

**IN THE MATTER OF THE LEVESON INQUIRY,
AN INQUIRY UNDER THE INQUIRIES ACT 2005**

**SECOND WITNESS STATEMENT OF
PIERS MORGAN**

I, **PIERS MORGAN**, of 1 Time Warner Center, New York, NY 10019 will say as follows:

1. Except where stated otherwise, the matters contained in this statement are within my own knowledge and belief, and are described to the best of my recollection.
2. There is now shown to me a bundle of documents marked "Exhibit PM2", to which I will refer in this statement. References to page numbers in this statement are, unless the context requires otherwise, references to the page numbers of Exhibit PM2.
3. This is my Second Witness Statement to the Leveson Inquiry (the *Inquiry*). I was required to give My First Witness Statement pursuant to a Notice under section 21(2) of the Inquiries Act 2005 contained in a letter issued to me by the Inquiry on 28 September 2011. I have been required to provide this statement pursuant to a further Notice under section 21(2) in a letter issued to me by the Inquiry on 4 November 2011 (the *Inquiry's Second Letter*), a copy of which is set out at pages 1 to 4 of Exhibit PM2.
4. The Notice contained in the Inquiry's Second Letter sets out 16 specific questions to which I am asked to respond. I do so below
 - (1) You note at paragraph 18 of your statement that your recollection is that compliance with the PCC Code of Conduct was a requirement of the contracts of employment of journalists working with the Daily Mirror from around 2000, and at paragraph 17 you state that the Code was prominently displayed in the newsroom throughout your tenure (1995-2004).

Please find attached the witness statement of James Hipwell, which he has provided to the inquiry. As you may remember, he worked at the Daily Mirror between 1998 and 2000. At the bottom of the second page of his statement, he indicates that he was not issued with a copy of the PCC Code at any time during the course of his employment, and that a number of journalists confirmed the same to him. Given what you say about contracts only referring to the Code from 2000, do you have any reason to dispute what he says?

5. I believe my recollection to be correct. However, I am not in a position to substantiate that recollection by reference to contemporaneous documentary evidence. As such, while I do not have any reason to dispute what Mr Hipwell says about being issued with a copy of the Code of Practice, a copy of the Code of Practice was prominently displayed in the newsroom where Mr Hipwell worked. I believe it was displayed on the noticeboard as one entered the newsroom from the lift lobby. There may also have been a copy displayed on the wall beside the features department.
6. I seem to recall that, from the mid-to-late-90s onwards, the *Daily Mirror* made available to journalists within the newsroom, small, credit-card-sized concertina hand-outs relating to the Code of Practice.
- (2) **In the same paragraph, he indicates that he also never saw the Code, or heard the Code, discussed in the newsroom. Is his recollection correct, and if not, why not?**

In this regard, please find enclosed the sentencing remarks of Beatson J, following the conviction of Mr. Hipwell and others. At page 5, Mr. Justice Beatson concludes, having heard evidence, that “there was no formal code of conduct for journalists at the Daily Mirror”.

7. I cannot provide testimony as to what Mr Hipwell saw or heard in the newsroom. However, as stated in answer to Question (1) above and in my First Witness Statement, it is my recollection that a copy of the Code of Practice was prominently displayed in the newsroom where Mr Hipwell worked.
8. I note the comments of Mr Justice Beatson in this regard. I refer to my comments at paragraphs 16 and 17 of my First Witness Statement,
“As well as the requirements of the law, editors are provided with extensive guidance on the ethical behaviour expected of them and of members of the Press in general in the form of the Editors' Code of Practice, first published in January 1991, and the Press Complaints Commission's own interpretations of the Code of Practice. The Code of Practice was the key document outlining the ethical obligations on the Press during my time at the News of the World and the Daily Mirror.”
9. In my view, there was no need for a formal *Daily Mirror* “code of conduct”, as the *Code of Practice* already provided journalists with the guidance they needed as to their ethical obligations.
10. I note that Mr Hipwell is a convicted criminal who changed his story on a number of occasions during the *City Slickers* investigation, in part to wrongfully implicate me. I believe any testimony he gives to be inherently unreliable. While it is for the Inquiry to

consider the credibility of his testimony, I have real concerns that that testimony is motivated primarily by the prospect of exacting revenge on former colleagues, employers and superiors. Certainly, a criminal court has made clear its views as to his credibility.

(3) During your time at the Daily Mirror, and in particular during this period 1998 – 2000, were journalists given any formal training on the PCC Code and its provisions?

11. I believe such training was provided. Again, however, I am not in a position to substantiate that belief by reference to contemporaneous documentary evidence.

12. I do not have any specific recollection of having required or approved such formal training, although given the lapse of time I do not consider that my lack of recollection should be taken as suggesting that such training was not provided.

(4) In the second paragraph on page 3, Mr. Hipwell states that “I reported directly to the editor, then Mr. Morgan, and I considered him ultimately responsible for ensuring I was operating within the legal and ethical frameworks demanded by the Mirror”. Do you agree with this statement? If journalists were not given a copy of the Code, or any formal training on it, how would they be aware of its provisions or how to interpret its provisions without assistance?

13. As I have explained at paragraphs 36 and 37 of my First Witness Statement:

“[T]he ethical standards expected of journalists were spelled out in their employment contracts, which stipulated that a journalist must operate within the law, and the Code of Practice. As such, responsibility for ensuring the observance of ethical standards was an obligation borne by all members of the Daily Mirror journalistic staff. Individual journalists had responsibility for ensuring that their own work (in particular their investigative activities) met the requirements of the Code of Practice, and their desk editors were responsible for overseeing their observance of ethical standards in this regard. By the time a story was brought to me for consideration for publication, considerations of the ethical compliance of the investigative activities taken forward in the development of the story or the source from which the story derived had largely already been taken into account by the journalist whose story it was, and his editor. As such, the key ethical determinations in which I was involved were those relating to whether or not to publish, rather than how a specific investigation should be conducted.”

14. Nothing in my contract of employment made me responsible for Mr Hipwell’s willful law-breaking and his ethical failures generally; responsibility for those was his own.

15. As I have stated in answer to Questions (1), (2) and (3) above, and in my First Witness Statement, I believe that journalists at the *Daily Mirror* were provided training in the

Code of Practice, and that the Code of Practice was displayed in the newsroom. In any event, the *Code of Practice* was the key statement of journalistic ethical obligations against which the Press Complaints Commission assessed the behaviour of journalists. I would have expected the entirety of the *Daily Mirror's* journalistic staff to be well aware of it. The proposition that Mr Hipwell, following an eight year career in journalism was unaware of the existence of the *Code of Practice* or its provisions is difficult to accept.

16. In Mr Hipwell's own witness statement he refers to extensive dealings with the in-house legal counsel of the *Daily Mirror*. Again, the proposition that Mr Hipwell would not have been aware of how to obtain guidance as to how to interpret the provisions of *Code of Practice* is preposterous. He would have been aware that the legal team was available to him at any time for such purposes.
17. In any event, the breaches of journalistic ethics and criminal law for which Mr Hipwell was imprisoned arose from simple acts of dishonesty, rather than any confusion as to the technical interpretation or application of the *Code of Practice*. I note Mr Justice Beatson's observation in his sentencing remarks that the writer of Mr Hipwell's presentence report had noted Mr Hipwell's "*limited*" acceptance of responsibility for his actions, and that his "*remorse for the impact of the offence is for the impact of the offence on [himself]*". The Inquiry should, in my view, exercise great caution in placing any reliance whatsoever on any evidence provided by Mr Hipwell.
- (5) **The Inquiry has considered a copy of your book, *The Insider*. At paragraph 15 of your statement, you note that "ethical considerations were woven into my work" but in your book, you record (at page 362) that in a letter to Kate Winslet you wrote that "you don't get to be the editor of the Mirror without being a fairly despicable human being". This statement appears to constitute an acceptance that ethical considerations are less than necessary for success as an editor of the Mirror. The Inquiry would be grateful for your views on this.**
18. Just to correct a relevant inaccuracy, the relevant statement is not from a letter to Kate Winslet, but from a telephone call which is jovial in tone. I was telling Ms Winslet that I would tell her how I obtained her telephone number if she honoured a prior commitment to attend a *Pride of Britain* lunch being held by the *Daily Mirror*, to which she responded "*That's terrible*", to which I replied "*Look Kate, you don't get to be the editor of the Mirror without being a fairly despicable human being*".

19. This statement was not intended as a statement as to the personal ethics required for consideration for appointment to the post of Editor of the *Daily Mirror*. It was a jovial comment in a conversation involving light-hearted banter. It is certainly not "*an acceptance that ethical considerations are less than necessary for success as an editor of the Mirror*". Indeed, this off-hand comment has no bearing whatsoever on my views as to the personal attributes required in order to succeed as editor of the *Daily Mirror*.

20. As I have stated at paragraph 15 of my First Witness Statement:

"Ethical determinations are central to the role of an Editor of a major national newspaper, and to the profession of journalism generally. During my time as Editor of the News of the World and the Daily Mirror, ethical considerations were interwoven into my work, and were an omnipresent aspect of daily professional life."

(6) Finally on the Code, you note at paragraph 34 of your statement that there were times when you breached the PCC Code. The example given in that statement relates to a News of the World front page article about Earl Spencer's wife receiving treatment in an addiction clinic. You refer to Mr. Murdoch's public statement after that breach, which includes this line: "*... I have reminded Mr. Morgan forcefully of his responsibility to the Code to which he, as an editor, subscribes in his contract of employment*". The Inquiry has read the contract of employment annexed to your statement, and notes your acceptance at paragraph 18 of your statement that there was never a formal requirement to comply with the Code in your contract. Was Mr. Murdoch mistaken? Please explain to the Inquiry why such a provision was never included in your contract.

21. I believe the Inquiry is mistaken in this regard. The employment contract annexed to my First Statement is from my time at the *Daily Mirror*.

22. My contract of employment from my time with the *News of the World* was not available to me on the date of my First Witness Statement. A copy of it has since become available to me, and is set out at pages 5 to 17 of Exhibit PM2. It does not contain an explicit requirement to comply with the *Code of Practice*. As I am not a legal expert, I cannot state with certainty whether a court of law would nevertheless find me to have implicitly accepted such a requirement by taking the post of Editor at the *News of the World*.

23. As to why there was no explicit provision in either my contract of employment with the *Daily Mirror* or my contract of employment with the *News of the World* requiring compliance with the *Code of Practice*, I cannot state with certainty why neither Mirror Group nor News International considered such a provision necessary. However, it may be that the view was taken that compliance with the *Code of Practice* was so obviously

a requirement of the job of Editor (its formal title is, after all, the *Editors' Code of Practice*) that formal amendment of my employment contract to such effect was unnecessary.

- (7) In relation to the same public statement of Mr. Murdoch, you say at paragraph 34 of your statement: *"It was a chastening experience and a lesson learned, and I regret the error of judgment"*. At page 82 of your book *The Insider*, you describe a meeting with Mr. Murdoch on Monday 22nd May 1995. You record him as saying *"I'm sorry about that press complaining thingamajig"* and then *"we had to deal with it in the way we did or they'd have all been banging on about a privacy law again and we don't need that right now. Anyway, it's done now. How are you going to sell me more papers?"* Is this an accurate reflection of what was said by Mr. Murdoch at that meeting?
24. This is my recollection of the gist of our conversation, almost ten years later on. I did not make a contemporaneous note. Mr Murdoch's recollections and impressions may well differ from mine.
25. I would note that my books were not intended to provide a historical record. They are a collection of my recollections and impressions of various events, meetings and encounters occurring over a period of well over ten years in duration, assembled and recounted in a manner designed to entertain the reader.
- (8) Your comment is recorded as *"And it was clear by his failure to even remember the name of the Press Complaints Commission that he doesn't really give a toss about it"*. Did Mr. Murdoch ever say anything to you about this incident again which might have led you to come to a different conclusion on his views of the PCC?
26. I have never since discussed this incident with Mr Murdoch.
- (9) In the final paragraph on page 3 of his statement, Mr. Hipwell describes the *"unfettered activities of its showbusiness team"* at the Mirror and in particular, the interception of voicemails. He explains that he was shown the relevant technique. The Inquiry invites you to comment on all the allegations made within this paragraph (and the one at the top of page 4), whilst accepting of course that you may have no personal knowledge of the occasion when Mr. Hipwell was shown the technique. Please note that Mr. Hipwell does not assert that private investigators were used in this regard.
27. I have no personal knowledge whatsoever of the alleged incident in which Mr. Hipwell claims to have been shown the technique. He first made these claims several years ago, and has in that time provided no evidence whatsoever to substantiate them.

28. I am not aware of any of Mr Hipwell's former colleagues on the *Daily Mirror's* showbusiness team, who he attempts to smear in his witness statement, having been prosecuted or indeed investigated for any such alleged activities.
29. I have no comment on these allegations, save that they are unsubstantiated allegations of a liar and convicted criminal. I have no knowledge of the alleged voicemail hacking referred to in Mr Hipwell's statement or of any of the alleged events or conversations to which he refers in the relevant paragraphs of his witness statement. He did not raise any of these alleged events or conversations with me at the time he alleges they occurred, and I am not aware of his having raised them with any other colleagues at the *Daily Mirror*.
- (10) **At page 269 of the Insider (entry dated 28 July 2000) you say this: "we were offered a dodgy transcript of a phone conversation between James Hewitt and Anna Ferretti today". The Inquiry does not expect you to reveal your sources, but does wish you to indicate what you mean by "a dodgy transcript". What was your understanding as to how it had been obtained? Was it obtained by someone working on behalf of the Daily Mirror or by an external source. Was any of part of the transcript published in the Mirror?**
30. I will not discuss the source of the transcript in question. I note the Inquiry's statement that it does not expect me to reveal sources. The transcript was obtained from an external source. I have no reason to believe it was obtained illegally. My use of the word "dodgy" in this regard related to the apparent accuracy and coherency of the document itself.
31. I do not believe the *Daily Mirror* published any part of the transcript, or indeed any story based on the transcript. However, as stated above, I am not in a position to substantiate that belief by reference to contemporaneous documentary evidence.
- (11) **It has been widely reported that you were once played a tape of a voicemail message Paul McCartney had left for Heather Mills. What was your understanding of how that tape had been obtained?**
32. I will not discuss the source of the tape in question. I note the Inquiry's statement in Question (10) that it does not expect me to reveal sources. I have no reason to believe that the tape was obtained in an unlawful manner.
33. I do not believe the *Daily Mirror* published any story based on this tape.
- (12) **Mr. Hipwell's statement asserts, in a number of places, that you were a "hands-on" editor and that you were often keen to discover the source of a story, so as to**

ensure that legal action was unlikely. He notes that he cannot see how it would be possible for you, or senior editors, not to know where important stories came from, for example. Is this correct?

34. I have no recollection of ever having asked Mr Hipwell or his *City Slickers* colleagues to reveal to me the source for any of their stories.
35. I have nothing to add in this regard to my observations at paragraphs 39 to 43 of my First Witness Statement, save to note that Mr Hipwell's comments regarding my knowledge of sources for important stories are nothing more than unsubstantiated supposition and surmise.
- (13) Page 5 of the sentencing remarks of Mr. Justice Beatson also note that "there was no guidance from your superiors and from in-house lawyers, and that there was an evidence of advance information about tips and share dealing within the office". Do you have any reason to dispute these conclusions?
36. I do not have any personal knowledge of Mr Hipwell's interactions with his immediate superiors or the *Daily Mirror's* in-house counsel regarding the discharge of his responsibilities, but have no reason to dispute Mr Justice Beatson's conclusions in this regard.
37. I was investigated by the Department of Trade and Industry over a four-year period in connection with the *City Slickers* scandal. As a result of its investigation, during the course of which it made extensive use of its far-reaching investigative powers, the DTI decided to take no action against me. In so far as I am aware, the only *Daily Mirror* employees prosecuted as a result of that investigation were Mr Hipwell himself and his immediate superior, Anil Bhoyrul.
- (14) At page 49 of *The Insider* you note that when you were at News of the World, you paid £250 a week to have a mole put into the Sunday Mirror. You seem to accept that "it's a disgrace of course and totally unethical". Can the Inquiry assume that despite taking that view, you continued to pay this money to the mole during your time as editor? Can you give the Inquiry other examples of "disgraceful and unethical" practices whilst editor of either the News of the World or the Mirror?
38. While my recollection of events occurring seventeen years ago is limited, I believe the mole was paid during my time as editor of the *News of the World*.
39. I can think of no other "examples of "disgraceful and unethical" practices whilst editor of either the News of the World or the Mirror" to share with the Inquiry, beyond matters discussed in this Witness Statement and in my First Witness Statement.

- (15) In *The Insider*, in the entry for Friday 8th August 1997, you accept that you arranged to digitally alter a photograph of Diana and Dodi Al Fayed to make it look as if they were kissing, when in fact they were not. In your view, was this ethical? Were the public aware that you had altered the photograph at the time it was published?
40. In my view, this was not ethical. The public was not aware at the time of publication that the photographs had been altered.
41. I would note, however, that I was aware at the time that other photographs explicitly depicting Diana and Dodi Al Fayed kissing were due for imminent publication by our competitors. This decision was not so much a question of invasion of privacy, as a matter of internal competition within the *Mirror Group* stable of newspapers.
- (16) To your knowledge, were any "whistleblower" policies in place at either the *News of the World* or the *Mirror* during your time there? How would someone who was worried about illegal or unethical behaviour speak out? Did anyone ever make such a complaint when you were there?
42. I have no recollection of any "whistleblower" policies having been in place at either the *News of the World* or the *Daily Mirror* during my time at either newspaper.
43. Someone worried about illegal or unethical behaviour at those newspapers would have raised the matter with superiors, such as his relevant desk editor, or with in-house legal counsel.
44. I have no knowledge of anyone having made a complaint of this nature during my time at either newspaper, although this does not surprise me, given that I would not have expected such complaints to have been made to me.

STATEMENT OF TRUTH

I believe that the facts stated in this statement are true.

PIERS MORGAN

Dated this twenty-first day of November 2011