

## NARRATIVE STATEMENT CONCERNING PROCEEDINGS AND OTHER BROADCAST INTERESTS

### A. NARRATIVE STATEMENT CONCERNING PROCEEDINGS

#### 1. *License Renewal Proceedings, Portsmouth-Norfolk, Virginia.*

The Assignor is owned by Bishop L.E. Willis, Sr. Mr. Willis is the owners of Willis Broadcasting Corporation ("WBC") which is the former licensee of WOWI-FM, Norfolk, Virginia. WBC is also the current Licensee of WPCE, and formerly, the 100% parent corporation of Tidewater Radio Show, Inc., Licensee of WPCE (AM), Portsmouth, Virginia.

The license renewal applications of WOWI-FM and WPCE (AM) were designated for hearing in a consolidated proceeding by *Memorandum Opinion and Order* FCC 77-387, released June 16, 1977. Thereafter, hearing was held in BC Docket Nos. 21278-79 on the fitness of the Applicant to remain licensees of the Commission.

On February 5, 1982, the *Initial Decision* of Administrative Law Judge Frederic J. Coufal was released, wherein it was concluded that the applicants were qualified to remain licensees of the Commission, and the renewal applications were granted and the licenses renewed. A forfeiture was imposed on Tidewater Radio Show, Inc. for violation of Title 18 U.S.C. §1304 and §73.1211 of the Rules (FCC 82D-8).

No appeals or exceptions to Judge Coufal's *Initial Decision* were filed with the Commission, and the Commission did not review the *Initial Decision* on its own motion. Accordingly, on March 31, 1982, the Secretary of the Commission released a *Notice* stating that, pursuant to §1.276 of the Rules, Judge Coufal's *Initial Decision* became a *final order*, effective as of March 29, 1982.

#### 2. *Real Party Issue, Virginia Beach Television Proceeding, 1984.*

Bishop L.E. Willis, Sr. is the father of Celestine L. Willis, President, Secretary-Treasurer, Sole Director and 100% Shareholder of Tidewater Broadcasting Company, Inc., a former Applicant for permit to construct a new UHF television station on Channel 43+ in Virginia Beach, Virginia (BPCT-830222KF). That Application was designated for hearing in MM Docket 83-563 *et seq.* By *Order* released December 22, 1983 (83M-4796), the issues in that proceeding were enlarged by Administrative Law Judge Frederic J. Coufal to determine whether Bishop L.E. Willis should be considered a real-party-in-interest in his daughter's Application. Judge Coufal's *Initial Decision*, released December 28, 1984 concluded that issue adversely against the Applicant, Tidewater broadcasting Company, Inc., and dismissed the Application. See FCC 84D-87. Tidewater Broadcasting Company, Inc. appealed the *I.D.* to the Review Board.

However, prior to review by the Review Board, the parties entered into a settlement agreement whereby Tidewater would dismiss its appeal and Application for monetary consideration. The Settlement was approved by the Review Board and the Mass Media Bureau. (See FCC 85R-39, released 5/7/85).

Subsequently, in connection with the assignment Applications for Stations WSAY (AM) and WESL (AM), the question of Bishop Willis' qualifications was referred to the Commission *en banc* for disposition under §0.283 of the Commission's Rules. In considering the facts underlying the ALJ's *Initial Decision* in the Virginia Beach Television proceeding, the Commission determined that Bishop Willis' conduct did not constitute misrepresentation or lack of candor to the Commission, and that no adverse character implications against Bishop Willis or his daughter, Celestine Willis, flowed from the real-party-in-interest finding. (Letter of November 5, 1985, from William J. Tricarico, Secretary to David M. Hunsaker, Counsel Ref. 8910-RBR).

### **3. Plea Entered in United States District Court, E.D. VA.**

On June 12, 1992, Bishop L.E. Willis, President and 100% Shareholder of Willis Broadcasting Corporation and the Assignor, entered a plea of Guilty to a Criminal Information brought by the United States Attorney's Office for the Eastern District of Virginia, for one count of structuring, in violation of Title 31, Section 5324(3) of the United States Code (as amended in 1987).

Regulations promulgated pursuant to 31 USC §5313(a) provide that financial institutions report on IRS Form 4789 all currency transactions in excess of \$10,000 in amount. The basis for the offense in the present case was the cashing of a series of ten cashier's checks each for under \$10,000 during the period of October 10-16, 1989, the cash proceeds of which were all related to the repayment of a loan to Bishop Willis and/or Willis Broadcasting Corporation, by a third party who had requested that the loan be repaid in cash. Neither the individual lender, nor either of the two financial institutions involved were charged with any offense.

Prior to December 27, 1986, the effective date of the "structuring" amendment to the Banking Code, it was not illegal to avoid the reporting requirement of 31 USC §5313(a) in the manner used by Bishop Willis. At the time of the actions upon which the charge was based (October, 1989) Bishop Willis was unaware of the adopting of the amendment. However, In *U.S. v. Hoyland*, 914 F.2d 1125 (9th Cir.) the U.S. Court of Appeals ruled that the fact that a defendant was unaware of a statutory amendment which made it a crime to structure bank deposits with the intent to prevent the bank from reporting the deposit of \$10,000 or more and that the defendant had previously been told that it was not an offense to do so did not preclude a finding that the defendant acted willfully in structuring his deposits to prevent the report.

A hearing before the Honorable Richard B. Kellam, U.S. District Court Judge, was held on October 20, 1992 for the purposes of hearing evidence and making a ruling on the appropriate sentence to be imposed on Bishop Willis as a result of the guilty plea.

The Judge's decision found that Bishop Willis' "actions and conduct in this case were

absolutely innocent; that [Bishop Willis] had no intention of violating the law as it is written."<sup>1</sup>

The Judge then imposed sentence upon Bishop Willis which consisted of the two years probation without the necessity of jail time, along with a \$10,000.00 fine.

The Commission considered Bishop Willis' plea while it processed the Assignment of License application for Radio Station WVVY-FM, Grifton, North Carolina, (BALH-920701GL), from Willis Broadcasting Corporation to Taylor Communications Corporation. After a review of the facts of the case, the Mass Media Bureau passed on Bishop Willis' character qualifications without the necessity of a Letter Ruling, and subsequently GRANTED the Assignment of License application for WVVY-FM on November 23, 1992.

Since the WVVY-FM transaction, Bishop Willis' character qualifications have been favorably passed upon by the Commission in its approval of Bishop Willis' acquisition of numerous broadcast stations, and has received approval of license renewals. A sample of applications approved are as follows:

<i>Station</i>	<i>FCC File Number</i>	<i>Date</i>	<i>Authorization</i>
WBTE (AM), Windsor, NC	BAL-940425GH	08/16/94	
WDDT (AM), Greenville, MS	BAL-931112EA	12/28/93	
WJNS-FM, Yazoo City, MS	BALH-930714GF	09/14/93	
WJXN (AM), Jackson, MS	BALH-930714GE	09/14/93	
WJXN-FM, Utica, MS	BALH-930714ED	09/14/93	
WPOL (AM), Winston-Salem, NC	BAL-940615EB	08/25/94	
WELS AM/FM, Kinston, NC	BAL-960515C9;BALH-960515D1	10/24/96	
WSVE (AM), Jacksonville, FL	BR-950929XD	01/31/96	
WMYK (FM), Moyock, NC	BRH-950801DJ	04/03/96	

Less than two years after Bishop Willis' sentencing, the United States Supreme Court overturned a conviction under the same statutory provision on the grounds that specific intent to violate the anti-structuring law had not been made an element of the crime. Today, specific knowledge of wrongful conduct must be proven in order to obtain a conviction.<sup>2</sup>

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<sup>1</sup> A full transcript of the *Sentencing Hearing* and the written *Order* were submitted to the Commission on November 4, 1992 as an Amendment to BALH-920701GL, WVVY-FM, Grifton, North Carolina.

<sup>2</sup> See *Ratzlaf v. United States*, 510 U.S. \_\_\_\_\_, 114 Sct 655 (1994).