

EIR joins fight against Cisneros takeover of U.S. television network

by Carlos Wesley

On June 18, *EIR* editor Nora Hamerman filed a formal letter of objection on behalf of *EIR* with the Federal Communications Commission (FCC) regarding the attempted takeover of Univision, the largest Spanish-language television network in the United States, by a group of dirty-money investors that includes Venezuelan Gustavo Cisneros Rendiles and his brother Ricardo. Former Norman Lear partner Jerrold Perenchio and Mexican media baron Emilio Azcárraga, owner of the Televisa network, are the other principals in the deal.

Azcárraga's Televisa is notorious for its pornographic soap operas and for its roster of avowedly Satan-worshipping stars. The Cisneros interests center on the Venezuelan television network Venevision, but involve a family-owned conglomerate of companies, headed by Gustavo Cisneros, active in many countries around the world.

EIR asked the FCC not to approve the transfer of the licenses of the Univision television stations from Hallmark Card, Inc. to the Venezuelan and his partners, because Cisneros "has a public record of activity in the area of mass media, and in other business activities, which makes his involvement with the proposed . . . takeover contrary to the public interest." The document cites "Mr. Cisneros's methods of silencing the opposition to his growing control over the communications media," as well as "the gravest of concerns regarding his and his companies' possible links to international financial circles involved in laundering dirty money."

The June 18 *Wall Street Journal* reported that *EIR*, the "international newsweekly founded by Mr. [Lyndon] LaRouche," was opposing the Univision deal "because of the involvement of Venevision, which is controlled by the Caracas-based Cisneros brothers. The spokesman contended that the brothers were behind a ban in Venezuela of a book published by LaRouche interests," reported the *Journal*. The book in question is *EIR*'s Spanish-language edition of *Dope, Inc.*, entitled *Narcotráfico, SA*—the only book banned in more than 30 years of elected governments in Venezuela.

False financial certification

Also opposing the takeover are the National Hispanic Media Coalition, the United States Hispanic Chamber of Commerce, and the National Puerto Rican Coalition, which filed a joint petition to deny transfer with the FCC on June

18. In a statement issued jointly by the Media Coalition's chairwoman Esther Rentería from Los Angeles, the Chamber's Dr. José Niño, and the Puerto Rican Coalition's Luis Nuñez from Washington, D.C., they said that the transfer poses the danger of illegal "foreign control of U.S.A. broadcast media." They noted that in 1986, Azcárraga was forced by the FCC to divest himself of many of the same television stations that today make up the Univision network, "because of unlawful alien control" of U.S. broadcasting facilities. Now, "Azcárraga is back at the FCC asking to own 12.5% of these stations, and for a 'friendly' alien ally to own another 12.5%, and for them jointly to own 50% of the Univision network. (Gustavo Cisneros, a principal owner of Venevision, is also a director of Azcárraga's Grupo Televisa.)"

Moreover, while the American "Perenchio will provide only \$50 million of the \$550 million purchase price . . . Azcárraga and the Cisneros brothers will arrange for and provide 'any additional debt to financing for the acquisition that cannot be obtained from Hallmark or from financial institutions.'" Perenchio, Azcárraga, and the Cisneros brothers may also have "filed a false financial certification" with the FCC, they charged. The League of United Latin American Citizens (LULAC), and the American GI Forum, are also fighting the takeover.

Text of EIR's letter to the FCC

What follows is the full text of the letter of objection filed by Nora Hamerman, as editor of Executive Intelligence Review, on June 18, 1992 to Donna R. Searcy, Secretary, Federal Communications Commission, Washington, D.C.

RE: Univision/BTCCT-920508KH KDTV et al.

Dear Miss Searcy:

I am writing this Letter of Objection to urge the Federal Communications Commission to deny the application for

Transfer of Control of Univision Station Group, Inc. to Perenchio Television, Inc. (PTI), as announced in the FCC's Public Notice dated May 19, 1992.

It is the contention of *Executive Intelligence Review* (*EIR*) that one of the proposed major financiers, stockholders, and directors of PTI, Venezuelan citizen Gustavo A. Cisneros Rendiles, has a public record of activity in the area of mass media, and in other business activities, which makes his involvement with the proposed PTI takeover contrary to the public interest.

EIR is not alone in these concerns regarding Mr. Cisneros's activities. As we document below, legislative, journalistic, and other reputable sources in at least four nations have publicly voiced their objections to Mr. Cisneros's methods of silencing the opposition to his growing control over the communications media, and have raised the gravest of concerns regarding his and his companies' possible links to international financial circles involved in laundering dirty money. The Cisneros interests center on the Venezuelan television network Venevision, but involve a family-owned conglomerate of companies which are active in many countries around the world.

It is our view that these documented concerns warrant, at the very least, the fullest possible investigation by the FCC in its consideration of the PTI application. This is especially so, since the application involves not just a single television station, but an entire network covering more than a dozen stations, which *in toto* constitute a large, and perhaps a dominant, share of the Spanish-language television market in the United States. For all of these reasons, the greatest scrutiny is appropriate in this instance.

Principal among the concerns regarding Gustavo Cisneros are:

1) *His manipulation of both the press and legal system of his country, Venezuela, to achieve the illegal confiscation and banning of a book which published an unfavorable view of the powerful Cisneros family and its vast fortune. Such activities are hardly consonant with upholding the principles of freedom of the press and freedom of expression which the United States holds dear.*

The book in question is *Narcotráfico, SA*, published by *EIR* in 1985, and which is the Spanish-language edition of the book *Dope, Inc.* It is an exposé of the international drug trade, and it contains a chapter which documents the extensive business and political links of the Cisneros family to international financial circles involved in laundering dirty money (see *Exhibit A*). It is the only book which has been banned in more than 30 years of democracy in Venezuela.

On Feb. 4, 1985, *EIR*'s offices in Caracas, Venezuela were raided by the Venezuelan political police, DISIP; all copies of *Narcotráfico, SA* were confiscated; and four correspondents were arrested. All four were deported from the country on Feb. 7. Simultaneously, a violently defamatory campaign was launched against *EIR* and its founder, Lyndon

LaRouche, through the Cisneroses' mass media empire, accusing *EIR* of everything from KGB espionage to blackmail. Major newspapers in both Venezuela and the Dominican Republic reported that the actions against *EIR* were taken at the behest of Gustavo Cisneros (see *Exhibits B* and *C*).

On Feb. 8, 1985, Gustavo Cisneros and José Rafael Revenga (vice president of the same Venevision which is a proposed part owner of Univision) presented a brief to the Fourth Civil Court of the Federal District and the state of Miranda, in Venezuela, seeking an injunction against the circulation of *Narcotráfico, SA* (see *Exhibit D*).

On Feb. 15, 1985, Judge Alirio Abreu Burelli of the Fourth Civil Court issued an injunction against the circulation of *Narcotráfico, SA* in Venezuela, and ordered "the seizure of said publication so that it does not circulate within the national territory" (see *Exhibit E*). The judge concurred with the allegations by Mr. Cisneros's lawyers that the book was an offense to the honor and reputation of the Cisneros family.

The order for the raid against *EIR* was signed by Judge Ana Luisa Gandica, who was also serving as legal counsel for Pepsi Cola Corp. in Venezuela—owned by the Cisneros family. One year later, Judge Gandica was ordered to leave the bench because it was found that she had never met the educational requirements for a judgeship. Her brother, Luis Gregorio Gandica, accompanied the police on the raids of the *EIR* offices, in representation of the public prosecutor's office. Mr. Gandica was fired in December 1985 for having stolen the files of another ongoing investigation.

Although *Narcotráfico, SA* remains banned from circulation in Venezuela to this date, this Cisneros-sponsored affront to freedom of the press was recently condemned by 18 prominent members of Congress from Venezuela, reflecting several different political currents. On Oct. 2, 1991, the congressmen issued a communiqué which decried that "a book called *Narcotráfico, SA* was prohibited from freely circulating," and urged "the appropriate authorities, and especially upon the Judicial Branch, to correct that irregular and unconstitutional action, which, by any lights, is prejudicial to free speech in Venezuela" (see *Exhibit F*). This statement by the Venezuelan legislators was seconded on Oct. 23, 1991 by a group of 12 congressmen in the Dominican Republic (see *Exhibit G*), and on Oct. 16, 1991 by three Peruvian congressmen (see *Exhibit H*).

It is noteworthy that Cisneros's efforts to silence all opposition continue up to the present. As recently as January 1992, Gustavo Cisneros personally flew to the Dominican Republic to apply his considerable political pressure and to threaten legal action against the owner of a television station there (Colorvision), and against producer and TV host Dr. Julio Hazim, because, during a television interview on Jan. 16, 1992, a guest had mentioned in passing the case of *Narcotráfico, SA*.

2) *Gustavo Cisneros's cousin and close business associate, Oswaldo Cisneros, in 1982 was denied authorization to*

purchase a Florida bank by the U.S. Federal Reserve, in a case which also raised serious questions regarding the international business connections of the entire Cisneros empire.

According to the book *In Banks We Trust* by Penny Lernoux (1984, Doubleday, New York) (see *Exhibit I*), Oswaldo Cisneros's brother-in-law, Juan Vicente Pérez Sandoval, attempted to gain control of Flagship Banks, the fifth largest bank holding company in Florida, in 1982. Flagship filed suit with the Federal Reserve, asking that the application be rejected "on the ground that the documents filed for stock purchase were 'materially false and misleading concerning the background and identity of Pérez and Credival,' " an indirect financial holding of the Cisneros family and Pérez's intended co-purchaser of Flagship Bank.

Notes Lernoux, "In addition to not acknowledging Credival's close relationship with the Cisneros family, Pérez did not disclose that he and Oswaldo Cisneros had been associates of Guillermo Hernández Cartaya in the mid-1970s." Cartaya is a Cuban-born banker considered the brains behind the World Finance Corporation (WFC), a financial empire up to its neck, according to Lernoux, in "drugs, the arms traffic, CIA agents, and Fidel Castro's regime."

3) *The government of the Dominican Republic in 1986 issued a decree revoking the "privileged citizenship" status that had been granted a year earlier to Gustavo Cisneros, after a Dominican congressman demanded an investigation of his "unsavory activities" in relation to his association with circles linked to the international drug trade.*

According to a Dec. 31, 1986 release by the legal office of Dominican President Joaquin Balaguer, Decree No. 1-86 (dated 1/2/86), granting such privileged status to Cisneros was overturned by Executive Decree 1271-86-494 (dated 12/23/86). The Balaguer decree to strip Cisneros of his Dominican citizenship followed a heated congressional debate in August of that year, prompted by then Speaker of the House of Deputies Ramon Pina Acevedo, who challenged Cisneros's right to Dominican citizenship in light of his "unsavory activities" and questions that had been raised regarding his association with circles linked to the international drug trade. After airing his charges on national television in mid-August 1986, Pina Acevedo submitted a resolution to the Chamber of Deputies on Aug. 27, 1986, demanding an investigation of the January 1986 executive decree which had granted Cisneros Dominican citizenship.

4) *An airplane of the Cisneros family company, Pepsi Cola Corp. in Venezuela, was raided by the U.S. Customs Service in Hollywood, Florida on Feb. 14, 1985, and was found to have a cache of cocaine on board.*

The Lear jet, with registration number YV-12-CP, was registered to the company Aeroservicio Alas, a wholly owned subsidiary of Oswaldo Cisneros's Pepsi Cola Corp. in Venezuela. According to the March 1985 edition of the respected Caracas newsweekly *Resumen*, the Cisneros orga-



Gustavo Cisneros (right) with George Landau, then the U.S. ambassador to Venezuela, and Manuel Azpúrua, then finance minister, in 1985.

nization "was mobilized, first to silence all reactions or commentary in any Venezuelan media, regarding this undoubtedly newsworthy event." The same editorial more broadly criticized "the Cisneros Organization, which used and abused its power and influence with the State, and the fact that it enjoyed a concession for providing the public service of television, to unleash against the authors or financiers—whether real or imaginary—of the book [*Narcotráfico, SA*] an illicit executive action to expel them from the country." (See *Exhibit J*.)

5) *According to the Venezuelan daily El Globo of Sept. 19, 1991, a Venezuelan congressional commission found evidence that members of the Cisneros family are the actual owners of Celere, Inc., a Miami-based company which the U.S. Drug Enforcement Administration (DEA) had under investigation for cocaine trafficking.*

The 1988 case involved the shipment of 5,000 lbs. of cocaine on the vessel Mercandian Continent, from La Guaira, Venezuela to Miami, Florida, and addressed to Celere, Inc., as reported in U.S. court documents (see *Exhibit K*). The Venezuelan daily *El Globo* (see *Exhibit L*) reported the Cisneros link to Celere.

We bring all of the above information to the attention of the FCC, because we believe it indicates a pattern of past activities by Gustavo Cisneros which is incompatible with his proposed new role as a dominant force in Spanish-language television in the United States. We therefore urge the FCC to deny the Application for Transfer in this case, or, at the very least, to open an investigation into the serious questions affecting the public interest which are raised herein.

If we may be of further assistance in more extensively documenting any of the above concerns, or in any other way, please do not hesitate to contact me.