

Ethical Standards Advisory ESA-21 (April 2018)

DISCLOSURE

All PRSA members pledge adherence to the Society's [Member Code of Ethics](http://www.prsa.org/). As issues arise relating to the practice of public relations, the PRSA Board of Ethics and Professional Standards (BEPS) is charged with providing guidance on such issues within the framework of the Code provisions. The PRSA Board of Directors then announces these guidelines through this series of professional standards advisories. These guidelines are for informational purposes only and not for the purpose of providing legal advice. Please consult an attorney to obtain legal advice regarding your specific situation. The [PRSA Member Code of Ethics](http://www.prsa.org/) can be found [online](http://www.prsa.org/) at <http://www.prsa.org/>.

Introduction for ESA on Disclosure

If the entire weight of the PRSA Code of Ethics could be loaded into a single word, that word would be Disclosure. In and of itself, disclosure is a powerful act. But the act of disclosure is perishable. Disclosure following delay, denial, unexplained silence or when lies are exposed has diminishing value, especially to those who feel harmed, ignored or betrayed by a delayed explanation. Disclosures delayed are major causes of reputational damage.

The most valuable disclosure is when the act rises to the level of candor, which one of the principal authors of this document defines as “truth with an attitude, delivered right now.” Disclosure at the velocity of candor is a critical building block of trust. That’s because trust really depends on the affected parties getting crucial information in advance of their need to have and use that information. Disclosure that is delayed, denied or used in a way that compromises its effect (i.e., the crucial release of adverse information at midnight on Fridays, or using an obscure blog for the same objective) is a trust buster, every time.

Trusted advisors to those who make important operating decisions often find discussions about the timing of crucial disclosures, or even allowing disclosure to occur at all, among the most stressful they experience in their professional lives. The goal of this ESA to clarify, amplify and help justify the significance of disclosure to preserving, protecting, defending and enhancing reputation.

We begin with a powerful definition of Disclosure.



DEFINITIONS:

Disclosure: is the intentional release of information to facilitate transparency, openness, access, and accountability.

Nondisclosure: is any situation where disclosure is legally precluded. Some non-disclosures are ethical.

There are two kinds of credible nondisclosure:

1. **Process Nondisclosure:** These are situations where credible conditions can excuse disclosure. These include: issues of materiality of information about publicly held companies; acceptable institutional secrecy – i.e. proprietary information, grand jury proceedings, police reports in court ordered nondisclosure; privileged communications; various classifications of secret government information; and data declared private.
2. **Intuitive Nondisclosure:** These forms of voluntary and discretionary nondisclosure can carry great risk because there are no independent, recognized or authoritative regulatory statutes or rule based foundations on which a nondisclosure decision can be justified or conclusively supported. Examples include: how much information to release about accidents, misjudgments, errors of omission or commission, intentional mistakes, human error, subjective causal factors, blame, lack of facts and data.

Intuitive nondisclosure can result in loss of credibility, trust erosion, and suspicion.

EXPLANATION, PREMISE AND RATIONALE FOR THIS ESA:

Disclosure is often at the heart of many ethical questions. Failure to disclose is, in most cases, questionable, improper and often unethical. Transparency reduces contention and leverages even more disclosure. Many other PRSA Ethics Standards Advisories address disclosure, and are linked below.

RELEVANT SECTIONS OF THE PRSA CODE (Areas of the code applicable to the subject of disclosure):

Code Provisions

Free Flow of Information

“The free flow of accurate information is essential in to serving the public interest”

Disclosure of Information

“Open communication fosters informed decision making in a democratic society.”



Enhancing the Profession

"Disclosure builds trust and trust enhances our profession."

Professional Values

- **Advocacy**: We share the public interest by acting as responsible advocates for those we represent.
- **Honesty**: We encourage the highest standards of accuracy and truth in advancing the interests of those we represent and with communicating with the public.
- **Expertise**: We acquire and responsibly use specialized knowledge and experience. We build mutual understanding, credibility and relationships among a wide array of institutions and audiences.
- **Loyalty**: We are faithful to those we represent while honoring our obligation to serve the public interest.
- **Fairness**: We deal fairly with clients, employers, competitors, peers, vendors, media and the general public. We respect all opinions and support the right of free expression.

<http://www.prsa.org/AboutPRSA/Ethics/CodeEnglish/#.U5mpQPmwJQE>

BACKGROUND FROM PREVIOUS ESAs:

From ESA-1 (May 2004, Rev. Nov. 2012)

ISSUE: Disclosure of employment status of public relations agency staff or independent public relations consultants who work on-site at a client's offices.

RECOMMENDED BEST PRACTICE: When speaking to the public and/or the media on behalf of a client, agency personnel or independent consultants should uniformly and clearly identify themselves as outside spokespersons retained by the company.

<http://www.prsa.org/AboutPRSA/Ethics/ProfessionalStandardsAdvisories/Documents/PSA-01.pdf>

From ESA-6 (April 2005)

ISSUE: The failure of commentators and professional spokespersons to disclose that they have been paid to promote a cause or point of view, or that they have a financial interest in the products or organizations on which they purport to provide expert opinion, commentary, or information.

RECOMMENDED BEST PRACTICES:

- Commercial relationships should be disclosed in advance or simultaneously in the same public forum to ensure that those affected or influenced can make informed and knowledgeable decisions.
- Every participant in the chain of the financial relationship, especially PRSA members, should disclose the relationship. Failure to disclose is improper conduct under the Code.
- The Code requires honesty and accuracy in all communications. It also requires members to reveal the sponsors for causes and interests they represent and any financial interest they or their clients may have in the outcome of events or individual decisions.

<http://www.prsa.org/AboutPRSA/Ethics/ProfessionalStandardsAdvisories/Documents/PSA-06.pdf>

From ESA-7 (2004; Revised October 2008)

ISSUE: Front groups who fail to disclose their sponsors. This issue also includes deceptive or misleading descriptions of goals, causes, tactics, sponsors or participants.

(Note: The term “astroturfing” is often associated with unethical front group activities. Because Astroturf is a registered trademark, it is recommended that the term “Front Group” be used.)

EXAMPLES OF IMPROPER PRACTICES

The following are hypothetical examples of front groups:

- Citizens for Tougher Tobacco Laws (committed to passing legislation in every state that pre-empts all local smoking legislation resulting in lighter state standards)
- Citizens for Justice in the Workplace (advocacy group committed to a raise in the minimum wage)
- National Association for Good, Honest, Liberal Politicians (committed to the defeat of conservative elected officials)
- Coalition for Better Food (sponsored by farm interests dedicated to softening legislation on feed lot pollution)
- National Association for School Safety (gun control advocacy group)
- Automotive Safety Advocates (coalition of auto parts manufacturers lobbying to lessen regulation on auto repairs at the state level nationwide)
- Sustainable Earth (coalition of business organizations and interests committed to fighting tougher environmental legislation)



RECOMMENDED BEST PRACTICE:

Assisting front groups and individuals that represent undisclosed sponsorships and/or deceptive or misleading descriptions of goals, causes, tactics, sponsors or participants (even if such activities are lawful) constitutes improper conduct and malpractice under the PRSA Member Code of Ethics.

Members should encourage full and clear disclosure of special interest group sponsorship and work to further that organization's interest in an open and honest manner.

<http://www.prsa.org/AboutPRSA/Ethics/ProfessionalStandardsAdvisories/Documents/PSA-07.pdf>

From ESA-8 (October 2008)

ISSUE: Misrepresentation by organizations and individuals using blogs, viral marketing, and anonymous Internet postings with undisclosed sponsorships and/or deceptive or misleading identities or descriptions of goals, causes, tactics, sponsors or participants.

(Note: The term "flog" has been coined to describe a "fake blog," where an organization or its representative creates a blog that appears to be authored by a private citizen expressing personal opinion or experiences, when, in fact, it is being maintained for hire with an undisclosed agenda.)

EXAMPLES OF IMPROPER PRACTICES:

- The CEO of a company poses as a stock analyst and makes glowing remarks about her company's performance on a popular financial blog and recommends the stock.
- An agency creates a fake identity and uses the identity to post favorable comments about a client's social responsibility activities on a number of blogs and social networking sites.
- A member of a political candidate's staff disguises his identity and posts negative comments about the opposing candidate on a number of political blog sites.
- A public relations executive at a corporation wants to obtain the phone and text records for a public relations assistant who she suspects of leaking information to the media, so she pretends to be that person wanting to check her bill and requests a summary of her calls from her cellphone provider.



- An agency representative impersonates a client's online critic and posts favorable comments on a blog.
- A political campaign staffer sets up some Web pages on a popular social networking site that look like they were created by the opponent, and the pages misrepresent the opponent's position on a number of issues and make inflammatory statements about other candidates.
- A competitor's staff intentionally enters incorrect or misleading information about their own products or their competitor's product on a popular online encyclopedia.
- A public relations firm is hired to post favorable comments on Wikipedia about a number of clients. She poses as a neutral, third-party to post the comments.
- A public relations practitioner, to curry favor with a reporter, allows access to a client's private text conversations, email and pre-release web/blog comments.

<http://www.prsa.org/AboutPRSA/Ethics/ProfessionalStandardsAdvisories/Documents/PSA-08.pdf>

From ESA-10 (July 2009)

ISSUE: Inflated résumés credentials, documentation and capabilities are a growing problem in American industry and commerce these days. Within the public relations profession this is called "Phantom Experience."

EXAMPLES OF IMPROPER PRACTICES:

- A member includes in his/her portfolio a project, which gives the impression that the individual had led or had a major role in the project. In reality, the member had only a minor role in the project. (Deception)
- A member discovers inaccurate information disseminated via the Web or through news releases but fails to intentionally correct or notify the proper authorities. (Omission)
- A member claims to have many years of work experience, special knowledge, or expertise, but has fabricated the specifics of the work experience. (Commission)
- A member knowingly disseminates or fails to correct misleading and false information or rumors about a competitor to influence the competitor's customers. (Negligence)



RECOMMENDED BEST PRACTICES:

Obligation and Commitment to Truthful Disclosure

PRSA members pledge to adhere to a rigorous code of conduct and the highest standards of professional integrity and responsibility. PRSA members should avoid Phantom Experience altogether. Members and the companies that they represent—including public relations agencies, independent public relations consultants, public relations departments, and anywhere in which the practice of public relations is taking place—should adhere to the strict principle of truthful disclosure of knowledge, skills, and experience. To claim knowledge, skill, or experience, even if closely related to a specific area of expertise, is unethical if that experience, knowledge, or skill only resembles what is required or what is being implied.

[HTTP://WWW.PRSA.ORG/ABOUTPRSA/ETHICS/PROFESSIONALSTANDARDSADVISORIES/DOCUMENTS/PSA-10.PDF](http://www.prsa.org/AboutPRSA/Ethics/ProfessionalStandardsAdvisories/Documents/PSA-10.pdf)

MODELS TO FOLLOW:

Government Regulatory Agencies

The Federal Trade Commission (FTC) offers a wealth of background and information related to disclosure and the law.

Rather than specifically address public relations tactics, the FTC devotes a section to advertising and marketing, emphasizing that claims must be truthful, must avoid deception and be fair, and must be evidence-based. There are additional rules for some products and services: <http://business.ftc.gov/advertising-and-marketing/advertising-and-marketing-basics>

The (FTC) also releases advisories to help clarify its rules and rulings. These opinions are available at: <http://www.ftc.gov/policy/advisory-opinions>

The Securities and Exchange Commission (SEC) also provides important information related to disclosure. Though SEC relate to the capital markets in the United States, the regulatory agency's mission is to ensure disclosure of basic facts and information to investors and potential investors. The SEC describes its required information flow as resulting in an "active, efficient and transparent capital market."

<http://www.sec.gov/about/whatwedo.shtml#U3-QI5OXVI>

DISCLOSURE GUIDANCE FROM OTHER PROFESSIONAL ORGANIZATIONS

The **Society of Professional Journalists** offers principals and standards of practice related to disclosure: <http://www.spj.org/ethicscode.asp>.



The **Word of Mouth Marketing Association (WOMMA)** also offers a Code of Ethics:
<http://www.womma.org/ethics/womma-code-of-ethics>.

The **American Bar Association (ABA)** utilizes a Code of Professional Responsibility:
<http://www.americanbar.org/content/dam/aba/migrated/cpr/mrpc/mcpr.authcheckdam.pdf>.

The **ABA** Canons of Professional Ethics:
http://www.americanbar.org/content/dam/aba/migrated/cpr/mrpc/Canons_Ethics.authcheckdam.pdf.

CONCLUSIONS

Disclosure is difficult, but it builds trust. Avoiding disclosure ultimately destroys trust and replaces it with fear of the unknown. From a public relations perspective, disclosure and openness are powerful tools for building relationships and encouraging progress. Whenever there is doubt, choose disclosure. Disclosure is quite simply one of the most powerful tools to enhance and ensure the well-being of everyone.

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