

# News Corp. in the United States

AN ISSUE BRIEF

## U.S. Holdings

- Newspapers: *Daily News*, *New York Post*, *Wall Street Journal*
- Cable TV: Holdings include the Fox News Network, Fox Business Network, Fox Sports Net, FX, STAR, Big Ten Network (49 percent ownership stake), National Geographic Channel U.S. (71 percent ownership stake)
- 27 U.S. broadcast TV stations

## Background

Rupert Murdoch's News Corporation has been the subject of intense scrutiny in the United Kingdom. A recent investigation implicated Murdoch and senior News Corp. executives in a cover-up of "rampant law breaking" across the organization. U.K. authorities have already charged eight senior News Corp. executives and reporters with "conspiring to intercept communications without lawful authority" — and the investigation is nowhere near closed. In fact, the U.K. recently expanded the inquiry's scope and is now investigating allegations that News Corp. not only hacked victims' cellphones but actually stole them.

And News Corp.'s corruption doesn't end at British shores. Murdoch also controls a huge swath of media here in the U.S., including Fox News, the *Wall Street Journal*, various cable networks and 27 local TV stations. There's mounting evidence that executives at the highest level of Murdoch's company committed crimes in the U.S., including phone and computer hacking, and then attempted to cover them up.

We cannot let the power of this global media empire go unchecked. We're one year into one of the biggest scandals in modern media — we need our congressional representatives to act on our behalf and make this U.S. company respond to allegations of criminal activities.

## Global Culture of Corruption

Parliamentary hearings and investigations in the U.K. have shed new light on numerous instances of News Corp. misconduct, as well as the great lengths to which its executives went to conceal illegal activities. Parliamentary inquiries have also exposed the degree to which elected officials sought to curry favor with Murdoch and win approval from his numerous media outlets.

The U.K. investigation concluded that News Corp. is so corrupt that Murdoch is "not fit to run an international company" — and that he and his son James must be made to answer for their reckless disregard for the law. It's time we investigate News Corp.'s conduct in the United States.



# The Allegations

- News reports contend that newspaper staff hacked into the voicemail of 9/11 victims.
- An attorney representing U.K. phone-hacking victims claims that at least four of his clients were illegally spied on while in the U.S.
- A company subsidiary, News America Marketing, allegedly hacked into a competitor's computers to steal clients and destroy the competitor's reputation.
- A former company subsidiary, Israel's NDS Group Ltd., allegedly hired hackers to break the security codes of rival satellite television companies in the U.S. and elsewhere and make them available for unauthorized use.

## Enormous Political Influence

Rupert Murdoch has spent big on lobbyists to win policy changes, most of which have enabled News Corp. to expand its media empire. For Murdoch and other media moguls, controlling more outlets doesn't just mean bigger profits; it means more political influence.

The company uses its media power to shape and promote policies in its corporate self-interest, to help elect politicians with timely endorsements and to punish foes with negative coverage and political threats. The company has spent more than \$61 million on lobbying and \$8.1 million on campaign contributions to politicians on both sides of the aisle, giving Murdoch influence of epic proportions.

Now Murdoch appears to be wielding that power to get Congress and the Federal Communications Commission to look the other way in the face of serious allegations against News Corp.

Media companies and their executives are not above the law. We expect the media to uncover government and corporate corruption — not contribute to it.

## What Can Congress Do About It?

Congress has the power to subpoena people and gather evidence on issues of national concern.

Washington shouldn't ignore the American public's right to know. We need our representatives to show concern about questionable activity from a company that controls so much of our nation's media and dictates so much of our political discourse.

Earlier this year, in response to a call from Free Press and allied organizations, the Justice Department launched a probe of News Corp. It's time for Congress and the FCC to step forward and investigate News Corp. as well.