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### **Major Companies Help Fund the Spread of Unwanted Adware, New Report Finds**

Large well-respected companies are helping to fund the virulent spread of unwanted and potentially harmful "adware" by paying for advertisements generated by those programs, according to a new report by the Center for Democracy & Technology.

In "Following the Money: How Advertising Dollars Encourage Nuisance and Harmful Adware and What Can be Done to Reverse the Trend," CDT details how -- through a complicated network of intermediaries -- major advertisers pay to have their products and services advertised through pop-ups and other ads generated by unwanted advertising software or "adware." The report dissects the financial relationships behind those arrangements and identifies several mainstream companies that advertise through one particularly unscrupulous adware distributor. An electronic copy of the report is available online at <http://www.cdt.org/privacy/20060320adware.pdf>.

"Knowingly or not, these companies are fueling the spread of unwanted programs that clog people's computers, threaten privacy and tarnish the Internet experience for millions," CDT Deputy Director Ari Schwartz said. "Because the adware financing model is willfully convoluted, many companies may not know where their advertising dollars are ending up. We're urging those advertisers to be more vigilant to ensure that they aren't unwittingly bankrolling one of the Internet's fastest-growing problems."

The report urges all companies that advertise online to adopt and enforce meaningful ad placement policies. Several organizations, including the Interactive Travel Services Association, Major League Baseball, Dell and Verizon, have established policies that prohibit or discourage the use of nuisance or harmful adware in serving ads, the report found. Those policies can serve as a template for other advertisers. By adopting such policies and making sure that all of their affiliates abide by them, advertisers can begin to dry up a major source of funding for unwanted adware.

Earlier this year, CDT filed a complaint with the Federal Trade Commission alleging that 180solutions, one of the world's largest adware distributors, had engaged in a pattern of unfair and deceptive trade practices. The complaint detailed how 180solutions and its affiliates had duped countless Internet users into downloading the company's advertising

software. In "Following the Money," CDT sought to identify companies that were advertising through 180solutions, and to inquire about their ad placement policies. Two companies responded to CDT's requests by establishing ad placement policies, and five more said they already had policies in place.

Eleven others -- Altrec, Club Med Americas, GreetingCards.com, LetsTalk.com, NetZero, PeoplePC, PerfectMatch, ProFlowers, True.com, uBid and Waterfront Media -- did not respond to CDT's request for information about their ad placement policies.

CDT is committed to increasing its scrutiny of companies that support nuisance or harmful adware with their advertising dollars. FTC Commissioner John Leibowitz recently signaled that he would urge the commission would take a closer look at the adware market and name companies that did business with unscrupulous distributors.

"The time is now for companies to take a more active role in policing their own online advertising activity," Schwartz said. "Although unscrupulous adware companies bear the greatest blame for the spread of the unwanted programs, those programs wouldn't exist without advertising dollars to fund them. We need to cut that revenue stream off at the source."