## Fox News Headlines Muddy 21st Century's Bid for Sky

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Fox News Channel continues its reign as the nation's most-watched cable-news outlet. Try as it might, however, the network's parent company cannot keep the money-making unit from generating shocking headlines of its own.

21st Century Fox has installed several new senior female executives at Fox News Channel and reworked the company's human-resources department. Despite those measures – or, perhaps, because of them – the network continues to be beset by legal matters alleging sexual improprieties by well-known employees. In recent weeks, Fox Business Network host Charles Payne and Fox News Channel host Eric Bolling have been suspended pending investigations into allegations of sexual improprieties. What's more, the network continues to investigate allegations in an eyebrow-raising legal complaint alleging Fox News worked with the White House to disseminate fake news about the death of murdered former Democratic National Committee staffer Seth Rich, making claims in a now-retracted online article that Rich was linked to a leak of DNC emails to Wikileaks.

And there other matters that have erupted across the Fox empire. In July, Jamie Horowitz, who was building an aggressive slate of studio shows at Fox Sports 1, was ousted after sexual-harassment allegations were made.

Payne and Bolling have denied the allegations made against them. Fox News has said it is investigating both matters. The company has denied it had collaborated with anyone to spread false reports and said it continues to look into the reasons behind the retraction of the Seth Rich article. ""Fox News has retained outside counsel on the matter. Given that this is pending litigation, there will be no further comment," the network said. An attorney for Horowitz in July said the executive had performed his job "in an exemplary fashion."

## A Year After Ailes' Ouster, Fox News Soldiers on Amid Tumult

No matter how the outcome of these various matters are handled, they erupt at a sensitive time for the parent company and its controlling Murdoch family. Fox remains keen to snap up the 61% of the British satellite-broadcaster Sky it does not already own. 21st Century Fox reached a deal late last year to buy the remaining Sky stake for \$15.2 billion – a pact that would give Fox enormous global heft. As AT&T prepares to acquire Time Warner and as Fox continues to negotiate with giant distributors like Comcast and Charter Communications, bringing Sky into the company would add new leverage, while its European news operations could lend new programming advantages to Fox News.

On Tuesday, Britain's Department for Culture, Media and Sport, supervised by U.K. culture minister Karen Bradley, said it had asked communications regulator Ofcom to look at Fox's bid for Sky again, and set a deadline of August 25th to receive a new report. The move was seen as a setback for Fox. In July, the company said that "We respect the importance of regulatory scrutiny, and we continue in our commitment to work constructively with authorities as we have done since this process began."

Activists and attorneys have called for regulators to clamp down on the Sky process. "Ofcom took a 'see no evil, hear no evil' approach to investigating the Murdochs and their fake news factory Fox News," said Alaphia Zoyab, a senior campaigner at advocacy organization Avaaz, which has campaigned against the

## http://variety.com/2017/tv/news/fox-news-21st-century-fox-sky-murdoch-1202520647/

Sky acquisition. "Secretary Bradley is beginning to see just how flawed that approach was. She should push for a deeper probe, and she knows that if she doesn't, a legal challenge is possible."

Meanwhile, Douglas Wigdor, an attorney representing several different parties who have filed lawsuits against Fox News was said by the New York Times to have sought as much as \$60 million from 21st Century Fox to settle various matters. A 21st Century Fox spokesman declined to comment on the situation. Wigdor said via email that he could not comment on any mediation he was doing on behalf of clients, but noted "as a general proposition we and other well-regarded counsel often handle multiple cases against an entity, and frequently use gross demands to try and resolve them. Per the joint representation and aggregate settlement rules, lawyers are permitted to do just this– and we don't pull numbers out of thin air."

The Murdochs and senior executives have so far remained silent on the most recent turn by Britain's government. But they may have a chance to weigh in on the proceedings later Wednesday when 21st Century Fox discloses fourth quarter and full-year performance for its fiscal 2017.