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Big Alcohol Can't Police Itself

Marin Institute Slams DISCUS Ad Complaint System

Self-Regulation of alcohol advertising has failed, federal oversight needed

SAN RAFAEL, CA (September 17, 2008) -- Alcohol industry watchdog Marin Institute released today a revealing, first-ever systematic review of the distilled spirits industry's voluntary self-regulation system. The report, *Why Big Alcohol Can't Police Itself: A Review of Advertising Self-Regulation in the Distilled Spirits Industry,* examines all seven *Code of Responsible Marketing Practices* reports issued by the industry trade group Distilled Spirits Council of the United States (DISCUS) from 2004-2007. The study concludes that the oversight process is broken and fails to protect the public from irresponsible marketing practices. The report is available for download at www.marininstitute.org.

Marin Institute's report shows that companies with a representative on the DISCUS board have a three times lower chance of their ad being found in violation. The worst repeat offender brands were Skyy Vodka and Svedka Vodka, while the worst repeat offender companies were Diageo and Campari.

The DISCUS review board consists entirely of industry members, a system inherently biased toward alcohol corporations. While the Federal Trade Commission (FTC) is charged with protecting the public from deceptive advertising, the regulatory agency instead relies on a voluntary system led by industry itself. And yet FTC has never undertaken an objective analysis of the DISCUS oversight process, claiming there is no evidence of bias. Today's report puts that claim to rest.

"This is the quintessential example of the fox guarding the hen house," said report co-author Michele Simon, JD, MPH, research and policy director for Marin Institute. *"While DISCUS touts its system by publishing glossy reports, it's all form and no substance. If the alcohol industry were serious about protecting our youth from irresponsible advertising, companies would work with government to implement an enforceable system with meaningful penalties to prevent violations in the first place."*

Marin Institute's study documents that during 2004-2007, ad expenditures by spirits companies topped $1.9 billion, with hundreds of thousands of distilled spirits ads appearing in magazines, on TV, billboards and other venues. Yet DISCUS reported receiving a paltry 93 complaints, indicating that the public is largely unaware of the complaint process. Most of the complaints received were for alcohol print ads with highly objectionable sexual content. Another common complaint was the over-exposure of youth to ads place in inappropriate venues.

""The Federal Trade Commission should stop perpetuating the public relations charade of voluntary self-regulation. With no independent review, no objective guidelines, no enforcement power or penalties, it's an ineffective and worthless system," added Simon. *"It's time to set-up a truly independent, third-party review body, with sufficient funding to increase public awareness, along with enforcement power to pull offending ads and levy significant fines and other penalties."*

Marin Institute is an alcohol industry watchdog based in San Rafael, CA.
www.marininstitute.org.
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