

# **DID VICKI ISEMAN “STEAL HONOR” IN THREE PRESIDENTIAL ELECTIONS?**

John McCain denies any honor was stolen—neither his nor Ms. Iseman’s. Or rather, he denies “the story,” though it’s not clear whether he’s denying that his relationship with Iseman was inappropriate or that he did favors for her. So I guess I’ll leave it up to you to decide whether she stole McCain’s honor in both the 2000 and 2008 presidential elections.

For the moment, though, I’m more interested in the 2004 election—the one McCain didn’t run in. You see, I find it a mighty curious coincidence that two of the companies for which Iseman was lobbying John McCain in 1999 and 2000—the time of their potentially inappropriate relationship—also happen to be the two television companies that championed the Kerry smear, “Stolen Honor,” in 2004.

## **Stolen Honor**

Stolen Honor, you’ll recall, was a 45-long propaganda piece, repeating the allegations the Swift Boaters made against John Kerry. It came out in September 2004 (as Republicans have promised a smear against Hillary or Obama will come out at precisely the same time this cycle). Shortly thereafter, Sinclair Broadcasting ordered its stations to pre-empt normal broadcasting to play the “documentary.” Sinclair also fired one employee who complained about the order.

After a blogswarm in response, Sinclair’s advertisers started pulling their advertising, which eventually led Sinclair to cut back its plans for the “documentary,” showing clips of it as part of a program on Vietnam POWs on just 40 of its stations.

Friday night brings to a conclusion the fiercest media battle of the presidential campaign, when 40 of the Sinclair Broadcast Group's 62 stations nationwide air a special program about the media and Vietnam War POWs. The show is likely to include generous portions of an anti-Kerry attack film, "Stolen Honor," that Sinclair executives had originally intended to air in its entirety just days before the election. In the face of lawsuits by stockholders, loss of advertising, questions about its abuse of the public airwaves and a falling stock price, however, Sinclair quickly cobbled together a revised program.

In the same time frame, Paxson Communications aired the entire "documentary" a number of times in the days leading up to the election, supported by NewsMax.

As FCC Commissioner Jonathan Adelstein described, the two companies were two disturbing examples of politicized broadcast policies.

Recent events seem to validate claims that broadcasters' news coverage has been increasingly devoid of information to help citizens participate in their democracy, or, worse yet, promoting an ideology or unbalanced political agenda thinly disguised as journalism.<sup>18</sup> Sinclair Broadcasting Group, which refused to air an ABC Nightline tribute to U.S. soldiers killed in Iraq deeming the show "politics disguised as news," then instructed its 62 television stations to preempt regularly scheduled programming to air a politically-charged documentary, "Stolen Honor: Wounds That Never Heal," even going so far as to fire its long-time reporter Jon Lieberman for criticizing the company's plans.<sup>19</sup> Lieberman subsequently asserted that Sinclair's entire news operation is

systematically ideologically driven by its owners' political perspective. Although Sinclair broadcast a modified program, Paxson, which sells much of its non-prime air time for paid programming, then quietly broadcast the "Stolen Honor" documentary in its entirety ten times the weekend before the election on the PAX broadcasting network as an infomercial.<sup>20</sup>

These two companies (which in 1999, when Iseman's relationship with McCain was in question, accounted for two of just 15 companies she represented) happen to be the two that aired right wing propaganda combating Kerry's election.

Incidentally, McCain condemned Sinclair's refusal to air the Nightline tribute.

Sen. John McCain, R-Ariz., blasted Sinclair's decision: "There is no valid reason for Sinclair to shirk its responsibility in what I assume is a very misguided attempt to prevent your viewers from completely appreciating the extraordinary sacrifices made on their behalf by Americans serving in Iraq." In response, Sinclair V.P. Hyman tried to demean the military service of the decorated former prisoner of war, "To be perfectly honest, it's been 25 years since [McCain's] worn a military uniform."

But he resisted appeals for him to condemn Stolen Honor, in spite of its arguable violation of campaign finance issues. When finally asked formally about it, he declined to make any statement about the "documentary" itself. Though in a statement that is height of hypocrisy, McCain stated that it was a problem of media consolidation.

At a fund-raiser in Philadelphia last

night, Sen. John McCain (R., Ariz.) complained of "media concentration" when asked about the Sinclair Broadcast Group's decision to air Stolen Honor – a documentary critical of Sen. John Kerry's anti-Vietnam War activities. McCain was asked about the film and its premise that Kerry's antiwar comments prolonged the Vietnam conflict and the abuse of American prisoners of war. McCain, a former POW, said he had not seen the documentary and declined to discuss it. "I do have an opinion that this is an issue that results when you have media concentration, which I have been opposed to," he said at a fundraiser for Sen. Arlen Specter (R., Pa.). **"When you have media concentration – this is the largest TV owner with 62 stations – this is something that happens."** [my emphasis]

#### **Paxson Communication**

I said that it was the height of hypocrisy for McCain to complain about media concentration, because his contribution to the consolidation of Paxson Communication—the company whose plane he was flying around on, in the company of Vicki Iseman—is well documented.

The Alliance for Progressive Action and the QED Accountability Project charge Senator John McCain with influencing Federal Communications Commission (FCC) approval of a hotly contested three-way Pittsburgh public television license exchange and sale. The decision favors Paxson Communications, a contributor to McCain's presidential bid. The community groups await a response from the General Counsel of the FCC to their late Monday request for an investigation of McCain's unusual actions.

On November 17, 1999 the Senator and Presidential candidate instructed the

FCC commissioners to take action on the deal no later than December 15, 1999. "If in your judgment the Commission cannot meet this request, please advise me of this fact in writing, with a specific and complete explanation, no later than November 18, 1999," wrote McCain.

In a second letter, dated December 10, 1999, written to FCC Chair William Kennard, McCain was even more forceful in his resolution. He demanded, "if the license applications were not acted upon" that Chairman Kennard "...explain why." Obviously feeling the pressure, the commissioners voted to approve the application. However, the FCC press release indicated that the 30-page opinion included four separate dissenting opinions.

Kennard responded to McCain's letter by saying, "**It is highly unusual for the commissioners to be asked to publicly announce their voting status on a matter that is still pending.**" He said such inquiries "could have procedural and substantive impacts on the Commission's deliberations and, thus, on the due process rights of the parties." [my emphasis]

This is the intervention that McCain's advisors were allegedly so worried about in 1999, when he first ran for President.

### **Sinclair Broadcasting**

What's less clear is his role in the consolidation of Sinclair Broadcasting—the very same network that, McCain complained, was too concentrated. In the same period when Iseman was lobbying McCain to approve the channel swap in Pittsburgh for Paxson, Iseman was also Alcalde and Fay's lead partner lobbying for Glencairn Broadcasting. She listed the House and the

Senate as the parties she lobbied; presumably that includes the then Chair of the Senate Commerce Committee, John McCain, with whom she was flying around the country.

Glencairn was actually a shell corporation set up to allow Sinclair to own more than two broadcast stations in a particular market. While a former executive from Sinclair—who as an African American qualified the company as a minority owned business—was ostensibly its president, the Smith family (which owns Sinclair) owned a majority of Glencairn's equity.

Sinclair operates six LMAs through a company called Cunningham Broadcasting, previously known as Glencairn Ltd. Cunningham is controlled by trusts in the name of Carolyn Smith, the mother of Sinclair president and CEO David Smith, as well as two Sinclair vice presidents, Duncan Smith and Frederick Smith, and Robert Smith, a director on Sinclair's board.

The FCC established LMAs in the early-1990s to assist failing stations or to help start-ups share costs for such expenses as maintenance and advertising with older, established broadcasters.

However, Schwartzman says Sinclair used these business arrangements for the sole intention of eventually acquiring the stations themselves. "Sinclair has operated these LMAs as little more than a fig leaf for all but owning them outright," he said. "They've been pressed on this but unfortunately this FCC has let them off the hook."

Sinclair's use of LMAs goes back to 1991 when it purchased WPGH-TV in Pittsburgh and then sold a Pittsburgh station it already owned, WCWB-TV, to a station

employee, an African-American named Edwin Edwards. Edwards became the president of Glencairn, owning it under a minority tax-incentive program.

Between 1994 and 1997, Sinclair acquired second television stations in San Antonio, Greenville, S.C, Asheville, N.C. and elsewhere, placing them under Glencairn.

When the FCC liberalized its "duopoly rules" in 1999, permitting companies such as Sinclair to own two stations in markets with eight or more independent television owners, Sinclair applied to the FCC to purchase all of Glencairn's stations.

However, Rainbow/PUSH, which has historically lobbied broadcasters to cover minority issues, filed a complaint charging that the company had "misrepresented facts and concealed the true extent of their business relationships" to own television stations that otherwise would not have been permitted under federal rules.

[snip]

In November 2001, the FCC fined both Sinclair and Glencairn \$40,000 for violations to the 1934 Communications Act. However, FCC Chairman Powell and two other Republican appointees approved Sinclair's request to purchase all but six stations. Shortly afterward, Glencairn's name was changed to Cunningham Broadcasting.

Sinclair itself did less than \$20,000 of lobbying in 1999, 2000, and 2001 (the years during which its two-station shell gimmick was under investigation); another lobbying firm did less than \$10,000 of lobbying in 1999 and 2000. Shaw Pittman (which has a retired partner serving on Sinclair's board) was also registered

as a Sinclair lobbyist at the time, though it reported no activity. Which suggests the better part of the lobbying done in this period was done by Iseman and her colleagues (listed as \$80,000 a year)—and done primarily through Congress, without contacting the FCC directly.

And at least according to what other lobbyists have to say about Iseman, her big asset in her lobbying portfolio was her access to John McCain.

Three telecom lobbyists and a former McCain aide, all of whom spoke on the condition of anonymity, said that Iseman spoke up regularly at meetings of telecom lobbyists in Washington, extolling her connections to McCain and his office. She would regularly volunteer at those meetings to be the point person for the telecom industry in dealing with McCain's office.

It sure makes you wonder how much that access contributed to Sinclair getting off so lightly for using a shell corporation to evade restrictions on media ownership, doesn't it? And it sure makes McCain's complaints about media consolidation—particularly as it relates to consolidation his friend Iseman helped push through—rather hypocritical.

#### **What this Means**

Iseman's role in two media corporations who did big favors for Bush, rather than McCain, actually raises more questions for me than it answers. My biggest question about this whole scandal is why this is coming out in 2008, rather than during the South Carolina campaign in 2000. If Iseman was bragging so openly about her access to McCain—and if McCain's advisors saw it as one of his big weak points in the 2000 campaign—then why didn't Karl Rove use it?

The stories about Iseman all suggest (without saying what it means) that her career took off out of nowhere, from receptionist to president's



special assistant to partner all in a matter of a couple of years. And her portfolio appears to be rather different than the earmarks portfolio that the company specializes in. Is there a back story to how Iseman became a one-person media lobbyist in such a short time? (Note, I'm not suggesting that she slept her way to the top—rather, I'm suggesting she may have been tapped to play a certain role for conservative media companies and that contributed to her value to the company.)

I don't think Iseman's earlier lobbying of McCain to help these two companies expand in 1999 and 2000 means Iseman had a role in the airing of Stolen Honor. But it does suggest something about the powerful people on whose behalf Iseman was lobbying McCain.