



## Federal Trade Commission Protecting America's Consumers

**CORRECTED**

**For Release:** 08/26/2010

### Public Relations Firm to Settle FTC Charges that It Advertised Clients' Gaming Apps Through Misleading Online Endorsements

A public relations agency hired by video game developers will settle Federal Trade Commission charges that it engaged in deceptive advertising by having employees pose as ordinary consumers posting game reviews at the online iTunes store, and not disclosing that the reviews came from paid employees working on behalf of the developers.

"Companies, including public relations firms involved in online marketing, need to abide by long-held principles of truth in advertising," said Mary Engle, Director of the FTC's Division of Advertising Practices. "Advertisers should not pass themselves off as ordinary consumers touting a product, and endorsers should make it clear when they have financial connections to sellers."

Under the proposed settlement order, Reverb Communications, Inc. and its sole owner, Tracie Snitker, are required to remove any previously posted endorsements that misrepresent the authors as independent users or ordinary consumers, and that fail to disclose a connection between Reverb and Snitker and the seller of a product or service. The agreement also bars Reverb and Snitker from misrepresenting that the user or endorser is an independent, ordinary consumer, and from making endorsement or user claims about a product or service unless they disclose any relevant connections that they have with the seller of the product or service.

Reverb is a company that provides public relations, marketing, and sales services to developers of video game applications, including mobile gaming apps. Between November 2008 and May 2009, Reverb and Snitker posted reviews about their clients' games at the iTunes store using account names that gave readers the impression the reviews were written by disinterested consumers, according to the FTC complaint. Reverb and Snitker did not disclose that they were hired to promote the games and that they often received a percentage of the sales. These facts would have been relevant to consumers who were evaluating the endorsement and deciding whether to buy the gaming applications, the FTC complaint alleged.

In its revised endorsements and testimonials guides issued last year, the FTC specified that while decisions will be reached on a case-by-case basis, the online post by a person connected to the seller, or someone who receives cash or in-kind payment to review a product or service, should disclose the material connection the reviewer shares with the seller of the product or service. This applies to employees of both the seller and the seller's advertising agency.

The FTC vote to approve the administrative complaint and proposed consent agreement was 5-0. The FTC will publish an announcement regarding the agreement in the Federal Register shortly. The agreement will be subject to public comment for 30 days, beginning today and continuing through September 27, 2010, after which the FTC will decide whether to make it final. To file a public comment, please click on the following hyperlink: <https://ftcpublishcommentworks.com/ftc/reverb>. Copies of the complaint, the proposed consent agreement, and an analysis of the agreement to aid in public comment are available from both the FTC's website at <http://www.ftc.gov> and the FTC's Consumer Response Center, Room 130, 600 Pennsylvania Avenue, N.W., Washington, DC 20580.

**NOTE:** The Commission issues an administrative complaint when it has reason to believe that the law has been or is being violated, and it appears to the Commission that a proceeding is in the public interest. The complaint is not a finding or ruling that the respondents have actually violated the law. The consent agreement is for settlement purposes only and does not constitute admission by the respondents of a law violation. When the Commission issues a consent order on a final basis, it carries the force of law with respect to future actions. Each violation of such an order may result in a civil penalty of up to \$16,000.

The Federal Trade Commission works for consumers to prevent fraudulent, deceptive, and unfair business practices and to provide information to help spot, stop, and avoid them. To file a complaint in English or Spanish, visit the FTC's online [Complaint Assistant](#) or call 1-877-FTC-HELP (1-877-382-4357). The FTC enters complaints into Consumer Sentinel, a secure, online database available to more than 1,800 civil and criminal law enforcement agencies in the U.S. and abroad. The

FTC's website provides free information on a variety of [consumer topics](#).

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(Reverb)

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**Related Items:**

**[In the Matter of Reverb Communications, Inc., et al.](#)**

FTC File No. 092 3199

**Business Information:**

- [The FTC's Revised Endorsement Guides: What People are Asking](#)
- [About the Endorsement Guides video](#)

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