



## Report on Ethics Committee Findings

**August - December 2007**

**The Committee on Ethical Business Practice heard 20 cases:**

**16 regarding collection, use and maintenance of marketing data  
4 regarding general advertising**

*In addition to the 20 in-depth case reviews*, DMA corporate responsibility staff handled 2,950 complaints and inquiries from consumers who needed assistance with: reducing their overall volume of unwanted solicitations; having their names removed from lists of specific marketers; or with marketing transactions.

*Two types of issues were heard:*

**1) Cases related to the use of marketing data. The Committee reviewed several cases in which organizations allegedly did not adhere to the following privacy principles:**

- providing prompt notice to their customers or donors of their policies concerning transferring names to other marketers;
- honoring consumer requests to have their names removed from mailing lists; and/or
- adequately responding to consumers' requests for the source of mailings

The majority of those contacted informed the Committee that they have policies and procedures in place for providing notice to customers about the transfer of information to others for marketing purposes. Some organizations, however, advised that although they suppress consumer names upon request, they were not currently informing consumers about the transfer of information. The Committee, in most instances, gained compliance with DMA's self-regulatory guidelines.

The Committee also found that some organizations may not adequately train their front line staff to properly answer consumer questions about how the companies got their names and addresses. DMA guidelines required that members be responsive to this issue, and at their option, should either have mechanisms in place to respond at the time of the

inquiry, or research the question and get back in touch with the inquirer within a reasonable time frame.

**Additionally the Committee reviewed the websites of several services that offer to remove consumers' names from mailing lists. The Committee took the following actions:**

- questioned claims made as to the effectiveness of the services;
- asked for substantiation that marketers were honoring consumer name-removal requests they received from such services; and
- asked for corrections regarding misstatements made about DMA's services

In contacting various name-removal services, the Committee pointed out its concerns about raising false expectations with consumers, specifically, promising consumers who signed up that the services would be more effective than they actually may be. In response to the Committee's concerns, some organizations revised language on their sites; some cases were pending resolution at the time of this report.

DMA recently enhanced its **Mail Preference Service (MPS)**, unveiling **DMACHoice** – the consumer portal for choice in mailings from commercial marketers and nonprofit organizations. DMA has operated MPS since 1971. Recent enhancements are part of DMA's overall initiative to meet consumer concerns regarding the receipt of unwanted mail. The changes are a strong response to pending state legislative bills that would require government-run Do Not Mail lists.

Until January 2008, MPS was an “all-or-nothing” arrangement – consumers registering with MPS essentially removed themselves from the marketplace for receiving new solicitations. Opting out of prospect mail offers from all DMA members remains a choice offered through MPS, but consumers can now choose to instead opt out of individual organizations or listed brands of DMA members. DMACHoice also offers the opportunity for consumers to “opt in” to catalogs they have not received previously.

Another significant change is that DMA removed the \$1 verification charge for consumers to register online with MPS. Consumers still need to provide a credit card number to validate their identity and mailing address when registering as a “no charge” transaction, but they will not be charged. Consumers who do not wish to complete their registrations online can still fill out the Mail Preference Service form, print it, and mail it to the address on the form with a \$1 processing fee. MPS ensures the integrity of consumers' requests and does not use information provided for anything but its intended purpose.

**2) Allegations of deception in direct marketing offers, both online and offline, including:**

- misuse of the term “free” because significant obligations were not conspicuously disclosed; and

- promotions that appeared to be invoices for products already ordered

The Committee successfully resolved two of the cases inasmuch as the companies contacted revised or discontinued the questioned mailings; two cases were pending further action at the time of this report.

DMA handles ethics complaints about member and non-member marketers, comparing marketers' practices to the DMA's ethics guidelines and asking them to come into compliance. Members who don't comply with the requests of the Committee face DMA Board public censure, suspension, or expulsion. Non-members that don't cooperate are referred to law enforcement agencies, if applicable, and their cases are publicized.

***Resources include the following:***

- DMA's *Guidelines for Ethical Business Practice*: [www.the-dma.org/guidelines/ethicalguidelines.shtml](http://www.the-dma.org/guidelines/ethicalguidelines.shtml)
- *Do the Right Thing* explanatory guide that accompanies the Guidelines: [www.the-dma.org/guidelines/dotherightthing.pdf](http://www.the-dma.org/guidelines/dotherightthing.pdf)
- Reports on Ethics Committee findings are archived at: [www.the-dma.org/guidelines/ethicscase.shtml](http://www.the-dma.org/guidelines/ethicscase.shtml), and further information about DMA's Ethics Committee is at: [www.the-dma.org/guidelines/ethicalbusinesscommittee.shtml](http://www.the-dma.org/guidelines/ethicalbusinesscommittee.shtml)
- DMA's Suite of Preference Services is at [www.DMAChoice.org](http://www.DMAChoice.org)
- To file a complaint with the Committee on Ethical Business Practice, write to: [ethics@the-dma.org](mailto:ethics@the-dma.org), or use the online form at: [www.the-dma.org/guidelines/EthicsComplaintForm.pdf](http://www.the-dma.org/guidelines/EthicsComplaintForm.pdf)