

# Fox harassment claims create clouds around Sky takeover bid

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TV presenter Wendy Walsh poses for a photo in front of the Ofcom office in London, Tuesday, May 9, 2017. Wendy Walsh is one of the women who has accused former Fox News presenter Bill O'Reilly of sexual harassment. A U.K.

scandal torpedoed Rupert Murdoch's first attempt to take control of British-based broadcaster Sky. Now claims of sexual harassment at his U.S.-based Fox News are creating storm clouds around a second. Walsh is calling on British regulators to reject 21st Century Fox's bid to buy the 61 percent of Sky that it doesn't already own, saying the deal would allow Fox to bring a culture of sexual and racial harassment to the U.K. (AP Photo/Frank Augstein)

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A woman who says she was mistreated by former Fox TV star Bill O'Reilly is calling on British regulators to reject 21st Century Fox's bid to buy the 61 percent of Sky that it doesn't already own, saying the deal would allow Fox to bring a culture of sexual and racial harassment to the U.K.

Experts say that on current evidence the claims are unlikely to derail the bid for Sky, though it's still too early to know for sure. The takeover values Sky, which broadcasts Premier League soccer and top film offerings across Europe, at 18.5 billion pounds (\$24 billion).

For Fox, the situation is all too reminiscent of Britain's phone-hacking scandal, in which journalists working for Murdoch newspapers were accused of gaining illegal access to the voicemail messages of celebrities, members of the royal family and crime victims. Murdoch's News Corp. withdrew its previous bid for Sky in 2012, amid fallout from the scandal.

News Corp. in 2013 split itself into two companies, with 21st Century Fox focusing on broadcast and cable television, as well as film and TV studios.

Ofcom, Britain's telecommunications regulator, is currently reviewing the proposed deal to determine whether it is in the public interest. Among the issues it will consider is whether those who manage the entity are "fit and proper" to hold a broadcasting license, a test that provides broad latitude for regulators and the politicians who will make the decision.

Critics of the deal want Ofcom to take into account lawsuits filed in the United States alleging racial and sexual harassment at Fox News, a unit of 21st Century Fox.

Fox has moved to fire problematic employees, even senior ones such as O'Reilly, who denies any wrongdoing. That has led many analysts to suggest that Murdoch's companies were trying to show there's a new culture in the media empire as Rupert's sons take on bigger roles.

Rupert Murdoch is executive chairman of 21st Century Fox and News Corp. His son Lachlan is also executive chairman of Fox and chairman of News Corp., while James Murdoch is CEO of Fox and chairman of Sky.



TV presenter Wendy Walsh speaks to her lawyer Lisa Bloom, right, in London, Tuesday, May 9, 2017. Wendy Walsh is one of the women who has accused former Fox News presenter Bill O'Reilly of sexual harassment. A U.K. scandal torpedoed Rupert Murdoch's first attempt to take control of British-based broadcaster Sky. Now claims of sexual harassment at his U.S.-based Fox News are creating storm clouds around a second. Walsh is calling on British regulators to reject 21st Century Fox's bid to buy the 61 percent of Sky that it doesn't already own, saying the deal would allow Fox to bring a culture of sexual and racial harassment to the U.K. (AP Photo/Frank Augstein)

In another example of aggressive house-cleaning, the Financial Times reported that News Corp. has decided to part company with Kelvin MacKenzie, former editor of the Sun, Britain's biggest newspaper by circulation. MacKenzie has been at the center of controversy since last month when he wrote a piece comparing England soccer player Ross Barkley, who has a Nigerian grandfather, to a gorilla.

Fox did not immediately respond to an email request for comment. However, when Rupert Murdoch was asked by the BBC outside his offices in New York whether Ofcom was going to consider what's happening at Fox News, he shook his head and said "nothing's happening at Fox News. Nothing."

The company has in the past said it "welcomes a thorough and thoughtful regulatory review."

"We believe this transaction is in the interest of the U.K., its creative economy and its consumers," the firm told the Department for Culture Media and Sport. "For the past 30 years, (21st Century Fox) and Sky have been broadcasters of good standing in the UK, a responsibility we take seriously."

One of the people to come to London to speak with Ofcom is Wendy Walsh, a psychologist and Los Angeles radio host who was once a regular guest on Fox News' "The O'Reilly Factor."

Walsh said many women were unable to speak out because Fox's way of dealing with the complaints was to pay women off and muzzle them with disclosure agreements. She says the bid for Sky should be blocked because media companies have a special role in society.

"A corporation should not become a monopoly over a media entity," she told The Associated Press. "The role of the media has always been to be the Fourth Estate, the watchdog on government and greedy corporations. You are not supposed to be the greedy corporation."

Attorney Douglas Wigdor, who represents 21 people with complaints against Fox, also plans to travel to Britain later this week to speak with Ofcom.

Wigdor, who represented Nafissatou Diallo, the chambermaid who accused ex-International Monetary Fund boss Dominique Strauss-Kahn of sexual assault, said he had a responsibility to inform regulators about the complaints from his clients about Fox.



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"I refer to them as 18th-Century Fox," he said, arguing that the company's behavior is more typical of that century.

Under British law, Ofcom examines whether people who control media enterprises have "a genuine commitment" to broadcast standards. The regulator also has "an ongoing duty to be satisfied that the holders of broadcast licenses are fit and proper to be licensed."

But it remains to be seen whether regulators will be swayed by the storm.

Media analyst Alice Enders of Enders Analysis said that while Ofcom will listen to the testimony and take such evidence into account, phone hacking and sexual harassment are very different types of conduct.

"People are fanning the flames and the smoke signals are rising, but it's got to be more than a group of people aggrieved by their workplace environment," Enders said.

Enders said added that it was also important to be judicious in the conclusions drawn.

"I think it's very important that we realize that people are typically innocent until proven guilty so every allegation that's made around 21st Century Fox is not, in fact, fact," she said.

Walsh is unapologetic. She believes she is in a unique position to speak out.

"I just want this to be an example," she said. "Large companies can't do business this way."

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