

MCCAIN'S FAVORS FOR ISEMAN INVOLVED HELPING FAR RIGHT- WING FAMILIES TO SUSTAIN THEIR SHELL COMPANIES

When I noted that John McCain's lobbyist gal had represented the two networks that would, in 2004, show the anti-Kerry propaganda piece, Stolen Honor, I admitted I didn't know precisely whether or how John McCain had helped the second of these two networks, Sinclair Broadcasting's shell company, Glencairn Broadcasting. Today, the NYT makes it very clear that McCain used the same kind of inappropriate, pushy tactics for Sinclair as he had with Paxson.

In late 1998, Senator John McCain sent an unusually blunt letter to the head of the Federal Communications Commission, warning that he would try to overhaul the agency if it closed a broadcast ownership loophole.

The letter, and two later ones signed by Mr. McCain, then chairman of the Senate Commerce Committee, urged the commission to abandon plans to close a loophole vitally important to Glencairn Ltd., a client of Vicki Iseman, a lobbyist. The provision enabled one of the nation's largest broadcasting companies, Sinclair, to use a marketing agreement with Glencairn, a far smaller broadcaster, to get around a restriction barring single ownership of two television stations in the same city.

I gotta say, "unusually blunt," coming from Mr. Straight Talk for Lobbyists Express is saying something. The article goes on to note that

McCain was partnering with Conrad Burns on this matter—some real gutter diving for a guy who claims to be above corruption.

The NYT article suggests more about the relationship between Iseman and McCain.

For its part, Glencairn appeared to have been getting little support in Congress until it retained Ms. Iseman in 1998.

Edwin Edwards, who was the president of the company at the time, said in a recent interview that after retaining Ms. Iseman, he was able to get heard by Mr. McCain.

“We were pounding the pavement in Washington,” Mr. Edwards said. “We recruited help from as many people as we could. We knocked on every door just trying to get support.”

Labaton suggests—but doesn’t say it—that companies with business interests before McCain could hire Iseman as the best way to get entre to him. Buy Vicki Iseman and you get McCain. No wonder she was bragging about her access to him.

There are two things that Labaton doesn’t say, but that are fairly clear. McCain intervened to help Sinclair keep its shell company. This was no mere marketing agreement to help a struggling broadcaster survive, this was an attempt to get around the law.

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."

This is the kind of activity that—if its purpose were to channel money, rather than broadcast signal—would be called money laundering. McCain helped a company evade the clear intent of the law, and in so doing, really concentrate its reach for such a moment when it might want to use its stations as a propaganda vehicle.

And then there's the sheer hypocrisy of it. Five years later, when Sinclair used its concentration to smear a military hero, McCain blamed that smear not on the motivations of the family running Sinclair or those bankrolling the propaganda, but on the concentration of Sinclair's company.

"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 fund-raiser 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]

As the NYT shows, Sinclair only achieved that concentration thanks to McCain's inappropriate intervention.