Insight

The FTC's DEI for Conservatives

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Executive Summary

- On June 23, 2025, the Federal Trade Commission (FTC) entered into a consent agreement to resolve competitive concerns related to Omnicom Group Inc.'s $13.5 billion acquisition of The Interpublic Group of Companies, Inc. that barred the merged advertising agencies from agreeing with any third party to steer spending away from media platforms based on political content or ideology.
- The FTC's merger investigation followed a House of Representatives committee investigation and a lawsuit by Elon Musk's X, which alleged major advertisers colluded to divert spending away from media platforms with conservative views.
- The agreement is an early confirmation that the Trump Administration's antitrust agenda will incorporate targeted enforcement to resolve the perceived political bias against conservatives.

Introduction

On June 23, 2025, the Federal Trade Commission (FTC) entered into a consent agreement to resolve competitive concerns related to global advertising agency Omnicom Group Inc.'s $13.5 billion acquisition of The Interpublic Group of Companies, Inc. (IPG), paving the way for the merger to close. The consent order prohibits the merged firms from entering into agreements with third parties that may result in practices that would steer advertising away from publishers based on "political or ideological viewpoints."

The FTC's merger review followed a House of Representatives investigation into a World Federation of Advertisers (WFA) initiative called the Global Alliance for Responsible Media (GARM) in which the House alleged major advertisers colluded to divert spending away from media platforms with conservative views. Elon Musk's X Corp. sued WFA and several

co-defendants for conspiring to restrain trade against the company in violation of Section 1 of the Sherman Act.

The consent agreement between the FTC and the merging firms is an early confirmation that the Trump Administration's antitrust agenda will incorporate targeted enforcement to resolve perceived political bias against conservatives.

Background: WFA and GARM

The WFA is a global network for senior marketers whose members represent roughly 90 percent of global advertising spending, or $900 billion annually. In 2019, the WFA launched the GARM initiative to bring together groups of advertising agencies to discuss brand safety decisions and standardize definitions of harmful content found online to "safeguard the potential of digital media by reducing the availability and monetization" of such content. GARM claimed that it had "enhanced transparency in ad placements on digital social media by providing voluntary and pro-competitive tools" to help advertisers "avoid inadvertently supporting harmful and illegal content" that could tarnish a brand's reputation.

A 2024 interim staff report from the House Judiciary Committee, chaired by Jim Jordan (R-OH), detailed how the GARM initiatives allegedly led to advertising agencies and industry associations "participat[ing] in boycotts and coordinated action to demonetize platforms, podcasts, news outlets, and other content that GARM [Global Alliance for Responsible Media] and its members deem disfavored." The report alleged that the leader of the GARM initiative, GARM co-founder Rob Rakowitz, "explained that 'uncommon collaboration needs to be understood as the industry coming together and putting aside competitive concerns[.]'"

According to the report, GARM proposed an initiative to "control advertising on news outlets" by creating a system "in which only 'legitimate news' received funding, and all advertising revenue was steered away from so-called 'disinformation sites.'" The report claimed that the boycott targeted conservative media organizations including the "*New York Post, Reason Magazine, RealClear Politics, The Daily Wire, TheBlaze, The American Conservative, The Federalist,* and *The American Spectator.*" Furthermore, the report detailed GARM's recommendation that members "'stop[] all paid advertisement' on Twitter in response to Mr. Musk's acquisition of the company."

Such activity, as claimed in the report, violates Section 1 of the Sherman Act, which outlaws unreasonable restraints of trade, including "certain group boycotts and coordinated actions that harm consumers."

Following the alleged boycott of X (formerly Twitter), Musk sued the WFA, which

subsequently disbanded GARM.

FTC Complaint and Consent

Omnicom's proposed acquisition of IPG would combine the third- and fourth-largest media-buying advertising agencies – which offer a wide variety of services including branding and brand protection – into the largest. In response, the FTC issued a complaint alleging that the merger would substantially lessen competition in violation of Section 7 of the Clayton Act by "meaningfully increas[ing] the risk of coordination among the remaining firms" in the media buying services industry." The FTC argued that the increased risk of coordination as a result of the merger could enable "competitors to compete less aggressively, reduce product quality, slow the rate of innovation, or, in the case of advertising, reduce ad revenues for particular media publishers." The potential for lost revenues could force the publishers to "reduce the quality and quantity of products they can feasibly offer to their own downstream consumers."

The FTC asserted that major advertisers have "discussed and ultimately declined to advertise on certain websites and applications," and that the industry's history of alleged collusion "creates the risk of future coordination." Furthermore, the FTC stated that a "merger reducing the number of rivals may tend to make successful anticompetitive coordination more likely."

The FTC explained that a single media-buying service firm unilaterally refusing to buy advertising space from a particular publisher does so with competitive risk as its rivals may continue to purchase ad space to reach new customers. Yet a coordinated refusal to deal lacks this competitive constraint. Moreover, an industry with fewer competitors increases the probability of successfully implementing a group boycott. The FTC identified the WFA's GARM initiative as an avenue through which advertisers coordinated their efforts to steer ad spending away from certain websites and applications to support its claim.

On June 23, 2025, the FTC announced it had reached a consent agreement with the merging firms to relieve the competitive concerns of the merger. The order prevents the merged firm from being involved in any agreement with a third party that directs advertising spending based on the publisher's "political or ideological viewpoints, or the political or ideological viewpoints expressed in content that the Media Publisher sells advertising to run alongside of," or to create an "exclusion list" using the same criteria. Moreover, the firm cannot refuse an advertiser's request to direct ad spending to a publisher or refuse to deal with an advertiser based on political or ideological viewpoints. Together, the post-merger conduct restrictions could preclude Omnicom's ability to fulfill its obligations to protect the brand reputation of its clients. Yet the consent does maintain the ability for the advertiser – the

client of media-buying services firms – to instruct Omnicom how to direct advertising spending. Put simply, the advertiser can explicitly steer spending away from publishers based on political or ideological viewpoints and can develop its own exclusion list.

Notably absent from the consent agreement is any discussion of or remedy to the FTC's concerns about the effects the merger would have on price, quality, output, and innovation that were included in the original complaint. It solely focused on post-merger unilateral conduct involving viewpoint discrimination and sends a signal to the rest of the industry that the Trump Administration's antitrust enforcers are willing to use the law to combat perceived bias against conservatives.

Effects on Advertising

As part of the agreement, Omnicom is required to provide a compliance report to the FTC for the next five years. Part of this report requires a list "setting forth the number of times a publisher appears on 'exclusion lists' developed or applied by Omnicom Media Group at the express direction of a particular client based on political ideology." This requirement could have a chilling effect on the willingness of advertisers to steer spending away from certain publishers for fear of future political retribution.

Omnicom will still have the incentive to protect the brands of its customers. The consent order, however, largely puts the onus on the advertiser to do the heavy lifting as Omnicom will want to avoid any activity that could be perceived as steering advertising dollars away from a particular publisher.

Additionally, the restrictions in the consent order strap Omnicom's ability to protect its own brand reputation as they prohibit the firm from refusing to deal with advertisers "based on political or ideological viewpoints for that advertiser" using third party information.

Conclusion

The FTC's consent agreement to resolve competitive concerns related to Omnicom Group Inc.'s $13.5 billion acquisition of The Interpublic Group of Companies, Inc. barred the merged advertising agencies from agreeing with any third party to steer spending away from media platforms based on political content or ideology.

The consent agreement will have a chilling effect across the advertising industry as media-buying services and advertisers navigate brand-protection concerns. While Omnicom will still have the incentive to protect the brands of its clients, the consent shifts much of the burden to the advertiser. Yet the reporting requirements mandated in the consent could leave advertisers exposed to politically motivated retribution. The agreement is an early

confirmation that the Trump Administration's antitrust agenda will use targeted enforcement to resolve the perceived political bias against conservatives.