Bill O'Reilly, Roger Ailes Still Loom Over Fox's Business (Analysis)

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10/21/2017

Bill O'Reilly and Roger Ailes haven't worked for 21st Century Fox in months. Indeed, Ailes, who built and led the company's financial engine, Fox News, passed away earlier this year. But their shadows continue to hover over some of the corporation's most critical business efforts.

A Saturday report in The New York Times revealed executives at 21st Century Fox signed Bill O'Reilly to a new and lucrative contract at Fox News Channel even though they were aware the anchor, long the linchpin of the cablenews network's primetime lineup, had reached a settlement with Lis Wiehl, a legal analyst with the network, over claims of harassment. The company said in a statement Saturday that executives were unaware the settlement totaled \$32 million, a massive amount that dwarfed \$13 million in settlements O'Reilly had reached with five other women dating back to 2002.

The details are certain to draw new scrutiny to the company, controlled by the Murdoch family, as it sets about starting a new programming era at Fox News Channel and continues to try to press past regulatory scrutiny of its bid to acquire the 61% of the British satellite-broadcaster Sky it does not already own.

"The important question now is what 21st Century Fox executives knew, and when," said Douglas Wigdor, an attorney who represents multiple plaintiffs who have in recent months accused Fox News executives of harassment or discrimination.

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 and lend it new leverage against media behemoths like Comcast, Charter Communications, and, potentially, an AT&T that is expected in coming months to close a purchase of Time Warner. In September, the British government referred the Sky matter to the nation's competition authority, citing concerns about broadcasting standards, consolidation of media ownership and corporate governance. Fox has said it "looks forward to engaging constructively" with the government.

In the U.S., Fox News Channel, widely regarded as the economic engine of its parent, is about to unveil a new programming lineup that depends more heavily on female anchors. On October 30, Fox News is slated to launch new programs anchored by popular conservative radio host Laura Ingraham at 10 p.m,. and by Fox News Supreme Court reporter Shannon Bream at 11 p.m. – a new foray into late night after years of running a repeat of its 8 p.m. hour at that time. Fox News has already given new hours in daytime to Harris Faulkner and Dana Perino, while adding Sandra Smith to an hour co-anchored by Bill Hemmer.

All of this has happened since the ouster of Roger Ailes from Fox in July of 2016, the direct result of sexualharassment charges brought against him by former Fox News anchor Gretchen Carlson. More than a year later, the accusations about his behavior and how they influenced the internal culture at Fox News Channel continue to influence decisions being made there.

21st Century Fox has reworked the Fox News executive suite, giving female executives oversight of programming, advertising sales and financial operations. The woman who served as Fox's corporate counsel during Ailes' command, Dianne Brandi, has taken a voluntary leave from the company, and no details have been released about when she might return. 21st Century Fox has ousted executives in other units who were accused of harassment: The company parted ways with a key staffer at Fox Sports, Jamie Horowitz, after allegations about his behavior surfaced.

Horowitz denied the charges. Ailes continued to deny the allegations made against him until his death in May of this year.

O'Reilly has, since leaving Fox News in April, stepped out on his own. He hosts a subscription-based program at his own website, and has continued to promote his series of history books. He even made an appearance recently on Sean Hannity's primetime show on Fox News. He left Fox News with a settlement said to total between \$20 million and \$25 million, according to a person familiar with the matter.

But Fox's decision to extend his contract despite its knowledge of another settlement is likely to color perception of Fox's actions. "It's horrifying any co would dismiss employee after mult harass allegations – then allow back on air," said Carlson via Twitter on Saturday.

Both Fox News and O'Reilly rose to their own defense on Saturday. 21st Century Fox emphasized in a statement that the new O'Reilly contract gave the company an out if further harassment claims were made against the anchor. Mark Fabiani, an O'Reilly spokesman, on Saturday released an affidavit from Wiehl withdrawing allegations made against O'Reilly and stating she had no claims against Fox News Channel.

Whether these new revelations affect any of the new business initiatives remains to be seen. Still, it would seem that the company's former star anchor and his former boss Ailes continue to wield some influence at a company that had hoped to sunder its ties with them.