




May 5, 2020

Mrs. Christal Dennis
Paralegal
Federal Election Commission
Office of Complaints Examination
CELA@fec.gov

Dear Mrs. Dennis:

On February 18, 2020 Media Power Group, Inc. (hereinafter "MPG") d/b/a "Radio Isla" (hereinafter "Radio Isla") received a letter from the Federal Election Commission in Washington D.C. (hereinafter the "FEC") notifying of the Complaint number MUR 7688 filed by Mr. Thomas Rivera-Schatz, President of, and on behalf, of the New Progressive Party (hereinafter the "NPP").

In the complaint the NPP seeks an investigation and enforcement action against Mr. Aníbal Acevedo-Vilá (hereinafter "AAV"), former Governor of Puerto Rico and member of the NPP's opposing political party, the Popular Democratic Party (hereinafter the "PDP"). It is alleged that AAV violated the Federal Election Campaign Law of 1971, as amended (hereinafter the "FECA") and the FEC's regulations related to corporate contributions.



Regarding the allegations against MPG, the complaint, states "upon information and belief" that it "seems" that MPG, was the provider of an in-kind corporate contribution to AAV's campaign for Congress. The source of the information is not identified, nor is a sworn affidavit presented to support the allegations against MPG. Therein, the Complaint fails to meet the required criteria to process it against MPG.

MPG denies, from the outset, any wrongdoing or violation of federal laws. MPG is a corporation registered in Puerto Rico since 2003. It owns and operates four (4) AM radio stations, in news and "talk-news" format. During our 16 years of operations, MPG and Radio Isla, host talk news shows, involving prestigious professionals, including politicians, who analyze and share with our audience their different political and social views and perspectives related to current news and events.

The shareholders of MPG are "Empresas Bechara", "Sucesión" Arturo Díaz and PR Radio Grupo Nacional. Attorney Dennis Bechara-Bravo (President of "Empresas Bechara") serves as Chairman of the Board and Eduardo Rivero-Albino (President of "PR Grupo Radio Nacional") is the President and CEO. None of us are politicians.



On February 26, 2017, MPG signed a "Professional Services Agreement" with AAV, as a radio host for the program known as "Sobre la Mesa". The Agreement established that AAV would offer his opinions and analyze current news events. AAV was responsible for producing, hosting and selecting the matters to be analyzed every day in the program. AAV would also conduct live interviews through any format available in Radio Isla and organize other events of public interest, while complying with the Federal Communications Commission's (hereinafter "FCC") and with local and/or federal laws.

The only purpose of the Agreement was to produce a "Talk-News" program in our morning primetime. AAV was an independent contractor and MPG maintained all its property rights over the content of the programs, their reproduction, recordings and podcasts, among other. MPG was to promote and distribute the program in our media platforms. Originally the program was for one hour but due to its success, it was expanded to two hours. Then AAV was paid the amount of \$4,500.00 monthly. On July 16, 2019, that amount was reduced to \$3,500.00.

MPG's program budget is normally assigned based on daypart and audience acceptance. Most of the time, the station provides personnel and resources to produce the programs. In the case of AAV, the contract required that he provided qualified personnel to perform all production functions. Therefore, from his gross compensation he had to pay producer costs that, for a program in that primetime slot, could average a minimum of \$1,000 per month.

The intention of the Agreement was purely commercial. We never wanted AAV to consider or run for any political position. We wanted him to stay in Radio Isla as the host of our successful "Sobre la Mesa" primetime morning program. By the way, when the Agreement was executed in 2017 AAV was not a candidate to any political position.

At the moment of the filing of the Complaint, the radio program ran from Monday to Friday from 8am to 10am. During the duration of the Agreement AAV did not hold any elective position. He was a Professor at the University of Puerto Rico's School of Law. Aside from being a former governor, AAV is a well-known public figure in the island who is author of several books regarding the political and economic status of Puerto Rico. MPG was confident of the Agreement executed with AAV, since AAV's public figure status and possible radio audience was viewed positively for Radio Isla's ratings. The program ran during MPG's primetime space and AAV was the most important host.

It must be mentioned that Mrs. Alexandra Lúgaro, who ran for governor on 2016, as an independent candidate and is currently running for governor again for the next elections, under the political party "Movimiento Victoria Ciudadana", served as a radio host in Radio Isla for almost two years. Mrs. Lúgaro's political party is in opposition to AAV's political party and that of the



complainant. Mr. Carlos Pesquera, another former governor candidate, representing the pro-statehood party, was also part of Radio Isla's roster.

As the radio host, AAV continuously analyzed social and political news from January 2017 to February 28th, 2020. The radio program under AAV had regular guests from different backgrounds, ideologies, beliefs and political affiliations. As an example, one of AAV regular panelists was Mr. Kenneth McClintock, an elected Senator under the NPP (pro-statehood party) and a former President of the Puerto Rican Senate as a member of such party. Other regular collaborators of the radio show were also persons clearly associated with the NPP, such as the former President of the Federal Bankruptcy Court in Puerto Rico and various prestigious journalists, not belonging or identified with AAV's political party.

After almost three (3) year as the host of the program, in December 2019, AAV informed the undersigned that he was considering running for the electoral position of Resident Commissioner for Puerto Rico in the U.S. Congress. MPG and Radio Isla understood that it had to comply with the rules and policies of the Federal Communications Commission (hereinafter "FCC") and the State and/or Federal Election Commissions. Consequently, MPG and Radio Isla conducted a legal investigation and concluded that they had to end AAV's participation in the radio talk-show program, once he became a "legally qualified candidate" as defined by the FCC Rules, 47 CFR Sec. 73.1940. The conclusion was informed and discussed with AAV.

The FCC section 73.1940 establishes that a "legally qualified" candidate for public office is any person who, among other things, "[I]s qualified under the applicable local, State or Federal law to hold the office for which he or she is a candidate". Consequently, AAV had to fulfill all of the requirements to run for a particular office, in order to be a legally qualified candidate for the position of Resident Commissioner on behalf of the PPD for the next Puerto Rico elections. That usually means filing certain papers with state or local election boards, and may, in some cases, require the gathering of signatures on a petition or the payment of a filing fee. It is worth noting that Puerto Rico's Electoral Code, 16 LPRA 4003 (8), establishes that a "candidate" is any person certified by the State Election Commission (hereinafter "SEC").

Consequently, it was MPG's, interpretation of the law that AAV would become a candidate when certified. Once a potential candidate has fulfilled the requirements necessary to qualify for a position in the ballot, he or she is then certified by the SEC. The SEC's certification declares that the candidate has completed all the requirements entitling him or her to a place on the election ballot.

Nevertheless, last January MPG and Radio Isla, agreed with AAV that his participation in "Sobre la Mesa", the talk show, had to end by February 28, 2020 or when the SEC's certification was issued, whichever came first. It is



public knowledge that, since February 28, 2020, AAV is no longer the host of the program. AAV was not certified as a "legally qualified candidate" until March 2020.

At the moment of the filing of the complaint, it was not even clear if a primary would take place for the Resident Commissioner position within the PPD, because another potential candidate who failed to timely file his candidacy papers for the same position, Senator Jose R. Nadal Power, had filed a formal petition for the SEC to reconsider its decision regarding the end date for his filing of the endorsements required for him to be certified as a candidate in the internal PPD primary, and the matter was still under advisement. The SEC needed to certify that AAV had qualified under Puerto Rico law to hold the office for which he intended to be a candidate, either to run in a primary within the PPD party or, if he was selected as the PPD nominee, as the party's official candidate in the 2020 general election. As of February 28, 2020, neither of the two law requirements had officially occurred. Only upon AAV being selected as the PPD nominee and be certified as such by the SEC, would he run in opposition to the NPP's candidate (and/or any other candidate) in the general election.

In the complaint, the NPP alleges that MPG, provided AAV with corporate contributions and that MPG is not entitled to the Media Exemption. Contrary to these assertions, MPG contends that it has not provided AAV with any direct or indirect campaign contribution. As stated above, Radio Isla and/or MPG, on the one part, and AAV, on the other, had signed a Professional Service Agreement, in January 2017, long before AAV ever announced or contemplated being a candidate for a federal elective position., whereby AAV was to serve as a radio host and/or analyst of current news and/or events. The contract was entered into almost three years before AAV manifested his intentions to run as a candidate for Resident Commissioner for the 2020 elections.

Moreover, MPG is a traditional press corporation, is not owned by a political party or candidate, and AAV's participation on the program was part of MPG's, regular daily news analysis and/or broadcasts. MPG was acting in a manner related to its broadcast functions when it entered into an agreement with AAV. MPG acted within its press capacity in permitting AAV to host a program in 2017 and it did not change the format, distribution or other aspects of production of the program once AAV announced his intentions to become a political candidate. At present, the program continues to be part of Radio Isla programming, as part of its daily press and analysis functions, without AAV's participation.

In sum, the Complaint fails to present facts against MPG, for this Honorable Forum to even consider an investigation. The matter does not merit further use of FEC resources. There are no facts present to establish that MPG does not exercise a legitimate news media function. Most of the allegations against



MPG are not even factual. They are merely citations of case law with no application to the issues raised in the Complaint. As such, the Complaint utterly fails to fulfill its intended purpose. To make matter worse, the law cited in the Complaint in fact favors its dismissal against MPG. The law supports only one conclusion: not that there is any kind of a violation, but rather there is an entitlement, to Radio Isla's radio show's content.

Finally, the Complaint alleges some kind of alleged violations not related to MPG such as video messages, Facebook accounts, Twitter accounts, Youtube, newspapers, and books. All of these allegations are unrelated to MPG and Radio Isla

Upon request I can make immediately available the Professional Services Agreement between AAV and MPG and/or any other related documents. The Agreement is in Spanish, if requested, let me know if you wish MPG to have it translated with a certified translator or if the FEC wishes to do its own translation.

If you have any questions or doubts, please do not hesitate to contact me or our attorney José E. Céspedes.

STATEMENT UNDER PENALTY OF PERJURY

I declare under penalty of perjury pursuant to 28 U.S.C. §1746, that the foregoing is true and correct to my best personal knowledge, recollection and upon review of the records of MPG.


Eduardo Rivero