



Rt Hon SIMON HUGHES MP

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Ofcom
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Chief Executive's Office

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Dr Mr Richards

BSkyB and the 'fit and proper person' test

I write to ask for you to investigate and rule on whether BskyB is a 'fit and proper person' to hold a broadcasting licence and whether this will remain the case if there was to be a takeover of the company by News International.

I am aware that, under the Broadcasting Acts of 1990 and 1996 section 3(3) Ofcom:

- (a) shall not grant a licence to any person unless satisfied that the person is "a fit and proper person to hold it"; and
- (b) "shall do all that they can to secure that, if they cease to be so satisfied in the case of any person holding a licence, that person does not remain the holder of the licence".

BSkyB

James Murdoch is the chairman of BSkyB and News International. Rebekah Brooks is currently the chief executive of News International which owns 40% of BSkyB. James Murdoch was, on Wednesday 6 July, accused on the floor of the House of Commons of seeking to pervert the course of justice. Tom Watson MP, speaking in the debate on phone hacking said 'It is clear now that he personally [James Murdoch], without board approval, authorised money to be paid by his company to silence people who had been hacked, and to cover up criminal behaviour within his organisation. That is nothing short of an attempt to pervert the course of justice'. On Thursday 7th July James Murdoch confirmed in a statement that he had approved out of court settlements with hacking victims which prevented the public disclosure of documents which have now led to the arrest of senior journalists at the 'News of the World' on criminal charges.

News International

As James Murdoch is the chairman of News International, and Rebeckah Brooks is the Chief Executive of News International the activities of News International are also relevant to the 'fit and proper' test in relation to BSkyB.

It is now clear that in order to cover up the allegations of criminal behaviour News International has been untruthful in its dealings with the Press Complaints Commission (PCC). It was reported in the Financial Times on July 7 2011 that Baroness Buscombe, the chair of the Press Complaints Commission, had said that the PCC had been lied to by News International. She also said that 'The corporate culture was clearly there to mislead us'.

'News of the World'

You will be aware of the ongoing allegations of illegal activity at the 'News of the World' newspaper, currently owned by News International. These accusations were originally made against one reporter and one agent of the newspaper. These two people have been convicted and imprisoned, on evidence which included the evidence I gave relating to hacking of my phone. Other employees of the 'News of the World' have subsequently been arrested.

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Simon Hughes MP will treat as confidential any personal information which you pass on. He will normally allow his staff and volunteers to see this information so that they can find help and advice for you. In some cases your MP may need to give all or some of this information to relevant agencies such as the Department for Work and Pensions, the Inland Revenue or to the Home Office in order to obtain further information about your case. Should it be deemed useful to involve the media you would be asked before your details are given out.

It has now become apparent that people working directly or indirectly for the 'News of the World' were engaged in very extensive criminal activity. There is increasing evidence to suggest that this criminal activity was known about, condoned and encouraged at the highest level of the organisation. I highlight in particular the testimony in 2003 of Rebekah Wade (now Rebekah Brooks), the then editor of the 'News of the World', to the House of Commons Select Committee on Culture, Media and Sport. Ms Brooks said 'we have paid the police for information in the past'. With this statement Ms Brooks admitted to knowledge of a serious criminal offence or offences being carried out by the newspaper she was in charge of. In addition, there are now allegations that Andy Coulson, who was editor of the 'News of the World' from 2003 to 2007 has illegally paid the police for information which they had obtained in the course of their duty.

Given the very serious accusations levelled at James Murdoch, the chairman of BSkyB, and the accusations levelled against News International, which he also chairs, I would like you to make a judgement as to whether BSkyB can still be considered to be fit and proper to hold a broadcasting licence as long as James Murdoch continues to act as chairman of the company. The admissions made by and the allegations made against the Chairman of BSkyB must directly reflect on and influence the reputation of BSkyB, and its fitness and propriety to continue to hold a broadcasting licence.

News International is currently seeking to acquire BSkyB. Ahead of any decision that the acquisition were to be approved, and without prejudice to the separate consideration of the merits of this, I also ask that you consider the history and reputation of News International in deciding whether it is or would be a 'fit and proper' person to have a broadcasting licence. Certain elements in the history of the 'News of the Word' are relevant to this.

'Fit and proper'

It is my view that the fit and proper test cannot be taken only to mean the absence of criminal convictions or financial impropriety. Broadcast licence holders have a wider public duty to act with decency, honesty and truthfulness. It must be the case that regardless of criminal convictions, if there is evidence and admission of wrongdoing by organisations or individuals which would impact on their conduct or reputation as responsible broadcasters or publishers, this should be acted on.

In the case of James Murdoch I do not believe that it would be acceptable for a person who led an organisation which has a corporate culture of misleading the watchdog for its print media and has admitted to making payments to stop information coming out about his company which will now lead to criminal convictions to be in charge of a company which holds a broadcast licence.

Rebekah Brooks is a Chief Executive of a company who has admitted to her newspaper committing criminal acts under her leadership in making payments to police to acquire information. She was also editor of the newspaper over the period when some of the worst cases of phone hacking took place, incidents which have shocked and disgusted the nation. As CEO of news international she presided over a company which repeatedly failed to uncover the truth, and which misled the PCC and others to stop them from discovering the truth. This company is now seeking to take over one of the largest broadcasters in the UK.

I hope that you will be able to consider my request and that you will be able to consider these matters in the very near future. This is a matter of great public interest, and as you may know the investigation against the 'News of the World' and News International is currently one of the largest criminal investigations in the country. The accusations which have been made against News International executives are a scandal which is being followed in the media around the world.

Yours sincerely

[Redacted signature box]

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