Twenty-First Century Fox

Bill O'Reilly out at Fox News after harassment allegations

Murdochs agree their biggest cable news star will not return to primetime



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YESTERDAY by: Matthew Garrahan and Kara Scannell in New York

Bill O'Reilly, the biggest star at Rupert Murdoch's Fox News Channel, is leaving the US cable news network after an independent investigation into claims that he sexually harassed several women.

"After a thorough and careful review of allegations against him, the company and Bill O'Reilly have agreed that Bill O'Reilly will not return to the Fox News Channel," 21st Century Fox, Fox News' parent company, said in a statement. In an internal memo to employees, Mr Murdoch and his sons, James and Lachlan, said that the decision followed an extensive review done in collaboration with outside counsel but they also praised Mr O'Reilly for his 20-year contribution to the highly profitable network's ratings.

"By ratings standards, Bill O'Reilly is one of the most accomplished personalities in the history of cable news," they said. "We have full confidence that the network will continue to be a powerhouse in cable news."

"Lastly, and most importantly, we want to underscore our consistent commitment to fostering a work environment built on the values of trust and respect," they added.

In a separate note to Fox News employees, Mr Murdoch said: "I understand how difficult this has been for many of you."

Mr O'Reilly's departure was triggered by a <u>New York Times</u> (https://www.nytimes.com/2017/04/01/business/media/bill-oreilly-sexualharassment-fox-news.html?_r=0) investigation which revealed that he and Fox News had paid a combined \$13m to silence women who had complained of sexual harassment. The news prompted a boycott of Mr O'Reilly's show by scores of advertisers.

In a statement on Wednesday, Mr O'Reilly said: "It is tremendously disheartening that we part ways due to completely unfounded claims. But that is the unfortunate reality many of us in the public eye must live with today."

The news of his departure came before a board meeting on Thursday that had been expected to discuss his position. 21st Century Fox, which is separately awaiting a UK ruling on its £11.7bn bid (https://www.ft.com/content/cb7a727e-1ba1-11e7-bcac-6d03d067f81f) for full control of Sky and a federal investigation into alleged

concealment of payments to former Fox News employees, had faced mounting pressure to part company with one of its longest-serving anchors.

He is the second big loss from Fox News' primetime line-up following the departure in January of Megyn Kelly, the star presenter who quit for NBC. He will be replaced in the network's 8pm slot by Tucker Carlson.

The abrupt exit comes months after <u>Roger</u> <u>Ailes</u> (https://www.ft.com/content/51f9a74a-<u>4fef-11e6-88c5-db83e98a590a</u>), the channel's former chairman, was fired following similar harassment claims. He **Century Societaria** a state of the s

The probe into Mr Ailes prompted a federal investigation (https://www.ft.com/content/26ce771c-1916-11e7-9c35-0dd2cb31823a) into the possible concealment from 21st Century

Fox investors of pay-offs to former Fox News employees.

Prosecutors have begun interviewing witnesses, including Mark Kranz, the former Fox News chief financial officer, who has been <u>offered immunity</u>

(https://www.ft.com/content/dfb45266-13c5-11e7-80f4-13e067d5072c) in return for his testimony.

Fox News' blend of news and hard-hitting conservative opinion has been a winning formula. Brian Wieser, an analyst with Pivotal Research, estimated that the network generated operating profit of \$1.6bn in its last full fiscal year, nearly a quarter of 21st Century Fox's total operating profit.

Mr O'Reilly had been off the air for more than a week and on Wednesday shook hands with Pope Francis while on holiday in Rome.

Nancy Erika Smith, the lawyer who represented Gretchen Carlson when the former presenter alleged harassment by Mr Ailes, said that Mr O'Reilly's departure was "window dressing" because both men were "toward the end of their careers".

"The people at Fox who enabled this and covered it up for many many years, who knew that this harassment was taking place and that these men left a wake of victims in their path, are still there," Ms Smith added.



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Mr O'Reilly is being represented by Marc Kasowitz, a partner with Kasowitz Benson Torres who has represented Donald Trump in litigation matters for more than 15 years. Mr Kasowitz said before the company announced his exit that Mr O'Reilly had been "subjected to a brutal campaign of character assassination that is unprecedented in post-McCarthyist America".

Lisa Bloom, an attorney representing Wendy Walsh, a Fox News guest who alleged harassment by Mr O'Reilly, said that a new victim had come forward alleging sexual and racial harassment by the presenter.

Mr Kasowitz said that the latest allegation was "outrageous", calling it part of an "orchestrated campaign by activists and lawyers to destroy Mr O'Reilly and enrich themselves through publicity-driven donations".

Douglas Wigdor, an attorney representing Juliet Huddy, a former Fox News host who has accused Mr O'Reilly of sexual harassment, and three Fox News employees who allege racial discrimination at the company, said: "As someone who supported and contributed to the Trump campaign and who routinely watches Fox News, I can categorically deny, and find it offensive, that my firm is being accused of being controlled by far-left organisations."

Mr Wigdor said that his firm planned to file additional lawsuits against Fox News "that will shed further light on the abhorrent, intolerable and unlawful working conditions that our clients have been forced to endure".

Earlier this month, Mr O'Reilly told the New York Times

(https://www.nytimes.com/2017/04/01/business/media/bill-oreilly-sexualharassment-fox-news.html): "In my more than 20 years at Fox News Channel, no one has ever filed a complaint about me with the human resources department, even on the anonymous hotline."

Losing Mr O'Reilly is unlikely to affect the profitability of 21st Century Fox, according to Steven Cahall, analyst at RBC Capital Markets.

"We think Fox News' brand affinity remains unique and unchallenged in conservative political news, hence viewers are likely to tune in to O'Reilly's successor," he said.

Additional reporting by Shannon Bond in New York and James Politi in Rome

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