

Transparency and the Disclosure of Information

Lesson Two

1. Overview

The second lesson continues the examination of transparency by looking at corporate social responsibility (CSR) and regulatory obligations. An example of when CSR activities can lead to crisis and the role of transparency is provided. Transparency guidelines from the Page Principles and the Public Relations Society of America are discussed. The lesson concludes with how transparency is regulated by the government. Various regulatory agencies that affect public relations practice are highlighted.

Two activities are included in this lesson. One is a quiz show activity to review the materials in this lesson. For the other, documents are provided for a case study focused on governmental transparency in the Flint, Michigan water crisis.

2. Lesson format:

a. Lesson Two

1. Purpose

- a. To explore transparency with corporate social responsibility
- b. To explain the role of regulations in transparency
- c. To discuss how transparency, regulations, and ethics interact
- d. To examine practitioners' responsibilities with regulations
- e. To provide examples of communication regulations
- f. To use the Flint, Michigan water case to apply the module's learning

2. Materials

- a. PowerPoint presentation
- b. Flint, Michigan water case summary
- c. Online quiz
- d. PowerPoint slides for the quiz show activity
- e. Copies of government documents for the Flint, Michigan activity
- f. Resource list
- g. References

3. Body of Lesson

- a. The role of transparency and disclosure with corporate social responsibility activities
 - i. Criticism of CSR
 - ii. Relationship building with CSR
 - iii. Coca-Cola example

- iv. Page Principles
- v. Business and non-profits must be transparent and have appropriate disclosure about CSR activities
- b. Transparency and Disclosure Guidelines
 - i. Page Principles
 - 1. Advise practitioners to tell the truth
 - 2. Listen to stakeholder to learn what information is needed
 - 3. Always manage for tomorrow
 - ii. Public Relations Society of America
 - 1. Reveal any conflicts of interests
 - a. Normally occur
 - b. Disclosure builds trust
 - c. Reveal things potentially biasing the practitioner's judgment
 - 2. Disclose financial interests
 - a. Pay-for-play
 - b. Sponsoring coverage in media
 - a. Advertorials
 - b. Native Content
 - c. Sponsored Content
 - 3. Avoid deceptive practices
 - a. Avoiding and correcting false facts
 - b. Astroturfing
 - c. Paying for volunteers
 - a. Expert opinion
 - b. Posting comments
 - c. Audience members
- c. Regulatory agencies and communication
 - i. Examples of agencies and regulations
 - 1. Securities and Exchange Commission
 - a. Disclosure of financial information
 - b. Regulation Fair Disclosure rule
 - c. Examples
 - 2. Federal Trade Commission
 - a. Regulation of the types of information that can be used about products and services.
 - b. Sponsored content in media
 - c. Examples
 - 3. Industry specific examples

- a. Health
 - a. Food and Drug Administration
 - b. Health claims
- b. Higher education
 - a. Family Education Right and Privacy Act
 - b. Title IX

3. Learning objectives

- a. Lesson Two
 - 1. After completing the lesson, students will be able to describe the role of transparency in CSR activities.
 - 2. After completing the lesson, students will be able to explain regulatory obligations as related to transparency.
 - 3. After completing the lesson, students will be able to name three agencies that regulate communication.
 - 4. After completing the lesson, students will be able to name three regulations that interact with transparency.
 - 5. After completing the lesson, students will be able to apply the regulatory obligations to a case study.

4. Key Concepts

- a. The role of transparency and disclosure in CSR activities
- b. Guidelines for transparency and disclosure
- c. Regulators and regulations about transparency and disclosure

5. Activities

- a. Who Wants to be an Agency Millionaire?
 - 1. Students will be asked questions about this lesson. This activity will be in the form of a short, fun quiz-show and used to review lesson two on transparency.
 - 2. The quiz can be used with Turning Technologies clickers for more interactivity.
 - 3. This activity is available as a PowerPoint file on the website.
- b. The Flint, Michigan water case
 - 1. Student will examine the original documents from the case and determine what agencies might have regulation of these types of communications.
 - 2. These documents are PDF files available on the website.
 - 3. Students can explore when and how these documents were made public.
 - 4. Student can discuss the impact of regulation and transparency in the case.

5. Students can offer analysis and recommendations for how the case should have been handled.

6. Suggested Readings

a. Transparency and CSR

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b. Professional Guidelines

1. The Arthur W. Page Center for Integrity in Public Communication (2016). The Page Principles. Retrieved Dec. 7, 2016, from <http://comm.psu.edu/page-center/about/arthur-w-page/the-page-principles>
2. Public Relations Society of America (2015). PRSA Member Code of Ethics. Retrieved from <http://www.prsa.org/AboutPRSA/Ethics/CodeEnglish#.VYQxp-vsFHM>
3. Public Relations Society of America. (2005). Professional Standards Advisory PS-6: Disclosure By Expert Commentators And Professional Spokespersons of Payments or Financial Interests. Retrieved from <http://www.prsa.org/AboutPRSA/Ethics/EthicalStandardsAdvisories/Documents/PSA-6.pdf>
4. Public Relations Society of America. (2008). Professional Standards Advisory PS-9: Pay for Play. Retrieved from <http://www.prsa.org/AboutPRSA/Ethics/EthicalStandardsAdvisories/Documents/PSA-09.pdf>
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c. Transparency, Disclosure, and Regulations

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2. Myers, C. (2014). #Disclosure: New FTC Social Media Guidelines for PR. The Institute for Public Relations. Retrieved from <http://www.instituteforpr.org/disclosure-new-ftc-social-media-guidelines-pr-practice/>
3. Harres, V. (2012) To Disclose or not disclose: FTC disclosure guidelines for bloggers. *Beyond PR*. Retrieved from <http://www.prnewswire.com/blog/to-disclose-or-not-disclose-ftc-disclosure-guidelines-for-bloggers-4916.html>
4. Front groups. (2016). *Ethics in Public Relations*. Retrieved from <https://ethicsinpr.wikispaces.com/Front+groups>
5. Myers, C. (2015). Crowdfunding and Public Relations: How Federal Agencies Regulate Online Campaigns. Institute for Public Relations. Retrieved from <http://www.instituteforpr.org/crowdfunding-public-relations-federal-agencies-regulate-online-campaigns/>
6. Public Relations and Corporate Disclosures (1975). Securities and Exchange Commission. Retrieved from <https://www.sec.gov/news/speech/1975/092575garrett.pdf>
 - i. This one is from 1975, but can be used to show how things have changed.

7. References

- a. The Arthur W. Page Center for Integrity in Public Communication (2016). The Page Principles. Retrieved Dec. 7, 2016, from <http://comm.psu.edu/page-center/about/arthur-w-page/the-page-principles>
- b. Balkin, Jack M., "How Mass Media Simulate Political Transparency" (1999). Faculty Scholarship Series. Paper 259. Retrieved from: http://digitalcommons.law.yale.edu/fss_papers/259
- c. Cadbury, A. (2006). Corporate social responsibility. *Twenty-First Century Society*, 1(1), 5-21.
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