Chief, Enforcement Bureau:

1. The Enforcement Bureau (Bureau) of the Federal Communications Commission (Commission) has entered into a Consent Decree to resolve its investigation into whether iHeartMedia, Inc. (iHeart or Company) violated the Commission’s sponsorship identification laws in connection with allegations that iHeart provided artists additional airplay on the Company’s radio stations in exchange for the artists’ performances at Company events, without the disclosure required under the Commission’s sponsorship identification laws. Our action today advances the Commission’s longstanding goals of protecting consumers by ensuring they know who is attempting to persuade them and protecting broadcasters and sponsors from unfair competitors that fail to abide by our disclosure rules. To settle this matter, iHeart will implement a compliance plan.

2. After reviewing the terms of the Consent Decree and evaluating the facts before us, we find that the public interest would be served by adopting the Consent Decree and terminating the referenced investigation regarding iHeart’s compliance with sections 317 and 507 of the Communications Act of 1934, as amended (Act),¹ and section 73.1212 of the Commission’s rules² concerning sponsorship identification.

3. In the absence of material new evidence relating to this matter, we do not set for hearing the question of iHeart’s basic qualifications to hold or obtain any Commission license or authorization.³

4. Accordingly, **IT IS ORDERED** that, pursuant to section 4(i) of the Act, 47 U.S.C. § 154(i), and the authority delegated by sections 0.111 and 0.311 of the Commission’s rules, 47 CFR §§ 0.111, 0.311, the attached Consent Decree **IS ADOPTED** and its terms incorporated by reference.

5. **IT IS FURTHER ORDERED** that the above-captioned matter **IS TERMINATED**.

6. **IT IS FURTHER ORDERED** that any third-party complaints and allegations against iHeart and/or its stations related to the above-captioned investigation that are pending before the Bureau as of the date of this Consent Decree **ARE DISMISSED**.

7. **IT IS FURTHER ORDERED** that a copy of this Order and Consent Decree shall be sent by first class mail and certified mail, return receipt requested, to Christopher Cain, Senior Vice President and Associate General Counsel, iHeartMedia, Inc., 20880 Stone Oak Parkway, San Antonio,

¹ 47 U.S.C. §§ 317, 508.

² 47 CFR § 73.1212.

³ See 47 CFR § 1.93(b).

Texas 78258, and to Kathleen Kirby, Esq., Ari Meltzer, Esq., Eve Klindera Reed, Esq., and Melissa Alba, Esq., Wiley Rein LLP, 2050 M Street, NW, Washington, D.C. 20036.

FEDERAL COMMUNICATIONS COMMISSION

Patrick Webre
Chief
Enforcement Bureau

**Before the
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CONSENT DECREE

The Enforcement Bureau of the Federal Communications Commission and iHeartMedia, Inc., by their authorized representatives, hereby enter into this Consent Decree for the purpose of terminating the Enforcement Bureau's investigation into whether the Company, as defined below, violated the Sponsorship Identification Laws, as defined below, in connection with allegations that the Company provided artists additional airplay on the Company's radio stations in exchange for the artists' performances at Company events, without the disclosure required under the Sponsorship Identification Laws. To resolve this matter, the Company agrees to implement a compliance plan.

DEFINITIONS

For the purposes of this Consent Decree, the following definitions shall apply:

- (a) "Act" means the Communications Act of 1934, as amended.¹
- (b) "Adopting Order" means an order of the Bureau adopting the terms of this Consent Decree without change, addition, deletion, or modification.
- (c) "Bureau" means the Enforcement Bureau of the Federal Communications Commission.
- (d) "Commission" and "FCC" mean the Federal Communications Commission and all of its bureaus and offices.
- (e) "Communications Laws" means collectively, the Act, the Rules, and the published and promulgated orders and decisions of the Commission to which the Company is subject by virtue of its business activities, including but not limited to the Sponsorship Identification Laws.
- (f) "Company" and "iHeart" mean iHeartMedia, Inc., for itself and on behalf of its direct and indirect subsidiaries that hold FCC authorizations, and its subsidiaries, predecessors-in-interest, and successors-in-interest.
- (g) "Company Performance Event" means a concert, musical event, musical festival, broadcast radio musical performance (other than an unscheduled performance), listener appreciation show, charitable concert event, free radio show, or other event, arranged and/or solicited by the Company and featuring a live performance by one or more musical artists before an in person audience consisting of members of the general public.

¹ 47 U.S.C. § 151 *et seq.*

- (h) “Company Station” and “Company Stations” mean one or more AM or FM radio broadcast stations licensed to the Company pursuant to authorizations issued by the FCC.
- (i) “Complaints” means any third-party complaints which may have been received by, or in the possession of, the Commission or the Bureau, alleging violation of the Sponsorship Identification Laws by the Company, a Company Station, or any Company employee, as of the Effective Date.
- (j) “Compliance Plan” means the compliance obligations, program, and procedures described in this Consent Decree at paragraph 15.
- (k) “Covered Employees” means all Programming Personnel and other employees of the Company whose material responsibilities include developing and/or maintaining relationships with musical artists, musical artist managers, and/or record labels.
- (l) “Effective Date” means the date by which both the Bureau and iHeartMedia, Inc. have signed this Consent Decree and the Bureau has released an Adopting Order.
- (m) “Enhanced Disclosure Event” means a Company’s tentpole event (including, as of the Effective Date, the iHeartRadio Music Festival, the iHeartRadio Music Awards, the iHeartRadio Jingle Ball Tour, the iHeartCountry Festival, iHeartRadio ALTer Ego, iHeart Podcast Awards, and iHeartRadio Fiesta Latina) that is a Company Performance Event and any Company Performance Event in the following radio markets: Atlanta, Charlotte, Columbus, Grand Rapids, Minneapolis, Nashville, Omaha, Phoenix, Tampa, and Washington, D.C.
- (n) “Investigation” means the investigation commenced by the Bureau in EB-IHD-25-00038481 regarding whether the Company, any Company Station, or any Company employee violated the Sponsorship Identification Laws.
- (o) “Operating Procedures” means the standard internal operating procedures and compliance policies established by the Company to implement the Compliance Plan.
- (p) “Parties” means the Company and the Bureau, each of which is a “Party.”
- (q) “Programming Personnel” means all employees of the Company who materially participate in the on-air broadcast of music programming.
- (r) “Rules” means the Commission’s regulations found in Title 47 of the Code of Federal Regulations.
- (s) “Sponsorship Identification Laws” means, individually or collectively, 47 U.S.C. §§ 317, 508; 47 CFR § 73.1212; and/or any Commission policy relating to sponsorship identification or the practices commonly referred to as “payola.”

BACKGROUND

Payola is the unreported payment to—or acceptance by—employees of broadcast stations, program producers, or program suppliers of any money, service, or valuable consideration in exchange for airplay for any programming.² Section 507 of the Act requires those persons who have paid, accepted, or agreed to pay or accept such payments to report that fact to the station licensee before the involved matter is broadcast.³ In turn, section 317 of the Act requires the licensee to announce that the matter contained in the program is paid for, and to disclose the identity of the person furnishing the money or other valuable consideration.⁴ Both section 317(c) of the Act and section 73.1212(b) of the Commission's

² See *Payola and Undisclosed Payments*, Public Notice, 4 FCC Rcd 7708 (1988).

³ 47 U.S.C. § 508.

⁴ 47 U.S.C. § 317.

rules require that each licensee “exercise reasonable diligence to obtain from its employees, and from other persons with whom it deals” information to enable the licensee to comply with the sponsorship identification requirements of section 317 of the Act.⁵

On January 30, 2025, Senator Marsha Blackburn alerted the FCC of a potential new payola practice where “radio stations and networks offer more airtime for an artist’s songs if the artist performs a free show,” with an “implicit suggestion that declining to perform could result in reduced airplay.”⁶ The FCC took immediate action. On February 6, 2025, the Bureau issued an Enforcement Advisory (Advisory) to remind radio broadcast licensees of their obligations under federal law when they have artists perform at radio station events or festivals.⁷ In particular, the Advisory addresses payola in connection with the covert manipulation of radio airplay by a broadcast station licensee or broadcast station personnel based on an artist’s agreement to participate in a broadcast station’s promotion or event, often without receiving compensation or expense reimbursement for the appearance.⁸ The Bureau explained that the “reasonable diligence” standard can require a higher duty of care by stations whose formats or other circumstances make them more susceptible to payola.⁹ Thus, for example, the Bureau would expect stations that report to record charting services to demonstrate greater diligence to prevent improper conduct by its principals and employees than would a station with an all-news format.¹⁰ The Bureau cautioned broadcasters to avoid agreements that covertly increase the amount of airplay based on an artist’s performance or appearance at a station’s promotion or event.¹¹ The Bureau explained that “[w]hen payola causes stations to broadcast programming based on their financial interests at the expense of community responsiveness, the practice is inconsistent with localism.”¹² The Bureau noted, however, that an artist’s decision to appear at a station’s promotion or event without compensation is permissible, provided that the appearance and any associated station broadcasts otherwise satisfy the requirements of the Act and the FCC’s rules, including but not limited to section 317 of the Act and section 73.1212 of the Commission’s rules.¹³ On February 14, 2025, the Company distributed an e-mail to its senior programming team for each Company Station including a link to the Advisory, a reminder that Company policy prohibits employees from implicitly or explicitly agreeing to increase airplay in exchange for an artist’s appearance at an event, and instructions to distribute the message to anyone involved in the process of booking events for their stations.¹⁴

On February 24, 2025, FCC Chairman Brendan Carr issued a letter (Letter) to iHeart.¹⁵ The Letter referenced the Advisory and requested information concerning iHeart’s compliance with federal payola requirements in connection with the iHeart Country Festival ‘25 in Austin, Texas, on May 3, 2025.

⁵ 47 U.S.C. § 317(c); 47 CFR §73.1212(b).

⁶ See Letter from Marsha Blackburn, United States Senator, to Brendan Carr, Chairman, Federal Communications Commission (Jan. 30, 2025), <https://www.blackburn.senate.gov/services/files/76DB8D6E-EF84-4C26-BA17-B5194048D1DD>.

⁷ *Covert Manipulation of Radio Airplay Based on Artist Participation in Promotions or Events Violates FCC Payola Rules*, Public Notice, 2025 WL 435689, DA 25-104, at *1 (EB Feb. 6, 2025) (EA).

⁸ *Id.*

⁹ *Id.*

¹⁰ *Id.*

¹¹ *Id.*

¹² *Id.* (citing *Broadcast Localism*, Notice of Inquiry, 19 FCC Rcd 12425, 12437, para. 33 (2004)).

¹³ Advisory at *1.

¹⁴ See Letter from Robert Pittman, Chairman and Chief Executive Officer, iHeartMedia, Inc., to Brendan Carr, Chairman, FCC (Mar. 6, 2025) at 4-5 (Pittman Letter).

¹⁵ See Letter from Brendan Carr, Chairman, FCC, to Robert Pittman, Chairman and Chief Executive Officer, iHeartMedia, Inc., 2025 WL 617796 (Feb. 24, 2025).

iHeart responded to the Chairman's Letter on March 6, 2025.¹⁶ In its response, iHeart stated that it "takes seriously its obligations under the sponsorship identification laws, including the federal payola laws."¹⁷ iHeart further stated that musicians perform at iHeart events for the promotional value, not for additional airplay on Company Stations.¹⁸ On May 23, 2025, the Bureau sent a letter of inquiry (LOI) to iHeart seeking information about whether artists had been scheduled to perform at iHeart music events in exchange for additional airplay on Company Stations for their music,¹⁹ and iHeart replied on June 23 and 27, July 8, and August 13, 2025 (collectively, LOI Response).²⁰

In its LOI Response, iHeart restated that it did not trade radio airplay in exchange for artist performances at Company events.²¹ After review of iHeart's LOI Response, the Bureau, on February 2, 2026, sent a supplemental LOI to iHeart requesting additional information regarding iHeart's compliance with the Sponsorship Identification Laws, including whether Company Stations provided more airplay for an artist's songs if the artist performed or appeared at an iHeart music event for free or reduced cost, whether Company Stations provided less or no airplay for an artist declining to perform or appear at an iHeart music event for free or reduced cost, and whether Company Stations failed to make necessary sponsorship identification announcements.²² iHeart replied on March 4, 2026.²³ iHeart states that it takes seriously its responsibilities as a licensee to operate Company Stations in the public interest and to abide

¹⁶ See Pittman Letter.

¹⁷ *Id.* at 1 (emphasis removed).

¹⁸ *Id.* at 2 ("The short sets that artists perform at the Festival are not a replacement for a full concert experience, but rather a teaser for the audience in the same way that a movie trailer is a teaser for the full movie. Artists covet the opportunity to perform at the Festival because they understand that it will lead to more ticket sales, more streams, more downloads, and exposure to audiences that might not otherwise be familiar with their music. Radio airplay is simply not part of the equation, and there is no implicit or explicit promise of additional airplay for participating in the Festival (or threat of reduced airplay should an artist decline an invitation to participate).").

¹⁹ See Letter of Inquiry from Patrick Webre, Acting Chief, FCC Enforcement Bureau, to Robert Pittman, Chairman and Chief Executive Officer, iHeartMedia, Inc. (May 23, 2025) (on file in EB-IHD-25-00038481) (LOI).

²⁰ See Response to Letter of Inquiry, from iHeartMedia, Inc., to Patrick Webre, Acting Chief, FCC Enforcement Bureau (June 23, 2025) (on file in EB-IHD-25-00038481) (June 2025 LOI Response Letter); Response to FCC Letter of Inquiry; Request for Confidential Treatment of Certain Materials, from iHeartMedia, Inc., to Patrick Webre, Acting Chief, FCC Enforcement Bureau (June 23, 2025) (on file in EB-IHD-25-00038481); E-mail from Ari Meltzer, Wiley Rein LLP, Counsel to iHeartMedia, Inc., to Melissa Marshall, Attorney Advisor, Investigations and Hearings Division, FCC Enforcement Bureau, et al. (June 23, 2025, 20:14 EDT) (providing Declarations of Christopher Cain, Bradford Harden Hopkins III, Stuart Heidemann, Marissa Morris, and Tom Poleman) (on file in EB-IHD-25-00038481); E-mail from Georgina Feigen, Assistant Chief, Investigations and Hearings Division, FCC Enforcement Bureau, to Ari Meltzer, Wiley Rein LLP, Counsel to iHeartMedia, Inc., et al. (June 27, 2025, 11:01 EDT) (confirming receipt of hand-delivery of thumb drive) (on file in EB-IHD-25-00038481); E-mail from Ari Meltzer, Wiley Rein LLP, Counsel to iHeartMedia, Inc., to Kalun Lee, Deputy Chief, FCC Enforcement Bureau, et al. (July 8, 2025, 17:23 EDT) (providing notice of uploads to Box.com) (on file in EB-IHD-25-00038481); E-mail from Ari Meltzer, Wiley Rein LLP, Counsel to iHeartMedia, Inc. to Kalun Lee, Deputy Chief, FCC Enforcement Bureau, et al. (Aug. 13, 2025, 15:43 EDT) (providing notice of uploads to Box.com) (on file in EB-IHD-25-00038481) (collectively, LOI Response).

²¹ June 2025 LOI Response Letter at 1.

²² See Supplemental Letter of Inquiry from Christopher J. Sova, Chief, Investigations and Hearings Division, FCC Enforcement Bureau, to Robert Pittman, Chairman and Chief Executive Officer, iHeartMedia, Inc. (Feb. 2, 2026) (on file in EB-IHD-25-00038481) (citing *Blackburn Sounds the Alarm on Radio Stations Exploiting Tennessee Songwriters Ahead of the Grammys* (Jan. 31, 2025), <https://www.blackburn.senate.gov/2025/1/issues/technology/blackburn-sounds-the-alarm-on-radio-stations-exploiting-tennessee-songwriters-ahead-of-the-grammys>).

²³ See Response to Supplemental Letter of Inquiry, from iHeartMedia, Inc., to Christopher J. Sova, Chief, Investigations and Hearings Division, FCC Enforcement Bureau (Mar. 4, 2026) (on file in EB-IHD-25-00038481).

by FCC rules and policies.²⁴ The Company also states that it has had in place policies and procedures to deter employees from engaging in conduct that violates the Sponsorship Identification Laws, including with respect to Company Performance Events, but is willing to augment its practices to reinforce the effectiveness of the Company's efforts.

The Bureau and iHeart acknowledge that any proceedings that might result from continuation of the Investigation would be time-consuming and would require substantial expenditure of public and private resources. In order to conserve such resources, to ensure ongoing compliance by the Company with the Sponsorship Identification Laws, and to enhance compliance in the broadcasting and music industries, the Bureau and iHeart are entering into this Consent Decree in consideration of the mutual commitments made herein.

TERMS OF AGREEMENT

Adopting Order. The provisions of this Consent Decree shall be incorporated by the Bureau in an Adopting Order.

Jurisdiction. iHeart agrees that the Bureau has jurisdiction over it and the matters contained in this Consent Decree and has the authority to enter into and adopt this Consent Decree.

Effective Date; Violations. The Parties agree that this Consent Decree shall become effective on the Effective Date as defined herein. As of the Effective Date, the Parties agree that this Consent Decree shall have the same force and effect as any other order of the Commission.

Termination of Investigation. In express reliance on the covenants and representations in this Consent Decree and to avoid further expenditure of public resources, the Bureau agrees to terminate the Investigation and dismiss the Complaints. In consideration for the termination of the Investigation and dismissal of the Complaints, the Company agrees to the terms, conditions, and procedures contained herein. The Bureau further agrees that, in the absence of new material evidence, it will not use the facts developed in the Investigation through the Effective Date, or the existence of this Consent Decree, to institute any new proceeding on its own motion against the Company concerning the matters that were the subject of the Investigation, or to set for hearing the question of the Company's basic qualifications to be a Commission licensee or hold Commission licenses or authorizations based on the matters that were the subject of the Investigation.²⁵

Admission of Facts. iHeart admits for the purpose of this Consent Decree and for Commission civil enforcement purposes, and in express reliance on the provisions of paragraph 11 herein, that paragraphs 4 through 6 contain a true and accurate description of the facts underlying the Investigation. By entering into this Consent Decree, the Company makes no admission of liability or violation of any law, regulation, or policy.

Compliance Officer. Within thirty (30) calendar days after the Effective Date, iHeart shall designate a senior corporate manager with requisite corporate and organizational authority to serve as a Compliance Officer and discharge the duties set forth below. The individual designated as the Compliance Officer shall be responsible for developing, implementing, and administering the Compliance Plan and overseeing the Company's reasonable efforts to comply with the terms and conditions of the Compliance Plan and this Consent Decree. In addition to the general knowledge of the Communications Laws necessary to discharge his or her duties under this Consent Decree, the Compliance Officer shall have specific knowledge of the Sponsorship Identification Laws prior to assuming his or her duties.

Market-Level Compliance Contacts. Within thirty (30) calendar days after the Effective Date, iHeart shall, in consultation with the Compliance Officer, designate a compliance contact for each market in which there is a Company Station that plays music. Each compliance contact shall work in conjunction with the Compliance Officer in the implementation and monitoring of the Company's compliance with

²⁴ See June 2025 LOI Response Letter at 3-4.

²⁵ See 47 CFR § 1.93(b).

this Consent Decree and the Sponsorship Identification Laws in connection with Company Performance Events in the compliance contact's market.

Compliance Plan. For purposes of settling the matters set forth herein, iHeart agrees that it shall, within sixty (60) calendar days after the Effective Date, develop and implement a Compliance Plan designed to ensure future compliance with this Consent Decree and the Sponsorship Identification Laws in connection with Company Performance Events. The Company will implement, at a minimum, the following components and procedures:

- (a) **Commitment to Reasonable Standards on Pay-for-Play.** The Company commits to enforcing reasonable standards with respect to the Sponsorship Identification Laws in connection with Company Performance Events to avoid violations and the appearance of impropriety in the Company's music programming.
- (b) **Initial Report.** The Compliance Officer shall submit an initial report to the Company's chief legal officer (to the extent that person is not also the Compliance Officer) one hundred twenty (120) calendar days after the Effective Date concerning the Company's compliance with this Consent Decree and the Sponsorship Identification Laws in connection with Company Performance Events.
- (c) **Annual Reports.** The Compliance Officer shall submit annual reports to the Company's chief legal officer (to the extent that person is not also the Compliance Officer) and the Company's Board of Directors concerning the Company's compliance with this Consent Decree and the Sponsorship Identification Laws in connection with Company Performance Events. Each such report will cover the preceding 12-month period and shall be submitted within thirty (30) calendar days of the anniversary of the Effective Date.
- (d) **Operating Procedures.** Within thirty (30) calendar days after the Effective Date, the Company shall establish Operating Procedures that all Covered Employees must follow to help ensure the Company's compliance with the Sponsorship Identification Laws in connection with Company Performance Events. The Company's Operating Procedures shall include internal procedures and policies specifically designed to ensure that the Company complies with the Sponsorship Identification Laws in connection with Company Performance Events. The Company shall also develop a Compliance Checklist that describes the steps that a Covered Employee must follow to ensure compliance with this Consent Decree and the Sponsorship Identification Laws in connection with Company Performance Events.
- (e) **Compliance Manual.** Within sixty (60) calendar days after the Effective Date, the Compliance Officer shall develop a Compliance Manual and use reasonable efforts to distribute the Compliance Manual to all Covered Employees. The Compliance Manual shall explain the Sponsorship Identification Laws and set forth the Operating Procedures that Covered Employees shall follow to help ensure the Company's compliance with the Sponsorship Identification Laws in connection with Company Performance Events. The Company shall periodically review and revise the Compliance Manual as necessary to ensure that the information set forth therein remains current and accurate. The Company shall use reasonable efforts to distribute any revisions to the Compliance Manual promptly to all Covered Employees.
- (f) **Compliance Training Program.** The Company shall establish and implement a Compliance Training Program on compliance with the Sponsorship Identification Laws in connection with Company Performance Events and the Operating Procedures. As part of the Compliance Training Program, Covered Employees shall be advised of the Company's obligation to report any noncompliance with the

Sponsorship Identification Laws under paragraph 16 of this Consent Decree; shall be instructed on how to disclose noncompliance to the Compliance Officer; and shall be required to certify in writing that such training was completed. iHeart shall use reasonable efforts to ensure that all Covered Employees shall be trained pursuant to the Compliance Training Program within ninety (90) calendar days after the Effective Date, except that any person who becomes a Covered Employee at any time after the initial Compliance Training Program (including persons on leave at the time of the initial Compliance Training Program) shall be trained within thirty (30) calendar days after the date such person becomes a Covered Employee. The Company shall repeat compliance training at least on an annual basis and shall periodically review and revise the Compliance Training Program as necessary to ensure that it remains current and complete and to enhance its effectiveness.

- (g) **Disclosure of Anti-Payola Policy to Artists**. The Company shall establish and implement procedures to: (1) disclose to each artist asked or invited by iHeart to perform at a Company Performance Event that the performance at the Company Performance Event will not affect airplay on Company Stations for the artist; and (2) inform each artist performing at a Company Performance Event (e.g., including a disclosure in its written agreement regarding an artist's performance at a Company Performance Event) that suspected payola violations may be reported directly to the FCC at payola@fcc.gov.
- (h) **Document Retention**. The Company must maintain documentation necessary to comply with this Consent Decree and the Sponsorship Identification Laws in connection with Company Performance Events, including certification of employee training as required by the Compliance Training Program described above. The Company must retain the documentation for a period of no less than three (3) years and provide such documentation to the Commission upon request.
- (i) **Hotline**. The Company must maintain a direct-dial line with voice mail message capability and e-mail account for Company employees through which they can reach the Compliance Officer to report potential violations of the Sponsorship Identification Laws. The Company must maintain a log of all such calls, e-mails, meetings, or other such employee inquiries, providing for each, to the extent available: (i) the date of the call, e-mail, meeting or other inquiry; (ii) the caller/inquiring party and his or her job title with the Company Station; and (iii) the disposition by the Compliance Officer and the date of such disposition. The Company must retain the e-mail messages, voice mail messages and log for a period of no less than three (3) years.
- (j) **Whistleblower Protection**. The Company must implement reasonable whistleblower protections and use reasonable efforts to make available to all Covered Employees a written statement of the Company's whistleblower protections.
- (k) **Contractual Agreements**. The Company will use reasonable efforts to ensure that all contractual agreements with respect to Covered Employees include a contractual clause relating to compliance with the Sponsorship Identification Laws.
- (l) **FCC Enforcement Actions**. If a Company Station receives a Letter of Inquiry, subpoena, or similar Commission document alleging a violation of the Sponsorship Identification Laws in connection with a Company Performance Event occurring after the Effective Date (a "Company Event Investigation"), the Company will take the following steps:
 - i. Immediately undertake an investigation into the allegations.
 - ii. If the Commission issues a Notice of Apparent Liability or other preliminary

- finding of a violation of the Sponsorship Identification Laws by the Company in connection with a Company Event Investigation, the Company shall provide remedial training to each employee accused of violating the Sponsorship Identification Laws. The Company will ensure that each employee receiving remedial training shall demonstrate his or her understanding of the Sponsorship Identification Laws to the satisfaction of the Compliance Officer and Company Station management before resuming his or her duties.
- iii. If the Commission issues a Forfeiture Order, Order, or similar final adjudication finding that the Company violated the Sponsorship Identification Laws in connection with a Company Event Investigation, the employee(s) involved in the violation or violations that are the subject of such Commission action will be subject to disciplinary action up to and including termination.
- (m) **Disclosures Regarding Artists Performing at Company Events.** The Company may arrange for artists to perform at events or interviews, including under circumstances where a record label or other third party has subsidized reasonable costs related to the performance. To enhance the Company's compliance with this Consent Decree and Sponsorship Identification Laws in connection with Company Performance Events, and to avoid the appearance of undisclosed influence on Company Stations' music programming, the Company agrees to the following:
- i. If a Company Station transmits any matter for which money, service, or other valuable consideration is either directly or indirectly paid or promised to, or charged or accepted by such Station in connection with an artist's performance at a Company Performance Event, the Company will provide all necessary on-air announcements on the Company Station as required pursuant to the Sponsorship Identification Laws.
- ii. To provide additional transparency regarding artist performances at Company Performance Events, the Company will reasonably implement a process to provide written disclosures on a Company operated website identifying: (i) the location and date of each Enhanced Disclosure Event; (ii) the name of each artist who has entered into an agreement with the Company to perform at the Enhanced Disclosure Event; (iii) a statement that the artist may experience a natural increase in airplay of the artist's music during and coincident with the artist's performance at the event, provided that, where iHeart provides an increase in airplay as a result of an agreement or understanding with the record label or artist, iHeart shall comply with the Sponsorship Identification Laws; and (iv) a statement that the artist or a person acting on their behalf (e.g., their record label or their representatives) may contribute toward the costs associated with their performance at the event (the "Enhanced Event Disclosures").
- iii. Each Company Station that broadcasts a music format shall: (i) establish a conspicuous link or tab to the Enhanced Event Disclosures on the home page of the Company Station's Internet website, the licensee's website, or if neither the individual station nor the licensee has its own website, any Internet website that is publicly accessible; and (ii) announce over the air periodically the availability of Enhanced Event Disclosures on the website and identify the website address where the Enhanced Event Disclosures are posted with information sufficient for a consumer to find such terms easily.
- iv. The Company shall use reasonable efforts to place the Enhanced Event

Disclosures on the designated website within two (2) business days of: (i) the public announcement of the artist's participation in the Enhanced Disclosure Event; or (ii) the date of the Enhanced Disclosure Event, whichever is earlier. The Company shall maintain the Enhanced Event Disclosures on the designated website for at least thirty (30) days after the Enhanced Disclosure Event has concluded.

- (n) **Reporting Requirements.** The Company will use reasonable efforts to ensure compliance with the reporting requirements of section 507 of the Act, which requires those persons who have paid, accepted, or agreed to pay or accept such payments to report that fact to the station licensee before the involved matter is broadcast.²⁶
- (o) **Reasonable Diligence by Company Licensees.** Company Station licensees will exercise "reasonable diligence" to obtain information from employees and others to make required sponsorship identification announcements.²⁷ "Reasonable diligence" here requires a high duty of care (e.g., more than requiring Company employees to execute affidavits stating that they will not violate laws and regulations prohibiting payola).²⁸ At the request of the Commission, the Company will conduct an internal investigation of allegations that there was a violation of the Sponsorship Identification Laws in connection with a Company Performance Event.

Reporting Noncompliance. The Company shall report any noncompliance with the terms and conditions of this Consent Decree and the Sponsorship Identification Laws in connection with an artist's performance at a Company Performance Event within fifteen (15) calendar days after discovery of such noncompliance. Such reports shall include a detailed explanation of: (i) each instance of noncompliance; (ii) the steps that the Company has taken or will take to remedy such noncompliance; (iii) the schedule on which such remedial actions will be taken; and (iv) the steps that the Company has taken or will take to prevent the recurrence of any such noncompliance. All reports of noncompliance shall be submitted to the Bureau at IHDMedia@fcc.gov.

Compliance Reports. The Company shall file compliance reports with the Commission one hundred twenty (120) calendar days after the Effective Date, twelve (12) months after the Effective Date, twenty-four (24) months after the Effective Date, and thirty-six (36) months after the Effective Date.

- (a) Each Compliance Report shall include a detailed description of the Company's efforts during the relevant period to comply with the terms and conditions of this Consent Decree and the Sponsorship Identification Laws. In addition, each Compliance Report shall include a certification by the Compliance Officer, as an agent of and on behalf of the Company, stating that, after reasonable inquiry, the Compliance Officer has personal knowledge that the Company: (i) has established and implemented the Compliance Plan; (ii) has utilized the Operating Procedures since the implementation of the Compliance Plan; and (iii) except as disclosed in the Compliance Report, is not aware of any instances of noncompliance with the terms and conditions of this Consent Decree, including the reporting obligations set forth in paragraph 16 of this Consent Decree.

²⁶ See 47 U.S.C. § 508.

²⁷ See 47 U.S.C. § 317(c); 47 CFR §73.1212(b).

²⁸ See Advisory at *1 (explaining that the "reasonable diligence" standard can require a higher duty of care by stations whose formats or other circumstances make them more susceptible to payola; that the Bureau would expect stations that report to record charting services to demonstrate greater diligence to prevent improper conduct by its principals and employees than would a station with an all-news format; and that it may fall short of "reasonable diligence" if the licensee of such a reporting station does nothing more than require its employees to execute affidavits stating that they will not violate laws and regulations prohibiting payola).

- (b) In carrying out the duties under this Consent Decree, including the preparation of any Compliance Report and accompanying certification, the Compliance Officer may reasonably rely on: (i) written certifications from relevant market-level compliance contacts designated under paragraph 14 and relevant functional leads; (ii) relevant reports and testing performed by internal audit, compliance, legal, HR/training, and analytics personnel; and (iii) the Company's relevant books and records maintained in the ordinary course. The Compliance Officer shall not be required to independently verify each underlying fact contained in such materials, provided the Compliance Officer has no reason to believe such materials are materially inaccurate.
- (c) The second, third, and fourth Compliance Reports shall include, for the preceding twelve (12) month period, the following:
- i. A list of each artist invited to perform at an Enhanced Disclosure Event;
 - ii. Whether the artist agreed to perform;
 - iii. Whether the artist received monetary compensation for the performance and the amount received, if any; and
 - iv. The amount of airplay received by the artist on Company Stations for the three (3) months preceding the performance and three (3) months following the performance.
- (d) The Compliance Officer's certification shall be accompanied by a statement explaining the basis for such certification and shall comply with section 1.16 of the Rules and be subscribed to as true under penalty of perjury in substantially the form set forth therein.²⁹
- (e) If the Compliance Officer cannot provide the requisite certification, the Compliance Officer, as an agent of and on behalf of the Company, shall provide the Commission with a detailed explanation of the reason(s) why and describe fully: (i) each instance of noncompliance; (ii) the steps that the Company has taken or will take to remedy such noncompliance, including the schedule on which proposed remedial actions will be taken; and (iii) the steps that the Company has taken or will take to prevent the recurrence of any such noncompliance, including the schedule on which such preventive action will be taken.
- (f) All Compliance Reports shall be submitted to the Bureau at IHDMedia@fcc.gov.
- (g) The Bureau and the Commission reserve the right to issue reasonable requests to the Company for additional information about Company Performance Events, and the Company shall provide the requested information.

Termination Date. Unless stated otherwise, the requirements set forth in paragraphs 13 through 17 of this Consent Decree shall expire thirty-six (36) months after the Effective Date.

Waivers. As of the Effective Date, the Company waives any and all rights it may have to seek administrative or judicial reconsideration, review, appeal or stay, or to otherwise challenge or contest the validity of this Consent Decree and the Adopting Order. The Company shall retain the right to challenge Commission interpretation of the Consent Decree or any terms contained herein. If either Party (or the United States on behalf of the Commission) brings a judicial action to enforce the terms of the Consent Decree or the Adopting Order, neither the Company nor the Commission shall contest the validity of the Consent Decree or the Adopting Order, and the Company shall waive any statutory right to a trial *de novo*. The Company hereby agrees to waive any claims it may otherwise have under the Equal Access to

²⁹ 47 CFR § 1.16.

Justice Act³⁰ relating to the matters addressed in this Consent Decree.

Severability. The Parties agree that if any of the provisions of the Consent Decree shall be held unenforceable by any court of competent jurisdiction, such unenforceability shall not render unenforceable the entire Consent Decree, but rather the entire Consent Decree shall be construed as if not containing the particular unenforceable provision or provisions, and the rights and obligations of the Parties shall be construed and enforced accordingly.

Invalidity. In the event that this Consent Decree in its entirety is rendered invalid by any court of competent jurisdiction, it shall become null and void and may not be used in any manner in any legal proceeding.

Subsequent Rule or Order. The Parties agree that if any provision of the Consent Decree conflicts with any subsequent Rule or order adopted by the Commission (except an order specifically intended to revise the terms of this Consent Decree to which the Company does not expressly consent) that provision will be superseded by such Rule or order.

Successors and Assigns. The Company agrees that the provisions of this Consent Decree shall be binding on its successors, assigns, and transferees.

Final Settlement. The Parties agree and acknowledge that this Consent Decree shall constitute a final settlement between the Parties with respect to the Investigation.

Modifications. This Consent Decree cannot be modified without the advance written consent of both Parties.

Paragraph Headings. The headings of the paragraphs in this Consent Decree are inserted for convenience only and are not intended to affect the meaning or interpretation of this Consent Decree.

No Individual Liability Created. Nothing in this Consent Decree is intended to create, and shall not be construed to create, any independent personal liability of the Compliance Officer (or any market-level compliance contact) for Company acts or omissions. All obligations under this Consent Decree are obligations of the Company. Nothing in this paragraph limits or alters the applicability of section 1.16 of the Rules to certifications that are knowingly false or made with reckless disregard for their truth or accuracy.

Authorized Representative. Each Party represents and warrants to the other that it has full power and authority to enter into this Consent Decree. Each person signing this Consent Decree on behalf of a Party hereby represents that he or she is fully authorized by the Party to execute this Consent Decree and to bind the Party to its terms and conditions.

Counterparts. This Consent Decree may be signed in counterpart (including electronically or by facsimile). Each counterpart, when executed and delivered, shall be an original, and all of the counterparts together shall constitute one and the same fully executed instrument.

Patrick Webre
Chief
Enforcement Bureau

Date

³⁰ See 5 U.S.C. § 504; 47 CFR §§ 1.1501–1.1530.

Christopher Cain
Senior Vice President and Associate General Counsel
iHeartMedia, Inc.

Date