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NAI Annual Compliance Report Highlights Members’ Strong Commitment to Responsible Data Collection, Use and Consumer Privacy

WASHINGTON, DC – April 11, 2016 – The Network Advertising Initiative (NAI) today released its 2015 Annual Compliance Report, a review of members’ adherence to the NAI Code of Conduct. The report, coordinated and authored by NAI Counsel & Director of Compliance Anthony Matyjaszewski, is based on findings from the NAI staff’s comprehensive monitoring processes during the 2015 compliance period. This year’s report shows that NAI members – third-party digital advertising companies -- met their obligations under the provisions of the Code and demonstrated their commitment to consumer privacy and industry best practices.

NAI is the leading non-profit self-regulatory association comprised exclusively of third-party digital advertising companies and dedicated to responsible data collection and its use.

“NAI is set apart in the industry by its high standards for Internet-Based Advertising (IBA) and related business models, and our robust monitoring program that ensures compliance with these standards,” said Noga Rosenthal, NAI General Counsel and Vice President of Compliance and Policy. “Our compliance staff worked with members to ensure that they complied with the Code, and the 2015 Compliance Report shows that member companies continue to take their obligations under the Code seriously.”

“The compliance process is a priority for us because we know that even the highest standards for self-regulation are meaningless without an insistence on accountability,” said Rosenthal. “We found that all 84 evaluated member companies were materially in compliance with the Code, and that members took proactive steps to ensure that they remained in compliance with the Code throughout the year.”

As detailed in the report, partly as a result of the enhanced monitoring capabilities, such as a technical monitoring tool that NAI began using in 2014, NAI staff did find a number of nonmaterial issues throughout the compliance period. NAI staff worked with members in these cases to rectify any issues promptly, before they could turn into larger problems affecting greater numbers of consumers. For example, NAI staff discovered that several members’ email links for consumer questions did not appear to function as intended. NAI staff notified members of this problem and each company fixed the issue quickly. In another instance, NAI’s technical monitoring tool identified some opt-out issues on member company websites. After being notified by NAI staff, these companies worked to repair the issues right away.
This year’s Compliance Report is reflective of a number of advancements in the NAI Code and enhancements in the process used to evaluate compliance. The NAI Code imposes notice, choice, transparency, use limitations, data security, access, and accountability requirements with respect to IBA activities. In 2015, the NAI published updates to both the Code and the App Code and released two new pieces of additional guidance for members. These materials clarified interpretations and gave direction. At the same time, the NAI further developed its in-house technical monitoring tool, scanning through hundreds of webpages to monitor privacy disclosures and check for changes.

Beyond technical monitoring, the NAI staff also conducts personalized reviews of each member, examining thousands of pages of privacy policies, internal policies, website content, and other documents as well as conducting one-on-one meetings with members.

“Constant communication with members help to proactively mitigate compliance problems, it also results in an even more knowledgeable and strong NAI compliance team,” said Rosenthal. “It is the NAI staff’s technical understanding of the industry that gives us the ability to provide members with meaningful guidance.”

“NAI retains the option to sanction members if Code violations are found to be material; however, we have found that maintaining dialogue and communication with member companies on an ongoing basis helps resolve issues quickly to the benefit of the consumer and increases the overall health of the ecosystem,” continued Rosenthal.

“Consumers, regulators and others can see for themselves how the NAI compliance program and self-regulatory process works through the publication of this Compliance Report,” said Doug Miller, Global Privacy Leader, AOL Inc., and Chairman of the NAI Board of Directors. “We are in an industry where innovation comes at an exceptionally rapid pace. The report shows that NAI’s self-regulation program is the best strategy for responding to challenges related to constantly changing technologies, business practices and consumer expectations.”

The NAI leverages the findings of the Annual Compliance Report to further strengthen its self-regulatory program. The NAI plans to further improve its consumer education materials, including more information on new technologies and data collection across mobile applications. 2016 will mark the first year that all evaluated member companies engaged in cross-app data collection and use for advertising purposes will be required to undergo a full compliance review of such activities. The results of that review will be made available in the 2016 Annual Compliance Report. The NAI will also continue to work with its members and with industry stakeholders as it further explores a role for potential guidance regarding Cross-Device applications in online advertising.

“I congratulate the NAI staff for this comprehensive report,” said NAI’s President and CEO Leigh Freund. “I am extremely proud of our staff, whose incredible knowledge base will be even more critical in 2016 as members begin to look into new technologies that are increasingly
intricate and varied. NAI is a model for effective self-regulation because our standards are measurable, disciplined, rigorous, and backed by a serious commitment to enforcement and accountability. As a result, the NAI self-regulatory program fosters innovation and encourages creative problem-solving. I look forward to continuing to work with NAI members to ensure that our self-regulatory program remains strong.”

To download the 2015 Annual Compliance Report, visit:
www.networkadvertising.org/2015NAICompliance.pdf

About the NAI
Founded in 2000, the not-for-profit Network Advertising Initiative (NAI) is the leading non-profit self-regulatory association comprised exclusively of third-party digital advertising companies and dedicated to responsible data collection and its use. Almost every Internet ad served in the United States involves the technology of one or more of the NAI’s approximately 100 member companies, who provide the infrastructure for the Interest-Based Advertising that enables a thriving and diverse market of ad-supported free content and services. The NAI’s role is to help promote consumer privacy and trust in this market by creating and enforcing high standards for responsible data collection and use practices online and in mobile environments among its members. Additional information can be found at www.networkadvertising.org.