

FEDERAL ELECTION COMMISSION

In the matter of:

Bloomberg LP
Bloomberg News
Michael Bloomberg
Mike Bloomberg 2020, Inc.

MUR No.

COMPLAINT

1. Media Research Center (“MRC”) and L. Brent Bozell, III, bring this complaint before the Federal Election Commission (“FEC”) seeking an immediate investigation and enforcement action against: Bloomberg LP, a financial software company that owns Bloomberg News (the “Bloomberg News”); Michael Bloomberg, founder and 89% shareholder in Bloomberg News (the Candidate); and Mike Bloomberg 2020, Inc. (the “Campaign”) for violations of the Federal Election Campaign Act (“FECA”).

2. According news reports, on or about November 8, 2019 the Candidate filed to appear as candidate for President of the United States in the Democratic Primary in the State of Alabama.

3. On or about November 22, 2019, the Candidate filed papers with the FEC to run for the Office of President of the United States, and designated Campaign as his campaign committee.

4. The Candidate is the founder and 89% owner of Bloomberg News, a news publishing service covering all manner of public affairs, current events and politics, among other news of the day, including but not limited to, news coverage of the 2020 Presidential Election.

5. On or about November 23, 2019, the Editor-in-Chief of Bloomberg News stated in a memorandum, “We will continue our tradition of not investigating Mike (and his family and

foundation) and we will extend the same policy to his rivals in the Democratic primaries . . . [but we] will continue to investigate the Trump administration."

6. Bloomberg News's decision to avoid investigating the Candidate may constitute an improper contribution to the Campaign under FEC regulations and appears to violate FECA regulations, and/or establish Bloomberg News as a political committee required to register and report under FEC regulations, which it has not done.

Parties

7. Complainant MRC is a non-profit corporation, qualified as tax exempt under section 501(c)(3) of the Internal Revenue Code. MRC is committed to educating the American Public and exposing media bias by both commission, and as here, omission. MRC seeks to empower citizens to have an influential voice in in American civil discourse and uses research, litigation, and advocacy to advance its mission.

8. In furtherance of its mission, MRC seeks to expose media bias in the coverage of current affairs. One-way MRC does this is by educating citizens regarding news coverage decisions –decisions to cover news and decisions NOT to cover news. Toward this end, MRC monitors news activities of publishers and publicizes the manner in which such news is reported, and how such activities may be biased through its website, press releases, and other methods of distribution. Exposing media bias, including bias that may trigger campaign finance violations, serves MRC's mission of educating the American public about media bias, and trying to deter such bias in the future.

9. Complainant L. Brent Bozell, III, the President of Media Research Center, is a citizen of the United States, and a registered voter and resident of the Commonwealth of Virginia.

As a registered voter, Mr. Bozell is injured when a corporation, individual, candidate, political committee or other entity fails to properly follow campaign finance regulations as required by the FECA. *See FEC v. Akins*, 524 U.S. 11, 19 (1998), *quoting Buckley v. Valeo*, 424 U.S. 1, 66-67 (1976) (political committees must disclose contributors and disbursements to help voters understand who provides which candidates with financial support).

10. Bloomberg LP is a financial software company that owns Bloomberg News. According to CNN news reports, a review of the Bloomberg web site, “Bloomberg News is a massive news organization, employing 2,700 journalists and analysts in more than 120 countries. According to its website, Bloomberg News generates approximately 5,000 stories a day. The organization boasts that it is ‘the world’s biggest business and financial news team.’”

<https://www.cnn.com/2019/11/24/media/bloomberg-news-presidential-race/index.html>.

11. Michael Bloomberg is founder and 89% owner of Bloomberg, LP.

12. Mike Bloomberg 2020, Inc. is Michael Bloomberg’s primary campaign committee in his bid for the Democratic nomination for President of the United States.

Factual allegations

2. News reports indicate that John Micklethwait, the Editor-in-Chief (EIC) of Bloomberg News, announced that Bloomberg News will not investigate the Candidate or his Campaign Committee, but that they will continue to investigate and report on the Candidate’s political opponents by refusing to extend its non-reporting to non-Democratic Party candidates. (see CNBC article November 24, 2019, attached hereto as Exhibit A, and at <https://www.cnbc.com/2019/11/24/bloomberg-news-will-not-investigate-mike-bloomberg-or-his-democratic-rivals-during-primary.html>, *CNBC*, November 24, 2019

“Bloomberg News will not investigate Mike Bloomberg or his Democratic rivals during primary”, Politico, November 24, 2019, Bloomberg News: We won’t investigate Mike during presidential campaign <https://www.politico.com/news/2019/11/24/bloomberg-news-investigate-mike-2020-073369>.

3. A copy of a “memo” issued by Mr. Micklethwait was reproduced in a reporter’s tweet (<https://twitter.com/oliverdarcy/status/1198638671374761985>) wherein Bloomberg News reportedly stated:

We will continue our tradition of not investigating Mike (and his family and foundation) and we will extend the same policy to his rivals in the Democratic primaries. We cannot treat Mike's Democratic competitors differently from him. If other credible journalistic institutions public investigative work on Mike or the other Democratic candidates, we will either publish those articles in full, or summarize them for our readers - and we will not hide them. For the moment, our P&I team will continue to investigate the Trump administration, as the government of the day. If Mike is chosen as the Democratic presidential candidate (and Donald Trump emerges as the Republican one), we will reassess how we do that.

The Hill, November 25, 2019 “Bloomberg union calls on company to rescind decision to not investigate 2020 presidential candidates, <https://thehill.com/homenews/media/472019-bloomberg-union-calls-on-company-to-rescind-decision-against-covering-2020>.

Legal Analysis

4. A "contribution" is anything of value given, loaned or advanced to influence a federal election. 2 U.S.C. § 431(8)(A) and 441b(b)(2) 11 C.F.R. § 100.52.

5. Under the so-called “media exemption,” any cost incurred in covering or carrying a news story, commentary, or editorial by any broadcasting station (including a cable television operator, programmer or producer), Web site, newspaper, magazine, or other periodical publication, including any Internet or electronic publication, is not a contribution *unless the*

facility is owned or controlled by any political party, political committee, or candidate, in which case the costs for a news story:

- (a) That represents a bona fide news account communicated in a publication of general circulation or on a licensed broadcasting facility; and
- (b) That is part of a general pattern of campaign-related news accounts that *give reasonably equal coverage to all opposing candidates* in the circulation or listening area, is not a contribution (11 C.F.R. §§ 100.73). A similar provision exists for expenditures at 11 C.F.R. § 100.132.

6. Bloomberg News’s decision to refrain from investigating the Candidate is a thing of value given by Bloomberg News to the Candidate to influence a federal election.

7. Bloomberg News’s announcement, which involves costs related to “carrying a news story” (or in this case costs associated with assessing and then making the editorial decision to avoid a news story), is not entitled to the media exemption because (a) the Candidate owns (or controls) Bloomberg News, and (b) Bloomberg News has affirmatively stated that it will not engage in campaign-related news accounts that *give reasonably equal coverage to all opposing candidates*. Unlike in *Andy Mayberry for Congress*, where the Commission approved publisher’s expenditures related to news stories, editorials and the like by a publication owned by a candidate, and covering the candidate’s campaign, in that case the publication ran, “campaign-related news accounts *that give reasonably equal coverage to all opposing candidates* in the circulation area (emphasis added) (Advisory Opinion 2000-07).

8. Bloomberg News is not providing “reasonably equal coverage to all opposing candidates.”

9. Specifically, Bloomberg News stated that it would continue to investigate

the Candidate's opponent. <https://www.cnbc.com/2019/11/24/bloomberg-news-will-not-investigate-mike-bloomberg-or-his-democratic-rivals-during-primary.html>, *CNBC*, November 24, 2019 "Bloomberg News will not investigate Mike Bloomberg or his Democratic rivals during primary".

Conclusion and Request for Investigation

10. Bloomberg News knowingly and willfully announced that it would be giving the Candidate and the Candidate's Committee (as well as all candidates running for the Democratic nomination) a thing of value – continued investigations and reporting into the Candidate's political opponent while refraining from investigations into the Candidate or the Candidate's Committee while the Candidate remained a candidate for office. That valuable offer and acceptance is a contribution under FECA regulations which does not meet the "media exemption" criteria, and as such Bloomberg News must register and report as required of any political committee, and must abide by FECA and its regulations. Currently that is not happening.

WHEREFORE, Media Research Center and L. Brent Bozell, III ask that the FEC conduct an investigation into these allegations, declare the respondents to have violated the FECA and applicable FEC regulations, and order respondents to cease any further violations. In addition, the complainants request that the FEC impose sanctions appropriate to these violations, and take such further action as may be appropriate, including referring this matter to the Department of Justice.

Media Research Center

A handwritten signature in black ink, appearing to read 'LB Bozell', written over a horizontal line.

L. Brent Bozell, III, President

1900 Campus Commons Drive, Suite 600

Reston, Virginia 20191

Verification

Media Research Center and L. Brent Bozell, III, hereby verify that the statements made in the attached Complaint are, upon information and belief, true. Sworn and subscribed to me under penalty of perjury this 12 day of December, 2019

COMMONWEALTH OF VIRGINIA :
: To Wit
COUNTY OF FAIRFAX :

Melissa Marie Lopez
NOTARY PUBLIC

My Commission Expires: 2/28/2023

My Notary Number is: 7388298

