

## Fox News employees' lawyer details racism and intimidation

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Fox owner Rupert Murdoch tried to buy Sky in 2010 but the deal collapsed at the height of the phone hacking scandal

Rupert Murdoch's Sky takeover bid must be stopped because of a history of 'sexual harassment, racial discrimination and intimidation' at 21st Century Fox, a lawyer has claimed.

Douglas Wigdor - who represents 19 current and former Fox News employees involved in a racial discrimination suit - claims the network turned a blind eye to a string of serious allegations until the scandals went public years later.

In an explosive 36-page document sent to Ofcom, Mr Wigdor claims the allegations prove the company 'lacks the internal control' to ensure legal compliance and proper standards are met - suggesting Murdoch's company is unfit for the takeover.

The letter could put a serious dent in 21st Century Fox's £11.7 billion buy-out of the broadcaster, as Ofcom continues to decide whether the holder of the broadcast licence is a 'fit and proper person'.

Urging Sharon White - Ofcom's Chief Executive - to halt the bid, he wrote: 'The fact that only a very public lawsuit from one of the network's most recognizable stars triggered this investigation suggests that Fox News lacks proper internal controls to ensure compliance with federal and state labor laws.'

Mr Wigdor also claims that Fox attempted to 'intimidate and silence' victims of discrimination by forcing them to litigate their claims in confidential arbitration rather than in a public forum.

Among those who he criticised are Bill O'Reilly, former Chief Executive Officer Roger Ailes - who has been accused of sexual harassment - ex-comptroller Judy Slater and the corporation's General Counsel Dianne Brandi.

Citing the allegations against Mr O'Reilly - who was fired from Fox News over repeated claims of sexual harassment - he claims that his client's situations were similar to those who sued Mr Ailes, in that their voices were ignored for years.

Bill O'Reilly pictured on his show The O'Reilly Factor on Fox News. He was let go by the corporation over complaints of sexual harassment

His letter says: 'It is telling that within two weeks of the lawsuit being filed, the law firm retained to conduct an investigation was able to speak with at least six other women who described similar behavior from Mr. Ailes.'

'Had Fox News cared to conduct even a cursory investigation before bad publicity made it essential that it do so, it would have uncovered these claims and others from women and people of color who suffered workplace harassment.'

The lawyer - who is an Oxford graduate - also says that Fox News ignored rife racism in the office for a number of years.

Several Fox News employees also filed sexual harassment action against CEO Roger Ailes

When a lawsuit was issued to Fox News over alleged racist abuse by Ms Slater, Mr Wigdor claims that 21st Century Fox leaked some of the allegations in combination with a pre-written statement, in a bid to salvage its reputation.

Mr Wigdor said: 'This claim was completely false and designed to cover up the truth.'

'Ms. Slater was not terminated because she engaged in discriminatory conduct - as with Mr. O'Reilly and Mr. Ailes, Fox was willing to let her get away with that for years.'

'Rather, Ms. Slater was terminated because Fox knew that the facts of Ms. Brown's and Ms. Wright's Complaint would become public and wanted to salvage its reputation.'

Fox News was apparently made aware of complaints of racism against Ms Slater eight-and-a-half years before she was eventually fired in March this year.

But when Ms Brandi and head of human resources Denise Collins were told about the complaints very little was done, with the latter apparently saying 'Well, what do you want me to do about it?'

Of the 37 spots that comprise the 21st Century Fox executive team and Board of Directors, there is only one black person.

The company, which already owns 39 percent of Sky, agreed in December to buy the rest of the pay-TV group, which triggered a regulatory review of the politically sensitive deal.

Accusations of sexual harassment, racial discrimination and intimidation have been levelled at 21st Century Fox (HQ pictured) in a letter by the lawyer of several ex-employees

Fox owner Rupert Murdoch tried to buy Sky in 2010 but the deal collapsed at the height of the phone hacking scandal. MPs symbolically voted against the deal in 2011.

The proposed merger has faced vocal opposition from campaigners and the Labour frontbench.

Culture Secretary Karen Bradley confirmed last month that she would be referring the issue to Ofcom amid concerns the company would control too much of Britain's media.

She also suggested that Ofcom will be able to take the phone-hacking scandal into account if it does examine the situation.

The Competition and Markets Authority is also investigating the implication of 21st Century Fox's bid for the British satellite broadcaster.

A 21st Century Fox spokesman said: '21CF has taken prompt and decisive action to address allegations of sexual harassment and workplace issues at Fox News.'

What happened in 2010?

An investigation was launched the last time Rupert Murdoch's organisation wanted to take over Sky because News Corp, 21st Century Fox's then parent company, owned the Times and the Sun.

Now, the newspaper assets and the film and television studios are two separate companies, meaning technically there are no longer concerns about media ownership in the UK.

But, because both companies have the same owner, there may still be concerns raised.

The 2010 deal ultimately collapsed for political reasons linked to the phone hacking scandal, not because it fell foul of regulators.

Can Europe intervene?

In 2014 Sky took full control of Sky services in Germany, Austria and Italy in a £7billion deal, and in 2010, the European Commission gave the plans the go ahead.

The pan-European deal is likely to make Fox hopeful that any concerns would be passed by the European Commission.

Why are people concerned?

As part of its role, Ofcom must ensure that holders of broadcast licences are 'fit and proper' - and some politicians and campaigners have questioned whether Murdoch and his family fit the bill since the phone-hacking scandal exploded in 2011.

Murdoch has held a unique position in Britain in years gone by, with former prime ministers such as Tony Blair and David Cameron lining up to secure the blessing of the media mogul and the backing of his newspapers. Critics say this has given him too much say over public and political life in Britain.

The phone-hacking scandal prompted Ofcom to investigate whether Sky was still a fit and proper broadcast licensee due to its links to James and Rupert Murdoch. James Murdoch was at the time a former CEO and chairman of Sky while Rupert Murdoch was linked due to his role at biggest shareholder News Corp.

While it found that James Murdoch 'repeatedly fell short of the conduct to be expected of him' during his time running News Corp's newspaper business, it did not conclude that he had deliberately engaged in any wrongdoing.

Sky was found to be fit and proper. The test is an ongoing requirement facing all broadcast licensees, and lawyers said they did not expect it to feature in any new Ofcom probe.