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ATTORNEY GENERAL RAOUL ANNOUNCES \$9.4 MILLION SETTLEMENT WITH GOOGLE AND IHEARTMEDIA OVER MISLEADING ADS FOR PIXEL 4 PHONE

States and FTC Allege Deceptive Ad Campaign Aired Fake Endorsements by Radio Personalities

Chicago — Attorney Kwame Raoul announced today that his office, along with five other states and the Federal Trade Commission, have reached settlements with Google, LLC and iHeartMedia Inc. that resolve the coalition's investigations into alleged deceptive ad campaigns that ran false endorsements of the Google Pixel 4 smartphone. The settlements secure more than \$9.4 million, of which Illinois will receive more than \$1.5 million.

According to a complaint filed with the consent judgments, which remain subject to court approval, in 2019, Google contracted iHeartMedia radio personalities to record advertisements endorsing Google's Pixel 4 smartphone. In these ads, which ran on certain iHeart radio stations and internet streaming services, the radio personalities falsely claimed they used the smartphones and found that they performed favorably. However, the radio personalities never owned or operated a Pixel 4 smartphone prior to making their endorsements.

"Google and iHeartMedia misled customers with fabricated advertisements," Raoul said. "I am committed to seeking enforcement against businesses and others who violate the law to take advantage of Illinois consumers."

Google allegedly hired iHeartMedia to have its radio personalities describe their supposed personal experiences using the Pixel 4, despite the phone not yet being available for sale. Google also refused to provide the phones to the radio personalities in advance of initially recording and airing the ads in 10 markets – Atlanta, Boston, Chicago, Dallas/Ft. Worth, Denver/Boulder, Houston, Los Angeles, New York, Phoenix and San Francisco/Bay Area. These false ads aired thousands of times, including many that aired on iHeartMedia radio stations in the Chicago media market.

"Paying influencers to promote products they never used shows a blatant disrespect for truth-in-advertising rules," said Bureau of Consumer Protection Director Samuel Levine. "The FTC will not stop working with our partners in the states to crack down on deceptive ads and ensure firms that break the rules pay a price."

Under the terms of the settlements, Google and iHeart will pay a total of \$9.4 million to the states, including more than \$1.5 million to Illinois, comply with the FTC's Guides Concerning the Use of Endorsements and Testimonials in Advertising, and not make misrepresentations about an endorser's experience. The settlements also require the companies to provide related compliance reports to the states – Google will be required to report for three years, and iHeartMedia will be required to report for 10 years.

Joining Raoul in today's settlements are Arizona, California, Georgia, Massachusetts and New York. Texas also joined the group in the settlement with iHeartMedia.