



# NEWS

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This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action.  
See MCI v. FCC, 515 F.2d 385 (D.C. Cir. 1974).

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November 22, 2005

## COMMISSIONER ADELSTEIN APPLAUDS NEW YORK ATTORNEY GENERAL PAYOLA SETTLEMENT WITH WARNER MUSIC

In response to NYAG Spitzer's recently announced payola settlement with Warner Music Group, Commissioner Adelstein said:

**“Attorney General Eliot Spitzer has once again achieved a breakthrough in the effort to combat payola and protect consumers from misleading broadcasts. The settlement with Warner Music Group adds more dirt to the mountain of evidence that payola is pervasive in the music business. This agreement once again raises serious concerns that not only has New York State law been violated, but Federal law under the FCC’s jurisdiction, as well. The FCC needs to act on this evidence and conclude as soon as possible the investigation we are now undertaking.”**

On August 8, 2005, the FCC launched its own investigation into music industry payola practices. ([http://hraunfoss.fcc.gov/edocs\\_public/attachmatch/DOC-260446A1.pdf](http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-260446A1.pdf)). Commissioner Adelstein strongly supported this investigation. ([http://hraunfoss.fcc.gov/edocs\\_public/attachmatch/DOC-260453A1.pdf](http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-260453A1.pdf)).

Commissioner Adelstein has challenged the entertainment industry to reform its practices, and he openly called for the American public to help the FCC in monitoring and enforcing the rules against airing undisclosed promotions, including VNRs and product placements ([http://hraunfoss.fcc.gov/edocs\\_public/attachmatch/DOC-258962A1.pdf](http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-258962A1.pdf)).

At the urging of Commissioner Adelstein, the Commission issued a unanimous Public Notice on Video News Releases and a fact sheet on payola. In the Notice, the FCC said the payola rules “are grounded in the principle that listeners and viewers are entitled to know who seeks to persuade them with the programming.” ([http://hraunfoss.fcc.gov/edocs\\_public/attachmatch/FCC-05-84A1.doc](http://hraunfoss.fcc.gov/edocs_public/attachmatch/FCC-05-84A1.doc)) (<http://www.fcc.gov/cgb/consumerfacts/PayolaRules.html>).