COMPETITION AND MARKETS AUTHORITY 21st CENTURY FOX / SKY MERGER INQUIRY Notes of a hearing with Wigdor LLP held at Victoria House, Southampton Row, London on Monday, 21 November 2017 PRESENT: FOR THE STAFF Mary Avinde - Project Officer Joel Bamford - Project Director Sabrina Basran - Project Manager - Legal Director Tim Capel David Du Parc Braham - Assistant Project Director Jennifer Halliday - Assistant Director FOR WIGDOR LLP Douglas Wigdor - Wigdor LLP - News Anchor, Fox News Kelly Wright Jessica Golloher - Former Fox News Employee Digital Transcription by WordWave International Ltd trading as DTI 8th Floor 165 Fleet Street London EC4A 2DY Tel No: 0207 404 1400 4043 Fax No: 0207 404 1424 Email: ukclient@dtiglobal.eu

Q. 1 (Mr Bamford) Thank you for coming in today. Just a few introductions. We 2 are recording via the microphones above your head and I shall take you 3 through the process on that in a minute. Just so we can introduce ourselves 4 for the recording, my name is Joel Bamford. I am the director of the inquiry. 5 On this side of the table we have? 6 Α. (Mr Du Parc Braham) David Du Parc Braham, I am the Assistant Director. 7 Α. (Ms Halliday) Jennifer Halliday, I am another Director assisting Joel. 8 Α. (Mr Capel) I am Tim Capel, I am the Legal Director. 9 Α. (Ms Basran) I am Sabrina Basran, I am the Project Manager of the inquiry. 10 Q. And in the background? 11 Α. (Ms Ayinde) Mary Ayinde, Project Officer. 12 Q. If you could just introduce yourselves? 13 Α. (Mr Wigdor) I am Douglas Wigdor, founding partner of Wigdor LLP. 14 (Mr Wright) I am Kelly Wright, News Anchor and reporter for Fox News. Α. 15 A. I am Jessica Golloher, currently unemployed but was (Ms Golloher) 16 employed by Fox News. 17 Q. (Mr Bamford) So as I said, thank you for coming in. I am just going to go 18 through a few administrative matters and then we can turn to our discussion. 19 In terms of this hearing, which is what we term these sessions, just to set it in 20 context, we have both an administrative timetable and an issues statement 21 which sets out how we are analysing the acquisition by Fox of 100 per cent of 22 Sky and the aim of this hearing is to explore some of the issues in that 23 context. We will go over the papers you have submitted to us in response to 24 that issue statement, and the previous submissions to Ofcom and the DTMS 25 in phase one.

1 A. (<u>Mr Wigdor</u>) That is right.

2 Q. And in terms of the procedures and treatment of evidence here, we have 3 previously sent you information on our procedures at hearings and about how we treat that evidence. If you would like to amend or add to any evidence you 4 5 give today, we would ask that you do that in writing after the event. We will be 6 taking a recording, of which we will produce a transcript. In the kind of open 7 way that we have been conducting this investigation, we have been putting those transcripts on our website. We would intend to do so with today's 8 9 transcript as well. We will provide it to yourselves for the checking of 10 accuracy and potentially for the redaction of any confidential information.

11 With respect to the evidence that you give today I have to remind you, as I 12 remind everyone, that it is a criminal offence under Section 117 of the 13 Enterprise Act 2002 to provide false or misleading information to the CMA at 14 any time, including at this hearing. Before we begin, do you have any 15 questions for us?

A. (<u>Mr Wigdor</u>) No, we do not. We are good. I was going to give some remarks,
Ms Golloher was going to have some remarks and then Mr Wright would have
some remarks, so I will start, if that is okay. If at any point you have questions
as I go, I am fine stopping and answering questions as they arise, or wait until
the end, whatever you prefer. Again, thank you for taking the time to meet
with us.

As I indicated I am a founding partner of Wigdor LLP, which is a law firm in New York that specialises in employment litigation and throughout the last few years our firm has had the privilege of representing 27 current and/or former employees of 21st Century Fox or Fox News in connection with their claims of

gender discrimination, race discrimination, retaliation, harassment, and
defamation. In addition to that, we have actually also represented several
individuals with claims against the New York Post, which I will be talking about
as that is a News Corporation owned entity controlled by the Murdochs.
While I am a New York lawyer, I am also qualified to practice in Her Majesty's
Courts of England and Wales and studied at Oxford.

7 I am not going to spend my time, because it is limited time, on what I have 8 already submitted. I do not think that would be particularly useful because 9 you could read that, and if you have guestions about them, I am happy to 10 answer anything that I have submitted. I would like to focus my attention on 11 things that were not necessarily in the materials that I have sent, because I 12 think that those things may be more helpful or actually put things into context. 13 I know that your issues statement declared that your analysis will focus on 14 whether and how any concerns in relation to Fox and News Corporation will 15 mean that it is more likely than not that there will not be a genuine 16 commitment to broadcasting standards at Sky News following a transaction. 17 That issues statement went on to add that we will consider the weight to place 18 on the evidence we obtain and consider whether it has any wider failings in 19 regulation compliance and corporate governance at Fox are capable of 20 affecting the merged entity's commitment to broadcasting standards, and so I 21 would like to focus on those issues.

In doing so, there are two things I would like to discuss. The first is what I am going to refer to as a continued pattern of deception and destruction at 21st Century Fox that goes right to the issues of regulatory compliance and corporate governance at the highest levels, and that you may determine has a

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significant impact on whether there is a genuine commitment to broadcasting
 standards.

The second issue that I want to discuss deals head on with the issue, namely the continuing pattern of creating fake news, and both in my representation of clients and what I will explain to you about my role as a lawyer with the New York Post.

So I have a chart, and I can send this to you by email to make it part of the record, but if I can approach?

9 A. (<u>Ms Halliday</u>) Yes.

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10 Α. (<u>Mr Wigdor</u>) Sorry for the formality, I have just finished a jury trial. I am 11 always asking for -- you feel the need to approach. I thought this would be 12 useful to what I wanted to talk about because it is a timeline of events that 13 have really come to fruition given some very excellent reporting by Emily Steel 14 of the New York Times and so if we -- there is a lot on this chart, but what I 15 really want to focus on right now is you will see that on 21 July 2016 is when 16 Roger Ailes resigned from Fox. You can see that towards the middle of the 17 timeline on the upper part of it, 21 July.

Prior to that date, as you can see if you look left, Bill O'Reilly had already 18 19 confronted and settled several claims of sexual harassment, going as far back 20 as 2002. The most notable one was in 2004 involving Andrea Mackris. That 21 case received widespread publicity. I mean, you would have to be living in a 22 cave not to have heard about that case. It was everywhere. So with that in 23 mind, when I read Jacques Nasser's statement to you, where he said as an 24 independent director he testified before you on 25 October, he declared that 25 prior to July 2016, and this is his quote, "The board had not been made aware

of any allegations being made." I just find that not to be a credible statement
given what you see right here depicted on this chart. It is just not credible. I
submit that it would be impossible for the Murdochs and the board of 21st
Century Fox not to be aware of at least some of the allegations concerning
one of their most high profile on air talents.

6 Despite the very serious claims of Ms Mackris and others, Mr O'Reilly was 7 permitted to continue his show for years and was given a number of contract 8 extensions including the one that you see here in 2012. With respect to that 9 contract extension, Mr Nasser's testimony before you, he claimed that that 10 contract had a provision in it that stated, "He," referring to Mr O'Reilly, "could 11 not be dismissed on the basis of an allegation unless it was proven in court." 12 That statement poses some very serious issues, and what I believe to be 13 deceptive issues. I believe it is a deceptive statement.

14 First of all, it is important to know that in the United States there is no such 15 thing as a contract that would preclude an employer from terminating its 16 employee. In other words, you can have a contract that has a provision in it 17 that states that to fire somebody for cause you would have to prove something in court, but that does not preclude the employer from terminating 18 19 the employee without cause and then providing that employee either with 20 severance, as it would be determined in the contract, or paying out the 21 remainder of the contract.

The impression that Mr Nasser gave was that this contract precluded Fox's ability to terminate Mr O'Reilly, and that just -- I have never seen the contract, but I can tell you having negotiated thousands of employment contracts and knowing employment law in New York, that there is no such thing as a

provision that would preclude an employer from terminating its employee.

Fox would have been well within its rights to terminate Mr O'Reilly without cause and then pay him, but rather than do that Fox continued to pay him as he paid off victim after victim after victim to the tune of approximately US\$45 million. You can see that as you start moving to the right of 2012, and you can start to see the number and the breadth of the sexual harassment allegations.

Now, the second issue surrounding the contract is, why would Fox, even in 2012, and I will get to the renewal in a moment, but in 2012 why would Fox enter into any contract with someone they knew had already been accused of sexual harassment? Why would they enter into a contract that provided some safeguard to the employee where you had a definition of cause to be defined as an allegation that needed to be proven in court? Not to mention that most of these cases involving on air talent actually would never be in court because they are subject to arbitration clauses. So they would not be able to be proven in court, they would be in arbitration.

Let us fast forward back to July 2016. So the O'Reilly contract was in 2012. It is now 2016 and at the time of Roger Ailes's departure, James and Lachlan Murdoch claim that the company was committed to, "Maintaining a work environment based on trust and respect." In fact in December 2016, lawyers for Fox represented to the Secretary of State that Fox, "Has adopted strong governance measures and controls to ensure it meets the highest standards of corporate conduct." What we now know is the following: what we know is that on 2 January 2017, Bill O'Reilly received a draft lawsuit from Lis Wheel outlining claims of sexual harassment, a non-consensual relationship and the

sending of gay pornography and other sexually explicit materials. 21st
Century Fox acknowledge that it was aware of these complaints. So this is in
January. Within a few days of receiving the draft complaint Bill O'Reilly
entered into a settlement agreement with Ms Wheel in an amount that has
been reported as U.S. \$32 million.

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Bill O'Reilly's lawyer provided 21st Century Fox with a document that informed him of the deal, but allegedly did not include the dollar figure. What the document did have is very important, and what it did have according to the New York Times, is it informed 21st Century Fox that the pay-out would be made over a series of years to ensure that Ms Wheel could not speak because she would have money hanging over her head. It also included the destruction of all photo, text messages, and other communications between Ms Wheel and Mr O'Reilly. The destruction of evidence. That is in January 2017 after declaring that 21st Century Fox had adopted strong governance measures and controls to ensure the highest standards of corporate conduct.

What is happening is you are destroying evidence, or you are letting as an employer, 21st Century Fox is letting two of your employees enter into an agreement, turning a blind eye and destroying evidence that might be relevant in other cases as they come down the road, because when you litigate sexual harassment cases as I do, when you do these cases one of the things that you are permitted to seek is evidence of other victims of discrimination or harassment by the same perpetrator. So if you were to subpoena Mr O'Reilly or Ms Wheel, they would have to tell the truth, but if you were also to subpoena them for the documents that showed the harassment, those would no longer exist. So 21st Century Fox turned a blind eye to that and let that

happen.

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21st Century Fox is claiming that the settlement was a personal matter between two individuals, yet 21st Century Fox was a recipient of the release, the legal release of claims. So they cannot say it was a personal matter between two people, yet they were the beneficiary of a release of the claims. They obviously had a vested interest because Ms Wheel could have sued not only Mr O'Reilly, but also could have sued 21st Century Fox and/or Fox News. So they got a release in exchange for that, so it was not simply just a personal matter.

In turning a complete blind eye towards the conduct of its employees and 10 11 permitting the destruction of evidence that could be relevant to similar claims, 12 it is truly a complete failure of regulatory compliance in corporate governance. 13 If that were not bad enough, let us look what happens next. What happened 14 next was that that 21st Century Fox after this starts to enter into negotiations 15 with Bill O'Reilly to extend his contract, having kept all of this matter guiet. So 16 that starts to happen, as you can see, in February 2017. 21st Century Fox 17 stated that Fox News, "Surely would have wanted to renew the Bill O'Reilly contract. He was the biggest star on cable television." So in February 2017, 18 19 he renewed his contract for four years. He was given a salary increase from 20 US\$18 million a year to US\$25 million. Again, at the same time the Murdochs 21 are trying to convince the public that it has cleaned up the workplace. They 22 had knowledge of Lis Wheel's case. They are trying to portray an image that 23 everything is great now, they got rid of Roger Ailes, they were doing 24 everything by the book. They are letting people destroy evidence and letting 25 people enter into settlement agreements, renewing a contract, giving them a

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pay raise.

In Mr Nasser's testimony he actually tried to credit the 21st Century Fox board for ensuring that the new contract had a clause that Mr O'Reilly could be dismissed, "On the grounds of an allegation against him without it having to be proven in court." Of course, the real question is knowing what they knew at that time why they chose to turn a blind eye towards that and how they could renew the contract at all.

8 Ultimately, when Mr O'Reilly was terminated, only after the New York Times
9 broke its story, and of course if the New York Times never broke the story Bill
10 O'Reilly would be employed to this day, but because the New York Times
11 broke its story and advertisers started to pull money out, he was terminated
12 but he was given US\$20 million as he walked out the door.

13 To make matters worse, on 13 April 2017, so now this is after the renewal of 14 the contract, this is after the New York Times discloses the five settlements. 15 Not the Lis Wheel case, but the other five cases, Gerson Zweifach, who is the 16 current General Counsel and Chief Compliance Officer of 21st Century Fox 17 stated in an email, "We have a critical development in the Bill O'Reilly matter. 18 The Government's request for all documents related to sexual harassment 19 allegations against Bill O'Reilly would clearly call for the production of the 20 Wheel material." Do not forget, at this point in time the Wheel materials have 21 not yet been made public. The New York Times did not publish story on Lis 22 Wheel until October. So this is what is going on now in April.

So the head lawyer is now saying that the Government's request would call for these documents. He then says that they could try and challenge the request by telling prosecutors that the case had not been settled by the

1 company so shareholder money was not involved. That is so disingenuous 2 In other words, what the General Counsel is even to think of that. 3 contemplating, I do not know what he ultimately did, but what he was 4 contemplating according to the email that the Times reported on was to tell 5 the government prosecutors that because the settlement occurred between 6 Bill O'Reilly and Ms Wheel, and because Bill O'Reilly paid the settlement that 7 perhaps they did not have an obligation to report that to the federal 8 government, the prosecutors who were looking into that. Of course, that does 9 not explain that they knew about it, does not explain that they destroyed the 10 evidence, does not explain that they were the recipient of a release of legal 11 claims.

So that contemplation of this sort of action speaks volumes and the entire O'Reilly situation should give everyone, honestly, a serious doubt about the veracity of anything 21st Century Fox states.

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15 I should also point out that Bill O'Reilly was permitted even after this, back on
16 Fox in September of 2017 on The Sean Hannity Show and was also on the
17 Hannity Radio Show bashing those who have made claims against him, being
18 provided a platform to do that even after all of this had occurred.

Sadly the deception and destruction regarding Mr O'Reilly was not an isolated
incident. There are many others, most of which are in the papers that I have
submitted so I am not going to go through them, but there are many incidents
of where Fox makes certain representations only to later walk those
representations back when they are proven to be false.

I would like to turn my attention to the second issue that I said, which has even more direct bearing on the broadcasting standards issue. The first is my

experience with the New York Post, as I said, a News Corporation controlled entity. In 2009 I represented a former black and Puerto Rican editor of the New York Post, her name is Sandra Guzman and she had asserted claims of race discrimination centred around her complaints about a cartoon in the New York Post that depicted then President Obama as a dead chimpanzee. It was a horrific cartoon. She complained about it and then was terminated, we said, as a result of her complaint. The case received significant media attention and it involved a very senior official at the New York Post, including the editor of the New York Post, Col Allan.

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10 As a result of our firm's complaint against the New York Post, there were 11 many occasions on which our firm handled other high profile matters that the 12 New York Post reporters were interested in writing about. I was told by these reporters, however, that they were not permitted to do so because of our 13 14 lawsuit in the Guzman matter, that they were being told by the higher ups that 15 they could not do articles on cases that our law firm represented other clients 16 as a way of getting back at us for bringing that case against the New York 17 Post.

To make matters worse, in 2011 I had the privilege of representing Nafissatou 18 19 Diallo, who you will recall was the maid in the Dominique Strauss-Kahn sexual 20 assault rape case. The New York Post ran a series of libellous articles 21 describing Ms Diallo as a prostitute. When my former law partner, Ken 22 Thompson, ran for the District Attorney of Brooklyn, which is the head 23 prosecutor for the county of Brooklyn, the New York Post ran a series of 24 negative articles about him. Despite those negative articles he ended up 25 winning the election, defeating a 20 year plus incumbent becoming the first

1 black District Attorney of Brooklyn.

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2 Prior to him taking office, the Post continued its pattern and ran another series 3 of negative articles about my former law partner. One such article even ridiculed Mr Thompson for asking that a new toilet be installed in his office. At 4 5 the time. Mr Thompson suffered from Crohn's Disease, so he had a reason to 6 have a new toilet. He ultimately died in office of colorectal cancer, recently in 7 the last year-and-a-half. There was article after article after article that went after my former law partner, when they were truly politically motivated and a 8 9 vendetta, I believe, because of our lawsuit against the New York Post.

Of course I felt in the report of my cases that my firm handled, that reporters
wanted to report on. It was making decisions to not cover legitimate news
based on other personal factors.

13 And then just last week, I should note that Mercedes Colwin, a New York 14 lawyer and frequent commentator for Fox News appeared on The Sean 15 Hannity Show in connection with the #MeToo campaign and Harvey 16 Weinstein and other people who are now being accused of sexual assault and 17 sexual harassment. That interview, I am not sure if you have seen it, but it is troubling. The interview focused on essentially undermining victims of sexual 18 19 assault. The two of them went back and forth about how women lie about 20 these claims for money and Ms Colwin went so far as to say that legitimate 21 victims are few and far between. There was no counter point, there was just 22 the two of them attacking victims of sexual assault.

Then last thing, and I think my papers set forth, and I want to make sure I leave sufficient time, so I am not going to read these two pages I have in front of me, but I do want to mention it, is my representation of Rod Wheeler in

1 connection with the murder of Seth Rich. As you probably know, Seth Rich 2 worked for the Democratic National Committee and unfortunately Fox News, 3 along with a contributor of Fox News, Ed Butowsky, apparently along with the White House, according to Ed Butowsky at least, created an article, a fake 4 5 news article, that would shift the attention away from the Russian hacking 6 narrative, that the Russians hacked into emails and gave it to WikiLeaks, to 7 shift that attention to Seth Rich's murder and to try and say that Seth Rich was 8 murdered because he provided the emails to WikiLeaks. The article quoted 9 my client, who never said the things that they said he said as the source for 10 making those conclusions. While ultimately that story was pulled down, there 11 has never been an apology to the Rich family, as far as I know. There 12 certainly has not been an apology to Mr Wheeler and for days Sean Hannity 13 and other Fox News people touted this article as explosive developments that 14 could shatter the narrative that in fact WikiLeaks was working with the 15 Russians, where there was collusion between the Trump Campaign and the 16 Russians.

I just would like to again quote one last quote of Jacques Nasser, who appeared before you. He concluded that, "It would not be conceivable that anyone at 21st Century Fox or Fox News would now believe that he or she may misbehave with impunity." I have only touched the tip of the iceberg here in the limited time that I have, but I would think that the complete opposite is true, frankly. Especially with the new revelations that have come out in the October New York Times article showing what was going on back in January and February when Bill O'Reilly's contract was renewed. How could any employee at Fox News believe that he or she may behave with impunity when

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you have the highest ranking officials at 21st Century Fox renewing a contract
and giving a pay rise to someone who they saw allegations of a nonconsensual sexual relationship and the exchange of pornography, and then
turned a blind eye, destroyed evidence, got a release. Why would any
employee feel comforted by that in addition to all of the other things?
With that, I am going to ask Ms Golloher to say a few words. Thank you.

7 Α. (Ms Golloher) Good morning. I have a habit of reading really fast, so if you 8 need me to stop just let me know. My name is Jessica Golloher, I am a 9 former reporter for Fox News Radio. I began at Fox as a freelancer in 2008. 10 From 2008 to 2014 I spent time in both New York City and Moscow covering 11 politics on conflicts, lifestyle and sports in both Russia and the 12 Commonwealth of Independent States. In August 2014 I accepted the role of 13 Middle-East North Africa correspondent for Fox. In 2015 I was despatched to 14 work remotely from Israel and held that post until I was terminated in August 15 of 2017.

My boss was Mitch Davis, who reportedly had previously been terminated by ABC News following an incident of improper use of an online account. An executive at ABC News who spoke to the press on the condition of anonymity reportedly stated that the incident involved a sexually explicit photograph, and that that photograph had been turned over to the FBI in connection with possible violations of pornography laws.

Throughout my employment Fox, Davis and other executives made numerous unlawful and discriminatory decisions based on my gender that ultimately compromised the integrity of Fox's coverage of various critical world events. For example, in 2014 I was preparing to cover the Olympics from Sochi,

Russia. I speak Russian and have spent a total of nearly seven years in
Russia. At the last minute I was told that the male reporter based in London,
who does not speak any Russian and does not have anywhere near the
familiarity with the country that I do, would be placed above me as the lead
reporter in Sochi. Ultimately I was essentially forced to act as his secretary.
The reporting that I was permitted to do included a story on a ban imposed by
Moscow on lacy underwear imports.

8 After the 2014 Olympics, the same male colleague was assigned to report on 9 many stories that were actually in my area of expertise and geographical 10 coverage. In 2015 my supervisor sent that colleague all the way from London 11 to Pakistan to cover a story that I was ready and willing and actually more 12 qualified to report on.

This happened with other male colleagues as well. In February of this year I sent my supervisor a pitch proposing travel to Afghanistan for a specific story. There had been an uptake in violence there. I was told by my supervisors that Afghanistan was too unsafe for me to travel to, but a couple of days later I learned my Fox male colleague had been sent on the TV side to cover the exact same story that I was told that I could not cover because it was too unsafe.

Earlier this year I offered to travel back to Moscow at my own expense to do in depth on the ground reporting about the Trump-Russia story, which is obviously the biggest story of the year. While there, I told them that I would have the opportunity to cover Russia's involvement in Syrian civil war, which was at that time the biggest story in the Middle-East. Again, I was denied the opportunity to do that. My supervisors told me that it would be too dangerous

1 for me to report from Russia. I covered Russia and Ukraine during mass 2 protests to upraising, annexation and conflict all on the ground without 3 security, but it was too dangerous for me to go back to Moscow and cover Trump and Russia? The suggestion that it would be too dangerous was just 4 5 absolutely ridiculous. This ultimately had an impact on the partiality and 6 integrity of the coverage of the Trump-Russia story. I was not allowed to go 7 and cover the story or even investigate it on the ground from essentially a 8 non-White House perspective, which is what you have to do as a journalist 9 for non-biased reporting. I was denied the opportunity, or at least I think I was, because of my gender and because the higher ups did not want actual 10 11 non-biased reporting on Trump.

The same is actually true for reporting on the Syrian civil war. I was never allowed to cover the Syrian civil war on the ground. Not from Turkey, not from Damascus, not from Moscow. Only from the office. You cannot do in depth reporting if you are not there. This is critical given the Trump administration's position in Syria, including proposed cooperation with Putin and it was really a drastic departure from the prior administration's Syrian policy. So this is something that would really want to be investigated if you had actual news coverage on the event, which I could not do from my office in Jerusalem.

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Trump had made it clear before and after he became President that he had no problem with Vladimir Putin and that he was planning on mending ties with the Kremlin. We cannot forget the investigation into Russia's meddling in the US elections. Coverage of Trump and Russia actually needs to be transparent. I did not understand why they did not let me do my job and dig deep. Fox, it is no secret that they are clearly pro-Trump and if you are buying what the White

House is selling there is not really a need for balanced reporting from Russia
 on the Kremlin and their activities across the globe, if you do not want that
 angle. At least according to my superiors.

On 4 April 2017, the new Executive Vice President of HR, Kevin Lord, had 4 5 sent an email to all Fox News employees encouraging them to report any 6 concerns about behaviour in the workplace and this email had stated that 7 concerns could be raised with, among other people, Michele Hirshman at the 8 Paul Weiss law firm. She had been working with Fox in connection with the 9 investigation into Roger Ailes's conduct. So on 17 April of this year I emailed 10 Ms Hirshman and I told her that I was having some issues at Fox, "Is it 11 feasible to give you a call this week? I would really appreciate it." That is 12 verbatim. Less than 24 hours after I sent the email my boss, Mitch Davis, 13 advised me that my contract would not be renewed and that I would be 14 terminated effective August 2017, and this was four or five months before 15 contract negotiations would even start, before you would even be talking 16 about contract negotiations.

17 That is it. Thank you.

A. (<u>Mr Wright</u>) Ladies and gentlemen, good morning to you once again. My
 name is Kelly Wright, as I have already introduced myself to you, and I am
 currently employed by Fox News at 21st Century Fox as an anchor and
 reporter. I will read from my statement to be concise.

I began working for Fox as a reporter in January 2003 and have covered
many of the world's most watched news stories over the past fourteen years.
I spent three months reporting from the war zone in Iraq in 2004 and reported
on the scandalous Abu Ghraib prison scandal and capture of Saddam

Hussein, the heroic efforts of US and British forces working to help the Iraqi
people and the valiant efforts of Canon Andrew White from the Anglican
Church in Canterbury, who served in Baghdad working tirelessly and
courageously to develop reconciliation and peace between tribal, ethnic and
religious factions in Iraq. Reconciliation, please remember that word.

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I have also extensively reported on US presidential campaigns, anchored our overnight reporting from our New York headquarters on the unfortunate terrorist attacks that have occurred, sadly, here in London, Paris and the recent horrific attacks in Las Vegas and the Baptist Church is Sutherland Springs, Texas. Also the disappearance of Malaysia flight 370 and the racial unrest in Ferguson, Missouri following the unfortunately police shooting of Michael Brown.

I have secured interviews with individuals such as former President Senator Barack Obama; former First Lady Laura Bush; Bernice King, the daughter of Doctor Martin Luther King Junior; and the daughter and grandchildren of Nelson Mandela, among many other dignitaries and celebrities including, since we have some people who have followed his career, Denzel Washington.

To be perfectly clear, I love my job, but I do not like what has been happening with regard to racial disparities as well as sexual harassment claims and the like within our corporate culture. It is wrong on any level. We are better than this and we can be better than this and we must be better.

I like the men and women of Fox News, let me make that clear. Then why am I here, you might ask? I am here because leadership, while focused on making sure the brand of Fox News could dominate in the ratings, flourish

financially and develop a powerful organisation, somewhere along the way to
our success and greatness we have failed to be fair and balanced to all of our
employees regardless of race, age, gender, faith, creed or colour, and for that
matter, to our viewing public.

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Our leaders simply seem to overlook the value of diversity or inclusion in the workplace and outside of the workplace. Yes, we have contributors who appear on our shows to express their opinions, but we have literally a handful of black and Hispanic Latino reporters or anchors. As you may or may not know, I am the only black male anchor, which in 2017 should not be the case and speaks volumes to their disregard for equality at Fox News. It is indefensible and inexcusable when there are so many talented black men, Hispanic men, Asian men and women who can fulfil this role. We still have a culture of systemic and institutional racism in America and even in our corporations.

When my colleagues from other departments began to publicly reveal their encounters with blatant acts of discrimination in their departments, I could no longer sit in silence, collect my pay check and act like I did not experience racial bias on my level as well as an on air personality, albeit it was more institutionalised and appeared to be less harmful, yet very injurious to my career through marginalisation.

Behind closed doors I found myself confronted with race, albeit in a more
subtle but in a demeaning way in marginalising my growth and development.
In my case, for many years I consistently and often emphatically asked the
leaders of Fox to grow as a company that would open the door to more
opportunities and possibilities to hire and develop men and women of colour.

1 I knew that Fox had a weak image in terms of race. I have encountered it on
2 the job and in the public with comments like, "You will never excel there
3 because you are not the right colour, you are not blond enough. They will
4 only allow you to get so far." Some people have even asked me, "How can a
5 black man work at Fox News?" Some have referred to me being an
6 acceptable black who is tolerated, but not celebrated.

7 I have heard all these arguments about why I should not work at Fox but few 8 understood why I came to Fox and why I have every right to be there and still 9 work there. I have a right to work there because I am more than gualified for 10 the job to serve as an anchor, reporter, show host and more. That also 11 means that I should not have some sort of glass ceiling over me. That also 12 means that managers should not place an umbrella or lid over my career to 13 marginalise my development, or not extend to me the same opportunities that 14 my white colleagues receive. Some people have said, "You are in a good 15 position. Fox will never get rid of you because they need more black men to 16 defend themselves against the critics who accuse them of racial bias." But I 17 am not there to be a token. I am to be a valued employee who, like all of my fellow workers of all colours and gender and faith, and I hope to be part of the 18 19 solution in creating the best possible environment for growth and pave the 20 way for the next generation.

When I see something that needs to be addressed I should point it out and offer ideas to help improve our company. That is what I have always done. I have had direct talks with leaders over the past ten years explaining and even pleading with them to allow me and others to show the accomplishments, contributions, and brilliance within American communities of colour. We

1 should never overlook the negative situations within the black and Latino 2 communities, but we should also strive to show the positive and inspiring 3 people within those communities who proactively strive to right the wrongs and pay the way out of downtrodden and impoverished communities through 4 5 education, faith, fortitude and forgiveness,

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I believe that Fox's failure to do that also shows an un-impartial and substantially one-sided presentation of the news. I believe that Fox often presents the news in this way because of its belief that covering the communities in a fair and balanced manner would not be acceptable to its 10 viewers. I have experienced this directly to our critics. Fox news is often viewed by many as portraying communities of colour in a very negative light 12 focusing on violence and a perceived lack of family values within these communities. Of course, neither Fox News or any media company should have this kind of behaviour. However sadly that is still pervasive in the twentyfirst century. It is a malignant cancer that we must work hard to surgically 16 remove.

We must learn the value of hiring talented people of colour who have the ability to achieve great accomplishments that not only elevate their career status, but also lifts up the company's reputation as being an employer that truly believes in equal employment opportunity, equal representation on air and behind the scenes, that best reflects the populations that we serve.

22 I thought I had helped Fox accomplish through my series Beyond the Dream 23 that served as an impetus for Reverend Doctor Martin Luther King Junior's 24 alma mater Morehouse College to induct me into its MLK International 25 Chapel's Board of Sponsors, Clergy and Laity. I hoped this would have led to

a consistent and conscientious effort to expand our reach to all racial, social economic backgrounds and demographics. I urge leaders to see the value of doing this, how it would ultimately improve our image among people of colour and even add to the company's profits while becoming a trusted news media outlet for all Americans. However, all media companies should be committed to covering the news in a fair and impartial manner and at Fox on matters of race, we have been complicated.

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8 I recall watching Bill O'Reilly once declare on his popular show The O'Reilly 9 Factor that he knows what the problem is with black America, because he 10 taught at a black school forty years ago. By mere chance, I ran into him 11 shortly after that. It was during the growing racial divide in the country in the 12 wake of the racial unrest in Ferguson, Missouri and the high murder rate 13 taking place in Chicago's inner city communities of colour. I asked him, "As 14 long as you are talking about the problems in black communities, could you 15 have me come on once in a while to show Beyond the Dream which focuses 16 on how there are people within those communities who are proactively 17 involved in mentoring and educating the youth to actually stop these, or train these kids, to tamp out the violence and the struggles going on within those 18 They are positive stories that do not overlook the negative 19 communities. 20 conditions but focus on solutions. Mr O'Reilly's response was, "It is too 21 positive. I have to think about the ratings and what the people want."

On another occasion in early 2016, Mr O'Reilly and I were speaking briefly about the presidential campaign and I was talking to him about, again, the possibility of trying to bring something on his show. Instead he talked about my talent, because I am also a singer. At the particular time he said I should

call up Roger Ailes and Bill Shine and not tell them that he suggested it, but
offer to sing the national anthem and other patriotic songs at the upcoming
Fox News Town Halls during the election season. It was apparent to me that
Bill, along with several other leaders of Fox News, did not share my interest in
promoting racial conciliation and simply saw me, perhaps, in some ways as
an entertainer and utility player.

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On numerous occasions I suggested that Fox had ways which I believed the network could increase coverage and outreach to minority communities in an effort to bridge the racial divide and to counter the universally negative view of people of colour portrayed on Fox. I have pleaded with the leadership to allow us to show accomplishments in these communities, to highlight positive, inspiring people, and my ideas were discussed but eventually rejected at every turn.

14 There have been a series of events that have marginalised the growth of not 15 only my profession, but that of other people of colour at Fox. But for me, 16 starting back in 2008 I was abruptly removed from a co-host position on Fox 17 and Friends Weekend, the number one show on the weekends. Three hours of network time on Saturday and Sunday morning. A lot of possible ways to 18 19 influence our communities. I was replaced by a white colleague and no one 20 of colour has been on that show since. I was shocked by the move since I 21 had no prior warning and had been consistently told that I was dependable, 22 liked by viewers and a host who was the one constant host on the show they 23 could count on. I was given no reason for the removal, except that CNN was 24 catching up on us so they were making changes. I thought it was odd for 25 them to remove the only person of colour they had on the show. To this day,

as I have stated, they have not put a person of colour on the programme.

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Since that time, I continue to work to remedy the effects of racial discrimination, not only in my career, but in terms of how we are perceived, but to no avail.

In 2014 I was asked by Fox News's former General Counsel, Dianne Brandi, to move from Washington DC to New York City to take on the overnight anchoring and reporting in New York City, which I thought was odd since I had already been on the morning shows in a more prominent position. I felt that going into an overnight situation would be more marginalisation for me and less time to do more of the work that I was capable of doing. I accepted the position because I was told by Ms Brandi that the overnight reporting would be temporary and that I would be permitted to guest anchor during the shows throughout the day when the opportunity arose. I was also told that the ultimate goal would be to have my own show and to develop that, and New York was the place to do it.

16 Consistent with that goal I have pitched various ideas for shows over the past 17 three years. Fox actually accepted one of them and intimated they would discuss it with me, but when it came time to actually choose an anchor for the 18 19 show they chose a white colleague instead. I also was prevented from 20 covering the 2016 presidential election on our television coverage, despite 21 having successfully reported on presidential campaigns in the past. This 22 responsibility was given to my white colleagues and I continue to spend the 23 vast majority of my time at Fox doing overnight anchoring, a job that while of 24 course important, is generally handled by people with far less experience 25 thanwhat I have.

I am, as are many of my black, Hispanic and minority colleagues qualified and capable of doing more, but we are often overlooked or denied opportunities to advance. I do not have any incentive politically or financially to try to destroy Fox News and bring down a company that I have worked for for all these years. The truth is, I believe Fox News will continue to grow. It will prosper regardless of any attempt to crush it. Fox will remain strong because it has a strong base of people that actually follow it. There are millions of people who support the company in spirit, but are we telling the truth?

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9 A distinguished member of the illustrious parliamentary body which I will be 10 speaking to today fought hard for twenty years to help this nation, this empire, 11 realise that all men and women are created equal and should be afforded the 12 same opportunities. The great abolitionist William Wilberforce helped lead the 13 way to the passing of the Slave Trade Act of 1807 and later passage of the 14 Slavery Abolition Act of 1833. In 2007, I had the pleasure of being here to 15 report the bicentenary of that historic movement. What Wilberforce said then 16 resonates well with the systemic racism that we are seeing today. The right 17 honourable William Wilberforce once stated, "You may choose to look the other way, but you can never say again that you did not know." 18

We cannot turn a blind eye to what is happening. We know that racial
disparities exist within some network news rooms and changes are needed to
improve the equal representation of all people in journalism and in life. It goes
for Fox News and any corporation that would attempt to do so. As I have
stated before, we must try to be better.

In January 2016, actor Idris Elba delivered a keynote speech on diversity at
parliament. He eloquently explained the issue stating how we needed to get

out more and stop watching so much television. The point he was actually trying to make, and I think he did so admirably, is this. He said, "The thing is, 3 when you get out more, you see there is a disconnect between the real world and television world. People of the television world often are not the same as people in the real world and although there is a lot of reality television, television has not caught up with reality."

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The census projectors in America indicate that minorities will become a majority of the United States by 2044. It is often referred to as the "Browning of America", if you will. It becomes extremely important, then, and forthright for us to prepare for this by getting in the habit of creating opportunities for more diverse voices and thought or perspective in news rooms that are traditionally dominated by people who are white and male. So once again, I explained to leadership at Fox, we can do better, we must be better.

I believe change is actually going to come, but change, as you know, often moves slowly and reluctantly. But it is happening. Men and women who work within Fox constantly strive to improve what we do to reach a more diverse people throughout our broadcast and digital platforms, but training and change must also happen at the top.

19 Finally, I have been asked, why do I continue to work at Fox? I do so 20 because I do love and care for my colleagues in all departments from 21 custodians to even leadership. In the midst of this challenging and 22 complicated ordeal for myself and my colleagues involving this racial 23 discrimination class action, I hope in some way to contribute to its long-term 24 success in becoming a network that broadens its outreach and expands its 25 coverage for all people. And I hope to continue working until I am old and

grey and just fade away leaving a legacy of change absent of malice, but full
 of faith, hope and love.

Frederick Douglass, an American black man who became a great leader, an
abolitionist plus advisor to Abraham Lincoln once said, "If there is no struggle,
there is no progress. Power concedes nothing without a demand. It never did
and it never will."

When my children began discussing this issue with me, I advised them to
always believe that as they pursue their dreams and goals that they
understand it does not matter if they are white or black, there is absolutely
nothing, not even racism, that can ever hold them back. If they believe they
achieve anything they conceive, they keep their faith in God, work hard and
smart through all the trials, pain and agony, they will gain the victory.

I thank you for your time and willingness to hear about my experiences at Fox News.

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Q. (<u>Mr Bamford</u>) Just recognising the time, I have just got a quick question for
you, Douglas. Having received your previous submissions, I wondered
whether there were any updates you wanted to give us on the various cases
which you outlined, and have there been any further claims?

A. (<u>Mr Wigdor</u>) I think it would be best if I did that in the letter. There is nothing
really material, I think, to be frank. There have been minor things that have
transpired since we have written, but nothing of significance. The unfortunate
reality of the US judicial system, not unlike yours, is that it moves very slowly.

Q. (<u>Mr Capel</u>) Thanks very much for your submissions and explanations and your time. I think from our perspective we are on the outside looking in. It would be very helpful for us to understand what impact you feel the changes

in corporate governance that we understand Fox have made going back to 2012 and onwards, whether that was visible within the company, and your experience of those.

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Α. 4 (Mr Wright) I can speak to that. In terms of the change there is still within the 5 company, and I am not just speaking for myself but other colleagues who 6 have come to me, black and white and Latino, have come to me saying we 7 still have issues. We still have to iron this out. I am not in leadership at Fox News. I once served in the United States Army and I was asked by a female 8 9 colleague of mine who happens to be an anchor and is taking more of a 10 visible role Monday through Friday, "What do we do about this racial problem 11 that we have within our company?" I said, "If I were the leader I would do 12 exactly what we did in the military. I would call everybody together." 13 Sometimes we call it a muster. Muster usually means that you are getting 14 ready to respond to something urgent. This is an urgent need. We have yet 15 to have a company-wide meeting from the top to the bottom to address this 16 issue of racial discrimination in the workplace and how we report on racial 17 issues, and sexual discrimination as well as sexual misbehaviour.

I would call a company-wide meeting and I would have a heart to heart 18 19 meeting. Their corporate governance is you sit down and you go through a 20 litany of particular presentations. But I want to be face to face, eye to eye, 21 nose to nose with my employees and my colleagues. And I want to have an 22 honest discussion and dialogue. I have done that in other news rooms. I 23 have done it in the military. And I grew up in America and I see that when we 24 can confront each other in an honest and direct way, we have great results. 25 Value is added in conversation. We have not had that conversation

corporately and so my response to her was, "We have to have a talk and if it
were me leading the company we would have had that talk long ago. And
anyone who could not get with the programme, we pull them aside and work
with them, show them why there is a need to understand that people should
be valued and not disposed of like Kleenex."

Α. 6 (Mr Wigdor) I have said it already by giving you the timeline, but the intention 7 of showing and sharing that with you really is to show that at the very top level, I mean we are talking about Gerson Zweifach who is the General 8 9 Counsel Chief Compliance Officer, we now know that in April 2017 he was 10 contemplating not turning over or disclosing the Lis Wheel settlement to the 11 federal government. We also know that in January of 2017 21st Century Fox. 12 and this is well after they have said things have changed, they are now letting Bill O'Reilly settle a case for which they know the allegations of involving non-13 14 consensual sexual relations and the exchanging of pornography. And they 15 are letting those two parties settle the case, turning a complete blind eye to it, 16 getting a release in exchange for it and being okay with the destruction of the 17 evidence.

The reason why I thought that was important to share with you is as a lawyer it is offensive. I have not heard of that happening. I have not heard of employers telling employees, "You figure out how to settle that, so long as we get a release." To be fair, I have heard of cases where the employer settles a case with an employee and the wrongdoer pays the settlement. I do not want to say it is uncommon, but it happens. But it is all done openly, it is all done with the company's knowledge. There is not the destruction of evidence. It is not like, "You guys figure it out and then we can renew your contract,"

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1 because we do not know the magnitude of the settlement.

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That was at the very top, and so to suggest that this company has changed when it is engaging in that sort of behaviour just at the turn of the year, and that is what we know. So thank God for the New York Times, frankly. If Emily Steel did not write that article in October I would not be having this conversation with you.

One of the things is, and I have said this to Ofcom when I appeared before
Ofcom, is that there are so many people who cannot speak because they are
bound by confidentiality orders. This chart probably would go another two
pages if those people could speak, because this chart is only what we know.

11 A. (Ms Golloher) If I can just add one thing, I think Fox in general does not really 12 respect its employees regardless of race, colour. I, when I received this email 13 from Kevin Lord, the Executive Vice President of Human Resources, saying, 14 "We are here to help you, we understand that there are issues in the 15 workplace. Please reach out to us," and I did that like an idiot and was fired 16 less that twenty-four hours later, and that is with a time change, that says it 17 all. Do you really want to make things better at Fox? No, I think it was a 18 phishing email to see who is having issues, are you going to go to a lawyer? 19 It is a shame because it could be a fantastic place to work, but I was with 20 them for nearly eight years and right after I was fired, or at least told that I was 21 not going to have my employment continued with them, my contract, I 22 received an email and they finally were going to give sexual harassment 23 training after I had been with them for eight years. I just thought it was so 24 odd, here is this giant corporation, and in my experience, I do not mean this to 25 be derogatory, in my department is was run by a very chauvinistic

1 dictatorship. You could not question, what they said went. And to have this 2 sort of sexual harassment chit chat after all of these years and witnessing all 3 of these things going on, it just seemed to me like they were trying to cover their bases due to lawsuits, due to all these problems. And it is not brain 4 5 surgery. Like Kelly said, sit people down. Say, "This is not acceptable. Do 6 not rub someone's shoulders at the office." I know that sounds ridiculous, but 7 just lay out the basics. Tell people, "This is not accurate. Do not do that. We 8 are here to help you. Come to Human Resources."

9 This was never done, and it is a shame because I think it is not exactly a 10 twenty-four hour fix, but it can be fixed. I do not think they want to fix it. If 11 they did, do you not think they would have done something by now? 12 Something more constructive?

13 (Mr Bamford) We are just going to follow up that thread. It has been very Q. 14 helpful to hear from people who have been working there, and I guess from 15 what you said there the answer to this, but in terms of visibility of the 21st 16 Century board members in terms of trying to back up anything they are saying 17 about taking changes and then also any comments around whether there was 18 a noticeable change at Fox news. We understand that Rupert Murdoch is 19 acting CEO after Roger Ailes was dismissed back in 2016, and whether there 20 was any noticeable change then about how things were run?

A. (<u>Mr Wright</u>) To be honest just two weeks ago I had someone sit down and
talk to me and explain that they felt they were being racially discriminated
against. I do not think they came to me just because of my case, because I
do not really talk about my case on the job. I show up to work every day and I
swing for the fences and try to make a home run, which is baseball. But I try

1 to make a home run every time I am on the air, even now.

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Like I said, this is not malicious, this is trying to right some wrongs so that we can be a better corporation and a better representation of what we should aspire to be, not just at Fox News, but every corporation and every home in every sector of our society right there in the United States of America, which is home of the brave and land of the free.

So I would say to our CEO, do better. I was told when I renewed my contract that the Murdochs do not know me, and I thought, "Gee, that is really kind of weird." I realise we are a lot of people, but I am on air and I thought, "That is odd." I would like them to know me, to know that I have a concern for their company, a company that I work for, a company that I have risked my life for in Iraq and a company that I have tried to defend.

I will share this story with you really quickly in addition to what you are saying 13 14 about governance. It is disturbing that when you are in a corporate setting 15 and you are speaking to your Vice President of news, or Vice President of 16 programming and he says, or he asks the question, "What do white people 17 say when they see you on the streets?" And you look at him and you are 18 thinking in the back of your mind, "Where did that come from?" But I was 19 honest. I said, "Well, most white people who see me on the streets recognise 20 me from working at Fox and then they begin to question why do they not see 21 me anymore?" And then the follow up question is, not acknowledging what I 22 have just said, but the following question is, "What do black people say when they see you on the streets?" I said, "Well, most black people, why am I 23 24 working at Fox? And I explain to them, "Have you seen Beyond the Dream and what I am trying to do with that?" And then they usually understand why I 25

am there." But then I said to that gentleman, Bill Shine, "But if you allow me
to develop programming or even give me a show at midnight, overnight, just
give me a show that showcases and highlights the brilliant tapestry of
American life and the great things that all of us do in building this country
together, not dividing it but uniting it." It has never happened.

Α. 6 (Mr Wigdor) The thing to add to that, really, is in addition to renewing Bill 7 O'Reilly's contract which I think was case closed. I do not think anything 8 changed. Case closed, you just track knowing what you know. I think we 9 could stop there if I were on that side of the table. But then you fire him, you 10 give him US\$20 million and give Roger Ailes US\$40 million, what kind of 11 signal is that sending? US\$60 million to two people who have been accused 12 of some very serious allegations. I will call it sexual harassment, but maybe it 13 is worse.

14 Then you let him back on the air as recently as September of this year, 15 provide him a platform to attack the victims who have accused him of 16 discrimination and harassment. Then there has been a whole pattern in other 17 cases I am handling, which I can update you, but Lidia Ujkaj, she is a Fox 5 news reporter. You have information about her case, but she is undergoing, 18 19 having never had any issues with HR in her entire career, she then filed a 20 complaint and literally it is a daily act of retaliation of someone micro 21 managing her, accusing her of something. And so you have that.

We represent Scottie Hughes who alleged that she was raped and sexually assaulted by Charles Payne, who is an on air talent for Fox Business News and they put him back on air. They conducted what they called an investigation, which did not include, by the way, talking to the victim. And they

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1 put him back on air. So what sort of signal does that send?

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They have a right to defend the, I think it is 23 cases currently I now have in litigation. They have the absolute right to defend those cases to the end of the day, but they have already admitted, at least in the race class action, that the behaviour of the wrongdoer was abhorrent. So there really is no defence to the case, so what kind of message is it sending to continue to defend the indefensible.

8 So if I look at all of these things, that is why when I hear the statements of the 9 Murdochs or Mr Nasser and others who say things have changed, some 10 things have changed. Yes, they have gotten rid of Bill O'Reilly and Ailes. 11 Shine is not there. They have made some changes. But when you have your 12 General Counsel and Chief Compliance Officer contemplating not turning over 13 the documents to the government. When you have the renewal of Bill 14 O'Reilly's contract which all would have been kept in the dark but for the New 15 York Times exposing it, and the destruction of evidence, that is troubling.

16 Q. (<u>Mr Bamford</u>) Thank you for your time today.

17 A. (<u>Mr Wigdor</u>) You are welcome. Thank you.