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# FCC Enforcement Monitor July 2025

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## HEADLINES

*Pillsbury's communications lawyers have published the FCC Enforcement Monitor monthly since 1999 to inform our clients of notable FCC enforcement actions against FCC license holders and others. This month's issue includes:*

- *TV Group Owner Enters $222,500 Consent Decree Over Pornographic Broadcast Hack*
- *Kentucky Radio Station License Revoked Over Unpaid Regulatory Fees*
- *FCC Threatens Chinese Telecom Provider With Fines for Failure to Fully Respond to FCC Inquiries*

### Pornography on Background Monitor During Newscast Leads to Costly Consent Decree

A group owner of TV stations entered into a Consent Decree with the FCC's Enforcement Bureau to resolve an investigation into the broadcast of indecent material during a 6 p.m. newscast.

Section 73.3999 of the FCC's Rules prohibits the broadcast of obscene material at any time and prohibits the broadcast of indecent material between 6:00 a.m. and 10:00 p.m., primarily to protect children from being exposed to inappropriate content.

After receiving a complaint about pornographic material appearing during a weather report in October 2021, the FCC sent a Letter of Inquiry (LOI) to the station's licensee in November 2021. The licensee's parent company responded to the LOI and confirmed that the material aired for approximately 13 seconds on a monitor which was visible behind the weatherperson during the weather segment. The broadcaster explained that the accidental airing of the material, which was aired without the station's prior knowledge or involvement, was caused by an unauthorized third party who exploited a wireless screencasting feature of the on-set monitor to display the content. The legacy wireless network had been installed prior to the licensee's acquisition of the station and, as was discovered after the incident, it lacked password protection.

Upon spotting the material displayed on the monitor, the station promptly switched to a full-screen weather graphic to end the broadcast of the material, issued an on-air apology, and conducted an internal investigation which included working with local law enforcement to identify the party responsible for transmitting the material to the monitor. The broadcaster reported that the content did not pass through the station's normal production systems and attributed the breach to unauthorized access via the unsecured legacy wireless network. Upon discovering that the monitor had a screencasting capability that had been exploited, the broadcaster subsequently disabled screencasting capabilities for all monitors located at its stations, deactivated the vulnerable network, and took the added step of removing all wireless components from its existing monitors and any newly acquired monitors at all of its stations.

Despite the police's inability to determine who was responsible for exploiting the previously unknown wireless capability of the monitor, and the extraordinary steps taken by the broadcaster to prevent a recurrence not just at this station, but at all of its stations, the FCC pursued an investigation of the broadcaster.

To resolve the investigation, the broadcaster entered into a Consent Decree with the Enforcement Bureau. Under the terms of the Consent Decree, the broadcaster agreed to make a "voluntary contribution" of $222,500 to the United States Treasury, implement a multi-year Compliance Plan (including appointing a Compliance Officer, creating a Compliance Manual, conducting employee training and establishing operating procedures to prevent such an occurrence in the future, and committing to promptly notify the FCC of any future violations of either the indecency rules or of the Consent Decree), and submit regular compliance reports to the FCC over a three-year period.

### FCC Revokes Kentucky Radio Station's License After Years of Unpaid Regulatory Fees

The FCC revoked the license of a Kentucky AM radio station for failing to pay regulatory fees for six fiscal years, going back to 2013.

Under Section 9 of the Communications Act and Section 1.1151 of the FCC's Rules, the Commission has the authority to assess annual fees to cover its operational costs. Late payment of these fees incurs a 25% penalty plus interest.

According to the Commission, the licensee failed to pay the required regulatory fees for fiscal years 2013, 2014, 2015, 2016, 2022, and 2023. Section 9a(c)(4)(A) of the Communications Act and Section 1.1164(f) of the FCC's Rules grant the Commission authority to revoke authorizations when regulatory fees and associated penalties remain unpaid.

In April 2025, the FCC's Media Bureau issued an Order to Pay or to Show Cause giving the licensee 60 days to either pay the delinquent fees or demonstrate why the fees were not owed or should be waived or deferred. The licensee failed to respond to the Order and did not pay its outstanding regulatory fees.

Finding that the licensee had failed to dispute the debt or to pay it, the FCC revoked the station's license and directed the licensee to cease all operations immediately. It also dismissed the station's pending license renewal application and deleted the station's call sign from the FCC's database. Adding insult to injury, the FCC emphasized in the Revocation Order that revocation does not relieve the licensee of its obligation to pay the still delinquent debt, and that the debt will continue to accrue interest and penalties until it is paid in full.

### FCC Threatens Chinese Telecom Provider With Fines for Failing to Fully Respond to National Security Inquiry

The FCC's Enforcement Bureau issued a Citation and Order (Citation) to a telecommunications provider for failing to fully respond to an LOI and subsequent Supplemental LOI.

Pursuant to Section 503(b)(5) of the Communications Act, the FCC cannot impose a fine against most non-regulatees who violate the Communications Act or the FCC's rules unless the FCC has previously issued a citation to the violator, provided the violator with a reasonable opportunity to respond, and the violator continues to violate the rules described in the citation.

In this case, the Citation directs the telecom company to provide complete verified responses to the questions provided within 30 days and puts the company on notice that if it is later found to remain in violation of the rules outlined in the Citation, the FCC may consider both the conduct that led to the Citation and the conduct following the Citation in assessing a fine.

Although the provider is incorporated in Delaware, its ultimate parent company is a Hong Kong entity with ownership interests linking it to the State Council of the People's Republic of China. The Enforcement Bureau initially launched its investigation into the provider's operations in the U.S. following the FCC's 2019 denial of the provider's application for international Section 214 authority based on serious national security and law enforcement concerns attributable to potential influence over the company by the Chinese government. The provider's telecom services were subsequently added to the FCC's Covered List of communications equipment and services deemed to pose an unacceptable risk to U.S. national security.

Despite these steps by the Commission, it believed the provider may have continued operating in the U.S., prompting the Enforcement Bureau to issue an LOI in November 2022 and a Supplemental LOI in February 2025. Although the provider submitted partial responses, the FCC found that it failed to address numerous inquiries fully, provided outdated or incomplete documentation, and did not submit a sworn declaration attesting to the accuracy of its statements.

In April 2025, the Enforcement Bureau issued a demand letter instructing the provider to cure these deficiencies. The provider's May 2025 response failed to provide the requested information, raised objections to certain inquiries, and referred the FCC to its prior LOI responses. The Bureau determined that this constituted a failure to comply with Commission orders and could obstruct the FCC's investigation:

> As we have warned, "[t]he Commission is not required to bargain for the information needed. LOI recipients must provide timely and complete responses to LOIs even when producing the requested information 'would be a time-consuming and burdensome task.'" Nor do we need to "justify the scope of an investigation to the satisfaction of the subject of that investigation." All recipients of an LOI must respond to the Commission order as long as such order remains in effect.

The Citation puts the provider on notice that if it violates the rules described in the LOI in the future, it may face fines of up to $25,132 per day for each day of a continuing violation and up to $188,491 for any single act or failure to act. The provider has 30 days to respond to the FCC's demand for information, including producing updated documentation and complete narrative answers. The response must be supported by a sworn declaration from an officer with personal knowledge of the facts, and the Citation reminds the telecom provider "that it is a violation of section 1.17 of the Commission's rules for any person to make any false or misleading written or oral statement of fact to the Commission," and that "the knowing and willful making of any false statement, or the concealment of any material fact, in reply to this Citation is punishable by fine or imprisonment."