

## Fox News story sparks calls for further scrutiny of Murdochs' Sky bid

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Ofcom and the government are facing calls to deepen their investigation into whether the Murdochs should be allowed to buy Sky following allegations that [Fox News colluded with the White House on a story that contained fabricated quotes](#).

Douglas Wigdor, a lawyer representing [Fox News](#) contributor Rod Wheeler, said Ofcom should call back Fox executives for questioning over the US station's report on Seth Rich, a murdered Democratic aide who it inaccurately claimed was the source of hacked emails published by WikiLeaks.

Meanwhile, a group of high-profile MPs, including former Labour leader Ed Miliband, said the allegations regarding the [Fox News](#) story suggested a "brazen disregard for the ethics of journalism" and that new compliance procedures at the company had "failed dismally".

Fox News reported in May that [Rich](#), who was murdered in July last year, had been identified as WikiLeaks' source in the email hack. The story was used by supporters of President Donald Trump to debunk Russia's role in the hack and its alleged distorting of last year's presidential election. However, Fox News later [retracted the story](#) and said it was not "subjected to the high degree of editorial scrutiny we require for all our reporting".

In a legal filing last week, Wheeler alleged that quotes from him in the article were fabricated and that it was part of a conscious effort to deflect public attention away from the inquiry into Russian interference in the 2016 election. [He also claimed that the White House was given an advanced viewing of the article and the president had enthusiastically pushed for its publication.](#)

The allegations come at an uncomfortable time for 21st Century Fox, the owner of Fox News, which is controlled by [Rupert Murdoch](#) and his sons Lachlan and James. Karen Bradley, the culture secretary, is deciding whether to refer a £11.7bn bid from [Fox](#) for the 61% of Sky that it does not own to the Competition and Markets Authority.

Bradley has said she is "minded" to refer the deal to the CMA due to concerns about media plurality raised by Ofcom, the media regulator, in a report about the proposed takeover. However, she has also said that she does not intend to refer the deal to the CMA on the grounds of broadcasting standards, while a separate report by Ofcom cleared the Murdochs as "fit and proper" owners of Sky.

Bradley is expected to announce her decision on referring the deal within the next few weeks. Wigdor and the MPs are calling for her and Ofcom to consider Fox News's Rich article before reaching a decision.

In a letter to Sharon White, the chief executive of Ofcom, Wigdor said that Wheeler's allegations "raise serious concerns about the willingness of Mr Murdoch's media machine to invest resources into furthering a political agenda in line with the family's own views".

The lawyer also highlighted that the Rich article was published a day after Fox said it had implemented new compliance procedures.

He said: "Further questioning of Fox executives is necessary to assess whether the company was transparent during meetings with Ofcom. While Ofcom has no duty to assess the veracity of complaints

filed in the US, the facts here involve recent conduct by the company and contradict the company's representations that since July 2016 it has adopted new measures to maintain adequate internal governance.

"To the contrary, the company's conduct, including that of the highest executives at Fox, may demonstrate that there is a risk that it will act to influence political agendas in the UK."

The MPs have also sent a letter to White, and a separate one to Bradley. The letters are signed by Miliband, Sir Vince Cable, the Liberal Democrat leader, Kenneth Clarke, the former Conservative chancellor, and Lord Falconer, the Labour peer and former lord chancellor.

The letters call for Ofcom to reopen its investigation into whether the Murdochs are fit and proper owners of Sky as well as for Bradley to refer the deal to the CMA on the grounds of broadcasting standards.

The MPs say of the Rich story: "If ever there was an episode which showed that there are grounds for referral of the merger to the CMA on broadcasting standards grounds, it is this. It suggests a cavalier approach to standards at Fox News, a compliance code which failed the day after it took effect and a refusal to apologise or take action once a falsehood is discovered."

An Ofcom spokesperson said: "We carried out a detailed assessment, based on the evidence, of Sky's fitness to hold broadcast licences in the event of the merger. We have received this letter and will respond shortly."

Fox declined to comment. The Murdochs have previously defended the deal, saying that the combination of Fox and Sky will create a "global powerhouse", and pointed to Sky's track record in the UK of not breaching broadcasting standards.