Q. Thank you. On the second page, you deal with the role provided to the Inquiry. There's a document first of all entitled "National Association of Press Agencies' submission to the Leveson Inquiry", which bears the number 52729. Is that a document which each of you has had a hand in preparing?

MR JOHNSON: It is, yes.

Q. Although it's not signed and there's no statement of truth at the end, is this your evidence to the enquiry and do you stand by it?

MR JOHNSON: It is.

B. Thank you. And do you stand by it?

MR BEL: Yes.

Q. Each of you individually has also prepared a statement. Mr Bell, first of all, document 33335.

MR BEL: Yes.

Q. Again you've signed it, but this is your formal evidence, Mr Bell, is it?

MR BEL: It is.

Q. In relation to the Ferrari Press Agency the Limited.

MR JOHNSON: Does.

Q. May I deal first of all with the National Association of Press Agencies before I deal with your statements individually? You tell us that NAPA was founded in 1982. It's a professional body of freelance press agencies. There are more than 60 members. By that, you mean 60 press agencies or companies; is that right?

MR JOHNSON: Correct.

Q. They cover, is this right, the whole of the United Kingdom?

MR JOHNSON: Indeed, and some in Europe and the USA.

Q. May I ask you, please, about the code of conduct, which you refer to, which is modelled on and embodies the PCC code. Does it differ in any way from the PCC code?

MR JOHNSON: Essentially no, it merely elaborates some elements of the code in respect to the way they apply to agencies, which give some detail about the services that we offer and the way that we can represent more than one newspaper at a time.

Q. Thank you. In terms of the aims and objects of NAPA, you tell us it's a self-help body, that it's administered on a largely voluntary basis by its own members, its objectives are to further the interests of its members, to facilitate their operations and to assist them in maintaining professional standards of conduct. Can I ask you, please, about the next sentence, that: "Amongst other functions, NAPA acts as a gatekeeper for the UK Press Cards Authority."

Would you like to elaborate on that a little bit for us, please?
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<tr>
<td>1</td>
<td>knowledge of others, back in the 70s and 80s, a lot of</td>
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<td>our effort went into reporting what can be described as</td>
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<td>provincial news, in our case from Merseyside, from</td>
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<td>Liverpool. So industrial news, council coverage, court</td>
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<td>coverage. You know, we did an awful lot of coverage in</td>
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<td>the 1980s of the exploits of the Liverpool</td>
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<td>Labour-controlled council and also the demise of a lot</td>
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<td>of industry in Liverpool. At that time, we were</td>
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<td>employing as many as -- I think the peak was 18 staff,</td>
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<td>and we were supplying a constant stream of news and</td>
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<td>pictures about events in Liverpool, provincial news, to</td>
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<td>national newspapers of all kinds. We had national</td>
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<td>newspaper staff men who rented desks in our office and</td>
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<td>covering the life of our city was our main stock in</td>
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<td>trade. We were covering court and sport, council,</td>
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<td>16</td>
<td>industrial relations and general news.</td>
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<td>17</td>
<td>Nowadays, we do much less of that. We cover less</td>
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<td>18</td>
<td>court and certainly very little council, unless there's</td>
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<td>some item of special interest that may be regarded as</td>
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<td>20</td>
<td>a little bit left of field.</td>
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<td>21</td>
<td>Q. And the focus now, as you tell us, is skewed towards</td>
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<td>celebrity, showbusiness and royal content; that is your</td>
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<td>experience, is it?</td>
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<td>MR JOHNSON: Certainly that's the demand from national</td>
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<td>newspapers, is for celebrity stories, royal stories,</td>
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<td>1</td>
<td>showbusiness of all kinds. Yes, and we -- operating</td>
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<td>2</td>
<td>within that market, we have to follow that market and</td>
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<td>so we're looking for those type of stories.</td>
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<td>MR BELL: To be fair, to pick up on a point there just</td>
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<td>to not create the wrong impression, that's across the</td>
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<td>press. That's not just in the tabloid press; that's in</td>
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<td>7</td>
<td>the heavy press as well. The papers -- the heavy press</td>
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<td>are carrying a lot more celebrity-orientated stories</td>
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<td>than they also would have done in the past, and so that</td>
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<td>applies for agencies like ours across the board. We</td>
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<td>find it just as difficult to get regional stories into</td>
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<td>heavy newspapers as we do into tabloids, so that's</td>
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<td>across the board. That's not just, you know, the</td>
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<td>tabloid press.</td>
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<td>15</td>
<td>Q. There are two bases, on my understanding, on which</td>
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<td>you work. You either work -- and this may be exceptional</td>
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<td>-- on an ordered or commissioned basis by a particular</td>
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<td>newspaper, but more usually, you provide material on</td>
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<td>spec to newspapers?</td>
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<td>20</td>
<td>MR JOHNSON: That's right.</td>
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<td>21</td>
<td>Q. If they want it, they then pay for it on a self-billing</td>
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<td>basis, as you describe it?</td>
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<td>23</td>
<td>MR BELL: Yeah.</td>
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<td>Q. Can I deal with the more usual basis first, the</td>
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<td>self-billing basis. Does it work in this way: you</td>
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<td>1</td>
<td>provide the copy, they may decide whether they want it</td>
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<td>2</td>
<td>or not, and there is a scale of fees depending on where</td>
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<td>the story is ultimately published in the paper; is that</td>
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<td>correct?</td>
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<td>5</td>
<td>MR BELL: Yes, yes, but it varies between papers as well.</td>
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<td>So, for instance, a newspaper like the Daily Mail may</td>
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<td>well pay more money for the same size story in the same</td>
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<td>part of the paper than the Guardian newspaper, for</td>
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<td>instance. So the base paid rates are not the same</td>
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<td>across all newspapers. They vary.</td>
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<td>Q. You also tell us that sadly in real terms -- and this is</td>
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<td>an economic reality -- the rates have not kept up with</td>
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<td>inflation over the years?</td>
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<td>14</td>
<td>MR BELL: Correct.</td>
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<td>Q. So that has obvious knock-on effects. Perhaps you'd</td>
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<td>spell them out for us, please?</td>
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<td>MR JOHNSON: I think one of the factors is that we --</td>
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<td>basically, less people do more work. That's generally</td>
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<td>true of the press, of national newspapers, even of the</td>
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<td>provincial press, radio and television, and for agencies</td>
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<td>21</td>
<td>it means that we can -- the economics of the business</td>
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<td>means that we can afford to spend less time pursuing</td>
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<td>23</td>
<td>perhaps investigations that may come to nothing. We are</td>
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<td>looking for, really, something that is not exactly</td>
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<td>25</td>
<td>a guarantee to make the paper but we're setting the bar</td>
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MR BELL: For example, it might be that a new series of the X Factor has started and obviously there are new celebrities, as they were, and it may well be that a newspaper will say, "We would like you to go to such-and-such a village where such-and-such an X Factor star comes from, have a chat with their friends, people that know them in the village, and see if you can find out something interesting about them."

But it doesn't have to be salacious. You may well find out something about them that's of a more positive nature, shall we say. So it's not always a search where you know you're going to be coming up with something salacious at the end of it.

Q. Can I ask you about paparazzi pictures and photography in general? What is the experience of NAPA generally in relation to paparazzi?

MR JOHNSON: Well, the reality is that that's what newspapers want. You know, they want celebrity pictures. Magazines -- the whole explosion in the celebrity and show business magazine market has created a demand for those celebrity paparazzi red carpet-type pictures. So again, a lot of NAPA agencies -- I say "a lot of NAPA agencies"; a number of NAPA agencies, certainly the ones in London and the bigger cities, engage in that kind of work in order to supply the demand that's there.

MR BELL: But there is -- I'm just going to say there's an important distinction to make in that -- defining the term paparazzi. I think the image of the paparazzi photographer is someone who will chase a celebrity down the street. What you'll find with -- certainly in my -- I don't employ photographers on my agency, but I've spoken before I've come here today to a few agencies within NAPA that do, and to give you an example, one guy was sent to cover the wedding of the sister of a celebrity who's been here and given evidence, arrived in the village a couple of days before the wedding, because he lived in Devon, to work out where the wedding was going to take place, met some security guys who were employed by the celebrity to make sure the wedding wasn't interfered with by the media, spoke to those security guys, made a friendly arrangement that the photographers would not stand directly outside the church, would work from a point some distance away from the church where they would use long lenses so as not to directly interfere with the wedding. Other photographers arrived from other papers. This local agency photographer relayed to them what arrangement he had made. All of the photographers, come the Saturday, the day of the wedding, all adhered to that arrangement.

No one broke the agreement. They all got good pictures. The wedding passed off without any harassment from the media.

Now, that works fine. If you're talking about paparazzi, in my opinion, they're a different group of people and they're not the type of photographer you'll find within a -- working for a NAPA agency.

MR JOHNSON: It's hard to say where the dividing line actually comes, except that to say that our staff do carry press cards which have been issued through NAPA. I think we would question whether a lot of the photographers, say, on the streets of the capital are either trained as journalists, understand the law, and whether they operate within the law and according to proper ethics and the code of practice.

So one of the points that we really wanted to make to the Inquiry was that the whole area of the issue of the press card probably needs greater scrutiny, and there is room -- we have, actually -- as NAPA, we have proposed to the UK Press Cards Authority that there should be some tightening up of the regulations so as to ensure that the identity of the holder of the press card is known and possibly -- and this is something that obviously is open to discussion -- possibly looking at carrying out a CRB check on people who apply for press cards or renew press cards.

Q. The different type or breed of paparazzo that I think, Mr Bell, you were referring to --

MR BELL: Yeah.

Q. Are you able to offer us any insights into its constituents?

MR BELL: In terms of those more likely to act in a way that people would associate with the paparazzi?

Q. Yes.

MR BELL: Yeah. I can't give you any specific examples, but when I've heard the evidence of certain celebrities here at this Inquiry and they've talked about conduct of photographers in a negative way, in my experience, I don't associate that with the conduct of NAPA agency photographers, or indeed photographers I've worked with who are employed by national newspapers. I think you're security guys, made a friendly arrangement that the photographers would not stand directly outside the church, would work from a point some distance away from the church where they would use long lenses so as not to directly interfere with the wedding. Other photographers arrived from other papers. This local agency photographer relayed to them what arrangement he had made. All of the photographers, come the Saturday, the day of the wedding, all adhered to that arrangement.

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MR JOHNSON: Anecdotally, there are a lot of stories that are told, and probably the main ones boil down to paparazzi who will act in teams so that -- you know, there are at least two in a team, maybe more, and one will provoke a celebrity into some angry reaction by going up close with a camera and getting in their face, and the other photographer will be standing off to record the reaction of the celebrity. That's certainly one known modus operandi.

We've also heard about the chasing, which is, again, something which is, you know, not within our remit as NAPA agencies. We would never encourage our staff to do something which is, you know, not within our remit as NAPA agencies. We would never encourage our staff to chase after people, whether on foot or on car.

Certainly never in a car, because of the obvious dangers. But in terms of the unfettered, unregulated paparazzi, it's hard for us to say because they are not our members.

MR BELL: What I can say is that certainly in my agency situation, if one of our reporters has been working on an assignment with a photographer from a national newspaper, there may well be a discussion between myself, as the owner of my agency, and a senior executive on a picture desk about how a certain picture was taken, the circumstances surrounding it. So there is a process there whereby if the picture desk feels that they've received a picture that they're not entirely happy, satisfied with the way it may have come to be taken, then they will ask us, you know: "What happened on the ground? Can you give us some feedback?"

And likewise, if someone made a complaint directly to a paper, there may be a similar discussion about that, so that, you know, the conduct in that situation, people know what has happened.

Q. You deal with the issue of complaints about a third of the way down the fourth page: "If a celebrity or any member of the public makes a complaint about the conduct of a NAPA member, our executive investigates and seeks to find a remedy."

MR JOHNSON: I'm pleased to report that this year I know of none, and they would come through my office, because we investigate it on its merits, and ultimately, if we can't satisfy them, then we will tell them that they have got recourse either to the National Association of Press Agencies or to the Press Complaints Commission.

MR BELL: I can think of -- in the case of my agency, in the last six months -- one specific one where the complaint was made to either the Daily Mail or the Mail on Sunday but the complaint related to one of our reporters who was on an assignment on their behalf. So the person concerned complained to the Mail and the Mail's managing editor then came to us and said, "We have had a complaint about the conduct of your reporter. This is the nature of the complaint. Can you help us deal with this?" Which we did, and it basically amounted to someone walking up to a front door and knocking on the front door and asking a question of someone. It just so happened the person concerned didn't think that that was appropriate conduct. So that's the only instance I can think of.

MR JOHNSON: Yes, complaints quite often will be routed through the newspaper that has published the story.

Q. Can I deal with the question of libel, please? You check copy for legal issues, which would include libel,
MR JOHNSON: Yes.

Q. Once the copy is submitted to the newspaper, the newspaper conducts its own check according to its own practices and procedures; is that also right?

MR JOHNSON: That's correct.

Q. Can I just deal with the question of newspaper websites and the need for instantaneous news and reporting. What effect, if any, have newspaper websites had on the second level of checks by newspapers?

MR BELL: I think there is a concern that the immediacy or the very, very short period of time between us filing a piece of copy and that copy being published on the 'Net, that perhaps the legal checking process at the newspaper's end may not have been quite as thorough as perhaps it would have been when there were just newspapers. But having said that, I am aware that newspapers within their own offices have a legal department and I'm sure their legal department will still want to make sure they don't libel someone or be in contempt of court about a story that they published on their website.

Perhaps where there's more of a danger is where what is happening is that local newspapers are publishing stories on websites which -- not people like us, but other individual freelance journalists are effectively -- I'll use the term "lifting", not doing any of their own checking on it and in some cases lifting reports of proceedings in court, filing them directly to newspapers -- all newspapers, not just the tabloid press -- and those newspapers, believing in good faith that the report they've received is accurate and has come from a bona fide source, where, unknown to them, it may well have just been completely lifted off a local newspaper website who may have got it wrong, and that's, to me, one of the issues and one of the dangers in the growth of Internet journalism.

MR JOHNSON: There are a number of issues that are raised by the Internet and the rise of exchanges of information and syndication. You know, evening newspapers, weekly newspapers are syndicating out their stories themselves to national newspapers, sometimes through a group agent, sometimes directly, sometimes through a press agency -- through press agencies who are members of NAPA. So there's a great deal of material being circulated and the number of checks that it goes through before it gets onto a -- you know, screens, I suspect -- well, in fact I'm certain are less than they were when it was going into print. We've got examples of, you know, misspelled names that actually end up -- sorry, misspelled titles or mistakes, basically, literals that get transmitted to screen without being corrected. In the days of hot lead, they would have been corrected by the subeditors.

LORD JUSTICE LEVESON: Don't start me on the subject of misrepresented titles or names. I suffer that to this day, but there it is.

MR JAY: Weighing up of privacy issues against the public interest. That's been devoted a lot in this Inquiry.

Q. Can you help us a little bit on those matters?

MR BELL: What may happen is a newspaper may come to you as an agency and request you to carry out an assignment. It may well be that during the course of that assignment a privacy issue, a public interest issue may arise which we would then discuss with the newspaper. Indeed, it might even be discussed before the task even begins, and it may well be that we, as an agency, might decide -- I can't think of any specific examples here and now of where we've actually completely turned down an assignment on the grounds of us deciding it was an invasion of someone's privacy potentially, or indeed there wasn't a public interest to the story, but certainly, I think, over the last year or two -- and certainly since this Inquiry has begun -- discussions between -- even within our own office, between us on stories that we be working on ourselves that we haven't even sent to newspapers, and indeed on assignments where papers are asking us to carry out for them, there is a lot more discussion about the way to tackle a story. Are you potentially invading someone's privacy? Is there a public interest in the assignment you might be doing?

Q. I think you may be able to assist us on one issue, namely intrusion of grief. Could you elaborate on that, please? What are the issues that arise there?

MR BELL: It's fair to say that on a press agency -- I mean, journalists working on national newspapers I'm sure will say the same. There are occasions when you are asked to go and knock on the door of someone, a family member of someone who may have been involved in a tragedy. It may be someone who's been killed in an accident on holiday, abroad, and you may want to go and knock on the door of a family member here, somewhere in England, to ask them if they want to talk about what's happened, talk to you about the person who's died, pay a tribute to them, maybe even give you a picture of them. And the rule really is, and as indeed is this the code of conduct,
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<td>that you should only make that approach once. If the person makes it clear</td>
<td>we take is obviously going to go completely out of the window because of</td>
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<td>that they don't want to talk, then that should be the end of the matter.</td>
<td>the sheer volume of people beating a path to their door. I really don't now</td>
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<td>Where agencies can be a big help -- and I'm sure papers would say this --</td>
<td>how you can control a situation like that.</td>
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<td>where five different national newspapers from across the range may all ask</td>
<td>MR JOHNSON: 24-hour news is a real element of change that has come to bear</td>
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<td>the one agency to do the same knock on the door. Now, obviously you don't</td>
<td>in the last -- really, in the last ten years. Not only is it now television,</td>
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<td>want to go and do it five different times and say, &quot;I'm here from five</td>
<td>it's also the Internet, and you're talking about instant reporting in all</td>
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<td>different newspapers.&quot; So you can do the one knock on the door. If the</td>
<td>forms of the media. But when you have a story and you have -- often the</td>
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<td>person wants to talk, then you can interview them and you can send the</td>
<td>television now outnumber the press. Very often the press pack on a job will</td>
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<td>interview to all of the newspapers. Again, you would be right to make it</td>
<td>be the local agency and Press Association, accompanied by four people from</td>
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<td>clear to the person that you are there on behalf of whichever newspaper has</td>
<td>the BBC, one from independent television and a number of radio stations. So</td>
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<td>asked you to go there. So it can be a filter, I suppose, to stopping five</td>
<td>in terms of sheer numbers on a doorstep, I have to say it is often the</td>
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<td>people knocking on the same door five times.</td>
<td>BBC who are the most numerous.</td>
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<td>MR BELL: They vary totally. It never ceases to amaze me how they vary. You</td>
<td>LORD JUSTICE LEVESON: Before you move off the privacy question, do you</td>
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<td>can knock on one door and someone can be utterly hostile to the point of</td>
<td>think the increased sensitivity to privacy issues which you have referred</td>
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<td>threatening violence. You can end up knocking on a door where you end up</td>
<td>to as a consequence of the Inquiry or the events that led up to the Inquiry</td>
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<td>becoming friends with someone, you end up keeping in touch with them. Chris,</td>
<td>is a good thing or do you think it's become inappropriate and too far?</td>
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<td>I'm sure, can speak of Denise Fergus.</td>
<td>MR BELL: I think it's a good thing. Has it gone too far?</td>
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<td>MR JOHNSON: Yes, I've been representing James Bulger's mother, Denis Fergus,</td>
<td>Too early to say whether it's gone too far, really.</td>
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<td>in press matters for the last 17 years, slightly longer, and she is a direct</td>
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<td>client and friend of mine. But that's very different from the raw emotions</td>
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<td>that you get immediately after an event. In that case, I'm representing her</td>
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<td>in terms of her not having to constantly field press enquiries. She needs</td>
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<td>a press agent, which is the role I fulfil. But when you're talking about raw</td>
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<td>emotions and people obviously in the depth of grief, Matt's right, the</td>
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<td>reactions can be very different. But we are there not -- not through a sort</td>
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<td>of a pruriert interest, but on behalf of the public to report something that</td>
<td>What the impact is in the mind of the public is probably something that</td>
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<td>is of -- in the public interest to explore what has happened in any</td>
<td>rather exercises my mind a little bit more, because as we made the point in</td>
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<td>particular tragedy. MR BELL: And certain types of tragedy are obviously</td>
<td>our submission, all journalists are getting tarred with the same brush. You</td>
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<td>-- in terms of media response, are going to be unique, and obviously</td>
<td>know, it's -- I mean, we last week had a story in Liverpool about the artist</td>
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<td>Madeleine McCann's parents is a completely different situation, because</td>
<td>Banksy doing a statue which was representing a cardinal in the Catholic</td>
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<td>such was the level of interest in that story from every form of media --</td>
<td>church and an interesting statistic that was produced was that only 0.4 per</td>
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<td>radio, television, newspapers, tabloids, heavy newspapers -- I don't think</td>
<td>cent of Roman Catholic clergy in this country have ever been accused of any</td>
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<td>you're -- the approach that</td>
<td>kind of offence in terms of paedophilia. I say &quot;only&quot;.</td>
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<td>That's the statistic. The statistic in terms of...</td>
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6 (Pages 21 to 24)
| Journalists who ever engaged in any kind of phone hacking or illegal activities must be tiny, but we are all being tarred with the same brush, and that really is one of the reasons that compelled us to want to come here to give evidence, was to speak up for the majority of journalists and agency journalists who operate day in, day out, year in, year out, in a thoroughly professional and businesslike manner. LORD JUSTICE LEVESON: Well, I understand that, and that's why I acknowledged with gratitude your doing so at the very start of your evidence. But of course to some extent the culture may move on. The problem then becomes embedding it. MR BELL: I can give you an example of a privacy discussion. I was chatting to a guy on the legal department of the Mirror group and he said -- I'm sure I'm not going to say anything out of turn, but if I am, you can stop me. LORD JUSTICE LEVESON: It depends what you're going to say. MR BELL: The Sunday People on a Saturday had a photograph, like every newspaper that day, come in of Gary Speed's widow at a football match with their son. It was a public event. They were there in memory of Gary Speed. I think it was the Everton football match. The Sunday People's lawyer said, "I don't think we should run the picture showing the little boy unless we've got the permission of that little boy's family." So the people working that day in that office on the Sunday People went to efforts to try and find out if it was okay for them to run the picture of Gary Speed's widow and his son. Now, they never got the permission so they never ran the picture with the little boy in it. They only ran the picture with the widow. However, the next day, the Independent on Sunday had the picture of both in there, so the journalists within the Sunday People were saying amongst themselves: "Why is it that we went to great efforts that day to find out if it was okay, yet it appears another newspaper who perhaps hasn't been in the headlines so much doesn't appear to have gone through the same process?" So there is a big discussion going on in tabloid newsrooms -- I think Sunday People's a tabloid -- about privacy. MR JOHNSON: I also think that what happens is that the example that Matt's given is the tabloid journalists are alert to the scrutiny that they are under, and possibly the other end of the market are less so because they don't feel that they're under the spotlight. For me, the question is what tends to happen with these events -- I mean, we only need to cite Diana's death -- Princess Diana's death to show how that

| Affected the newspapers and how they refrained from chasing or pursuing the two princes. But as time pass, memories fade and because nothing was put in place, it was all done on a voluntary basis, I think the restraints tend to fade and dissipate. LORD JUSTICE LEVESON: There are four or five points in your last two answers which are all worthy of picking up, but I'll let Mr Jay carry on and then we'll see whether we need to come back to them. MR JAY: I'll come back to them, if I may, at the end. LORD JUSTICE LEVESON: Yes. MR JAY: I was going to ask some specific questions on your individual statements, although they largely speak for themselves. Mr Johnson, may we just be clear: when you referred to Mercury Press supplying material for websites, which websites are you referring to there? MR JOHNSON: Right. Well, we operate three websites of our own, three news websites, the main one being Click Liverpool, which is an online newspaper which we ourselves produce, but we also supply copy for other -- for newspaper websites, national newspaper websites, regional newspapers and so forth. Broadcast -- radio stations have websites. Our stories are often carried on there as well. Q. Thank you. Then you deal with the commercial factors which are in play in which you've already addressed, I think, in the broader context of NAPA generally. Then you deal with future regulation, which I am going to touch at the end, if I may. Mr Bell, if I could address some points on your statement. So we get a flavour of the economics -- I'm not going to ask you about your salary, but it is worthy of note what full-time reporters get paid. £18,000 to £20,000 per annum? MR BELL: Yes. Q. May we just get a feel for the level of experience of individuals who are getting paid that sum? MR BELL: Yes, the type of person that we recruit tends to be someone who will have had at least a couple of years' experience working on either a local weekly or regional daily newspaper. They will have had some training either on a postgraduate journalism course or a pre-entry course. There'll be someone who we're satisfied, whilst working on the local paper, will have had experience of covering court cases or inquests, which is a lot of what we used to do, not so much any more. So yeah, someone with a good couple of years' experience. What they understand to happen then is that the reporters that work for us will spend a couple of years with us and then they tend to go on to national
MR BELL: Yeah.

Q. Can I deal with the next two points? When you first employ a reporter or hire a freelancer for the first time, "we brief them on how we expect them to work, ie explaining to them what they can and cannot do while working for us". Could you develop that a little bit more for us, please?

MR BELL: Yeah. We'll take them through the likely scenarios that they're going to be finding themselves working in. So for instance, with court reporting, we talk to them about the importance of making sure that when they're filing copy from a court case, they're sticking to the proceedings, they're not running the risk of embellishing it with material that's coming from outside the court room. Obviously, we talk to them about the need to write an article alleging something about someone that could be termed as being defamatory, that they have to be confident that they can defend it by proving that it's true, and we'll talk -- we'll explain to them as well the scenarios I've explained earlier on, how they're likely to find themselves on the ground having to talk to people in very tragic situations and how they need to go about those and not run the risk of making someone feel harassed.

Q. You also talk about acceptable and unacceptable methods in news gathering?

MR BELL: Yes.

Q. Again, could I ask you to amplify that for us, please?

MR BELL: Acceptable is pretty much what I've outlined. Unacceptable would be really making mistakes in court reporting, giving us stories that they can't back up. If one of our reporters gives us a story that we think is potentially defamatory about someone, we would ask them: "How do you know this to be true? Who are your sources? Who have you spoken to? Can you show us any evidence?" So unacceptable really would be going against the grain of any of that.

Q. What about subterfuge? It may not apply very much to what your people do.

MR BELL: Yeah. Subterfuge -- again I'm trying to think if we -- I can't even think of a case within our agency where someone has taken part in subterfuge for me to have the need to discipline them. Obviously, we would say -- one thing we do make clear is when they go out to meet people, we do have to make clear that we're either there as Ferrari Press Agency or, at the same time, that we're there as Ferrari Press Agency but we've been asked to approach them on behalf of a particular newspaper, be it the Daily Mail, the Telegraph, the Express. But I've never had the need to discipline anyone over that.

MR JOHNSON: Just to back up Matt on what he's saying there, subterfuge, and indeed all those areas that are covered in the Press Complaints Commission code of conduct, we would only supply the test of: is this in the public interest? And that's the test for engaging in subterfuge. I can hold my hand up and say that we engaged in subterfuge a fortnight ago to do a survey for a Sunday newspaper on short measures in pubs, in that we went in, we didn't declare that we were news journalists but we did order a pint of beer. We then measured it out and found out whether it was a pint or not. I mean, it's been done many times before and it will be done again, but that provided part of a survey into short measures in pubs. So that's an element of subterfuge.

MR BELL: Yeah, and you might be asked --
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1 So, you know, it varies in different circumstances,
2 but a lot of it is based upon us guys who run the
3 agencies knowing when something you can really tell
4 needs checking or you have an instinct that something's
5 not quite right.
6 MR JOHNSON: We're constantly striving to ensure that the
7 copy that we are filing -- well, on a commercial basis,
8 that it can be used easily by newspapers, that it's
9 self-contained and that it's full. So it's a fair,
10 balanced and accurate report of court procedures, for
11 example, or, if it's outside court, if it's a story
12 that -- most stories have two sides to them -- that we
13 have both sides of the story. Somebody might be making
14 some kind of claim or allegation. We then give a right
15 of reply to whoever the other side of the story might
16 be, thereby engaging in good journalistic practice.
17 Q. Mr Bell, as you made clear at the end of your
18 statement -- and I'm sure Mr Johnson will echo this --
19 each of you applies a completely hands-on approach in
20 a professional way to protect the integrity and
21 reputation of your respective businesses?
22 MR BELL: Yes.
23 Q. Before I ask you about the way forward for the future,
24 I have been asked to raise points with you, Mr Bell, in
25 relation to Mr Richard Peppiatt.

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1 MR BELL: Yes.
2 Q. You can confirm, can you, that you employed him as
3 a news reporter in August 2008; is that right?
4 MR BELL: Yes, that's correct.
5 Q. Did you keep him on beyond his six-month probation
6 period?
7 MR BELL: No.
8 Q. About how many employees do you not keep on beyond their
9 probation period for performance-related reasons?
10 MR BELL: I think in the 12 years that I've owned/run the
11 agency, it's happened three times that I can think of.
12 Q. What were the reasons in Mr Peppiatt's case for your
13 agency not keeping him on beyond the probation period?
14 MR BELL: We sat down towards the end of his six-month
15 probation period with Richard -- this is we being Adam
16 Gillham who runs the agency with me. We had an amicable
17 discussion with Richard and said that we felt he didn't
18 quite have the background in journalism that we wrongly
19 thought he'd had. We felt he'd missed out on some
20 training. We felt we couldn't quite be confident enough
21 to send him along, for instance, to report on court
22 cases. We held up our hands to Richard and said that as
23 much as anything it was our fault, the circumstances in
24 which we recruited him. We should have checked more
25 thoroughly his CV/background. He'd been recommended to

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1 us by a couple of people who'd come across him working
2 on casual shifts on national newspapers. And Richard --
3 we gave him some encouragement as to what we thought he
4 should do next and we mutually agreed to part company as
5 friends. So, yeah, that was the reason.
6 Q. In relation to the way forward, Mr Johnson, quite
7 shortly towards the very end of your statement you point
8 out that your agency, Mercury Press, and other members
9 of NAPA observed the NAPA code of conduct which embodies
10 the PCC code:
11 "Many of the paparazzi and celebrity reporters are
12 not trained. Some are evening and weekend warriors who
13 live or die on the level of impact of the material that
14 they gather. Like other NAPA members, we deprecate the
15 changes in communication and newspaper practices that
16 have led to significant deprofessionalisation of the
17 industry ..."
18 If that word exists, but we understand fully what
19 you mean.
20 In terms of recommendations for the future to assist
21 this Inquiry, do you have some leaving thoughts for us,
22 each of you?
23 MR JOHNSON: I think the -- one of the prime areas that we
24 see as a potential area for benefit, something that can
25 be positive to come out of the Inquiry, would be an

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1 extension of the checks and balances that are used in
2 the issue of -- in the issuing of press cards. At the
3 moment, agency bosses or editors of newspapers are
4 simply required to verify that this -- that the person
5 concerned who is applying for the card is, to their
6 knowledge, who they say they are and that they are
7 employed by the agency or by the newspaper or whatever
8 body it is who is issuing the press card.
9 That probably is not -- well, it's clearly not very
10 thorough, because in effect we don't actually carry out
11 any investigation to find out if they are who they say
12 they are. We probably take them on face value, that
13 they have a National Insurance number and that we're
14 employing them under their identity. I did mention
15 earlier that it's been suggested that a CRB check would
16 be a good idea, and that is something that the National
17 Association of Press Agencies has suggested to the UK
18 Press Cards Authority.
19 So that's one thing, and that really is aimed
20 towards bringing to bear attempts to -- an attempt to
21 ensure that people who are carrying a press card are
22 bona fide journalists.
23 MR BELL: Yeah, I mean, I -- not so much a specific point.
24 I think I would add a general appeal that -- I heard
25 a lot of talk about tabloid journalism. I mean,
LORD JUSTICE LEVESON: Mr Bell, I've said many times broadly practices that this Inquiry has heard about.

Mr Bell: Well, you're absolutely right, because if you go in any magistrate's court in any provincial town this afternoon, you'd be very unlikely to find a journalist sitting on the press bench. Likewise council meetings, likewise inquests. Unfortunately, local newspapers commercially are being driven to the ground. The type of journalists that we recruit are becoming fewer and fewer, because the local newspapers are employing less and less people.

How can you keep those people -- how can you keep local reporting going? I don't know. Because you need the commercial organisations to run the local newspapers, to sell advertising and to sell newspapers. 

Mr Bell: But generally, the malaise in the media is about reducing advertising revenue, and I'm going to be rather pessimistic about it. I think that it will find its own level, and that -- for example, I mean, we've got -- a national newspaper in the UK is now one of the very biggest newspapers on the Internet in the world and the second biggest in North America. The Daily Mail is possibly now the biggest news source in North America. It's certainly vying with the Washington Post. That's happened in a space of three years, with 70 million unique users a day for the Daily Mail, and yet they pay -- the Daily Mail pays us £40 for a story. 

Mr Johnson: I have some ideas or some pointers to where the answer is.

LORD JUSTICE LEVESON: Thank you for agreeing that I've asked the right question. What I want to know is what the answer is.

Mr Bell: I don't know. I don't know.

MR JOHNSON: I have some ideas or some pointers to where the answer is.

LORD JUSTICE LEVESON: But I'd like to ask you about a problem rather closer to home for you.

Mr Bell: Yeah.

LORD JUSTICE LEVESON: For our democracy, local news reporting, be it courts, about which, for different reasons, I have strong views, or local authorities or hospitals or coroner's courts is critical. How can one protect that in this 24/7 media age?

Mr Bell: Well, you're absolutely right, because if you go in any magistrate's court in any provincial town this afternoon, you'd be very unlikely to find a journalist sitting on the press bench. Likewise council meetings, likewise inquests. Unfortunately, local newspapers commercially are being driven to the ground. The type of journalists that we recruit are becoming fewer and fewer, because the local newspapers are employing less and less people.

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Mr Bell: Yeah.

LORD JUSTICE LEVESON: Yeah.

LORD JUSTICE LEVESON: So I'm very conscious of the point.

Mr Bell: Yeah.

LORD JUSTICE LEVESON: But I'd like to ask you about a problem rather closer to home for you.

Mr Bell: Yeah.

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How can you keep those people -- how can you keep local reporting going? I don't know. Because you need the commercial organisations to run the local newspapers, to sell advertising and to sell newspapers.
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1 MR JOHNSON: So the market is really, really bizarre, and we can only hope that it's going to -- that will resolve itself as it matures.

2 LORD JUSTICE LEVESON: Okay, thank you.

3 MR JAY: Gentlemen, thank you very much indeed.

4 LORD JUSTICE LEVESON: Thank you both very much. We'll rise for a few minutes.

5 (3.32 pm)

6 (A short break)

7 (3.33 pm)

8 MR JAY: Mr Morgan, can you hear me here in court 73 in London?

9 A. I can, loud and clear.

10 Q. Thank you very much. We're going to invite you first of all to take the oath.

11 MR PIER STEFAN PUGHE-MORGAN (sworn)

12 LORD JUSTICE LEVESON: Can you see us?

13 A. I can see Mr Jay, but not you, Lord Leveson.

14 LORD JUSTICE LEVESON: That's all right. Fine. If you need to to, you will.

15 A. I have no doubt.

16 Questions by MR JAY

17 22 A. I have no doubt.

18 21 A. I can see Mr Morgan, can you hear me here in court 73 in London?

19 MR JAY: Mr Morgan, can you hear me here in court 73 in London?

20 A. Yes.

21 Q. The second one is nine pages, dated 21 November, again with a statement of truth. Do you stand by that statement, Mr Morgan?

22 A. Yes.

23 Q. If I can cover your professional background. You were editor of the News of the World between January 1994 and August 1995; is that correct?

24 A. Yes.

25 Q. I think you were the youngest ever editor at the age of 28; is that correct?

26 A. I believe so, yes.

27 Q. I think that youth has not since been surpassed. You then moved to the Daily Mirror between September 1995 and 14 May 2004; is that correct?

28 A. Yes.

29 Q. You are now, I think, an employee of CNN and you do -- is it a daily show, Piers Morgan Tonight, which is very big in the US, I understand?

30 A. It's clearly passed you by, Mr Jay, but yes, it is.

31 Q. May I ask you two general questions? We know from your first statement that you were, as you describe it,
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Q. In your first statement, please, Mr Morgan, if I could take you to paragraph 15, our page 24194. In answer to a general question, you say: "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."

So that is and was your credo, as it were. Have I got that right?

A. Yes.

Q. Then paragraph 17, the code of practice, you say: "It was displayed prominently in the newsroom of the Daily Mirror throughout [your] tenure as editor and informed every editorial decision I made during my tenure as editor of the News of the World and the Daily Mirror."

Then I paraphrase: particularly in the context of balancing privacy of individuals against the public interest. Again, is that right?

A. Yes.

Q. Paragraph 18, your recollection is:

"Compliance with the code of practice was a requirement of contracts of employment of journalists working with Daily Mirror from at least around 2000."

You don't think -- and again, I paraphrase -- it was an express requirement of your contract of employment as editor, but then you make it clear in your second statement it really was so obvious that it went without saying that you comply with the code of practice; is that correct?

A. Yes.

Q. Paragraph 25 of this statement, you deal with libel. You make it clear in your view that the libel laws in the United Kingdom impose enormously onerous requirements. Is that so?

A. Yeah, that was my belief when I was editing newspapers.

I mean, obviously I've written this nearly eight years after I left editing newspapers, so it relates, really, to my time as an editor. It may well have changed since then. I haven't really followed it.

Q. Okay. In paragraphs 28 and following of your first statement, you give us some examples of how ethical considerations informed your decision-making, the first in paragraph 29. You were provided with a leaked copy of the budget in 1996 and the upshot was, if I can paraphrase the matter, you didn't think it right to publish it so instead you handed it back? Have I fairly summarised --

A. Yes.

Q. -- what happened?

A. Yes.

Q. Taking the view that it might cause economic harm if the budget were, as it were, trailed in a newspaper before it was publicly announced? Was that your thinking?

A. We had a meeting with senior management, which was very unusual, but because of potential implications of leaking the budget, we felt this was the correct thing to do.

There were a number of considerations, one of which was we were not able, because of the ticking clock element of this story, to completely verify its veracity, so we weren't entirely sure we were dealing with 100 per cent accurate documents. Secondly, we felt that the material contained in here could potentially cause market chaos and was that a responsible for a newspaper to be doing? Did we need to do that? Was it not a big enough story to actually just have the budget and create the excitement that went with that?

Looking back on it, there were a number of things we could have done with that story. I'm satisfied that we took a responsible course of action, although I would note that within the space of 24 hours I was castigated by the Guardian. On the night, they praised me for what I'd done, and then by the next day they had come around to thinking this was a terrible arrogation of my journalistic duties, so clearly there were different views about what I'd done.

Q. In paragraph 31 -- this is covered in more detail in your first diary -- you deal with a story which broke in December 1997 involving the 17-year-old son of the then Home Secretary being involved in selling cannabis.

You explain how that story was confirmed with the then Home Secretary being involved in selling cannabis. You identify the boy concerned; is that correct?

A. Yes.

Q. Thank you. In paragraph 33, the Naomi Campbell story. That, of course, is the story which ended up in the House of Lords a couple of years later, I think; is that right?

A. Yes.

Q. Where their Lordships were divided, as we all know,
three, two.
A. Yes.
Q. Can I deal with paragraph 34 of your statement, dealing with Earl Spencer's complaint in relation to his wife receiving certain treatment? His complaint was upheld by the PCC and then Mr Rupert Murdoch gave a public statement, which you set out in paragraph 34, where he said:

"It is clear in this case that the young man [I think that's you] went over the top. I have no hesitation in making public this remonstrations and 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 company will not tolerate its papers bringing into disrepute the best practices of popular journalism."

I'm going to return to that in a moment. May I ask you, though, a little bit further on in this first witness statement, to deal with the issue of private investigators? We're now at paragraph 50 on our page 242O2. You have no recollection of any personal involvement in the use of private investigators during your time at the News of the World. Well, we're looking there at a period which I think was less than two years, but at paragraph 51:
"The Daily Mirror would, from time to time, engage private investigators during my time as editor. Such professionals were useful tools for journalists in securing corroborating evidence for or fact-checking articles and stories that journalists had uncovered, or about which they had received a tip."

Do you know what sort of evidence private investigators would seek out for your newspaper, Mr Morgan?
A. I don't, because I was never directly involved. This was dealt with through the news desk or the features desk. So an editor in that position, I think probably like most editors, you wouldn't get directly involved. But certainly the journalists all knew they had to operate within the law. That was enshrined within their contracts of employment. So I never had any concerns about that. They were breaking the law with regard to using private investigators.
Q. Okay, I'll come back to that issue, if I may. The question, please, of unethical news gathering. Presumably you've heard of the term "binnology"; is that correct?
A. I've actually become acquainted with it through the process of this Inquiry.
Q. Okay. On how many occasions did you deploy or take advantage of the services of Benjy the binman?
A. I was trying to remember. I know that I detail at least one in my book in relation to a story about Elton John. I can't honestly say how many times, but certainly we deployed him or his services several times.
Q. In your first book, 1998, 13 January, the entry says -- I don't know whether you have the same paperback edition?
A. Yes.
Q. I have the hardback.
A. I think it's the same pagination, actually.
Q. It's page 185. You tell us this: "Benjamin Pell, a very strange guy who has peddled me a few stories in the past, rang me this morning with an extraordinary offer. "I have all Elton John's bank statements," he squealed in a high-pitched voice. "I knew immediately where we would have got them. His nickname in Fleet Street is Benjy the binman. He goes around nicking rubbish from outside celebrity's houses or the offices of their lawyers and accountants. Loads of papers buy his stuff, despite the seriously unethical way he acquires it."
Then I paraphrase: he turned up with sackfuls of Elton's documents, including the bank statements. Did you have any qualms about that, Mr Morgan?
A. Yes, slightly. I mean, it clearly is, you know, a strange thing to be doing. Benjy the binman used to live in a house that had hundreds, if not thousands, of rubbish bins. He lived in a sea of rubbish bins. It's a very unusual way to lead your life.
Q. Did I think he was doing anything illegal? No. Did I think it was on the cusp of unethical? Yes. But it was interesting to me to see the testimony of David Leigh, the chief investigations editor of the Guardian, who decided to make somebody else pay for this information whilst hoovering up all the details himself, which is something the Guardian's very good at, and since they've appointed themselves as the bishops And Fleet Street, I would quite like to examine that practice, because in a way, it's not massively dissimilar. They take the discarded remains from the tabloids, fill their papers with them but never have to pay anything. I mean, if I'd thought of what David Leigh did, then the Daily Mirror would have been a lot more profitable.
Q. Mr Morgan, we're not the asking questions of Mr Leigh at the moment. We're asking questions of you. A. Yes.
Q. Your book makes it clear that -- you use this exact
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1 language -- "despite the seriously unethical way he
2 acquires it". That's not just on the cusp of unethical
3 behaviour; it's well on the wrong side of the line.
4 Would you agree?
5 A. I don't know, actually, because if you throw something
6 away, you're discarding it and so you clearly have no
7 more use for it, and it's going to go off to a rubbish
8 tip where everyone knows people can walk down to rubbish
9 tips and help themselves.
10 LORD JUSTICE LEVESON: I'm not sure they can, actually,
11 Mr Morgan. I'm not sure they can. But you could get
12 some legal advice about that.
13 A. You can't go to rubbish tips?
14 MR JAY: No, I don't think you can, Mr Morgan. I think the
15 property in the discarded rubbish probably belongs to
16 the local authority once it's on their tip. But are you
17 seriously suggesting that the person who's thrown away
18 rubbish, in this case Mr Elton John, has any expectation
19 that it might end up in the hands of a journalist?
20 A. It wasn't him, actually. It was his manager, John Reid.
21 Q. Yes, his manager. But the same principle applies,
22 doesn't it?
23 A. Sort of -- you know, I take issue -- if you throw
24 rubbish into the street, then I just throw it out there
25 that I wonder how unethical it is if that appears in

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1 a newspaper. I mean, it's rubbish, isn't it?
2 Q. Okay. Private investigators. Have you heard of someone
3 called Steve Whittamore?
4 A. I have since this all blew up, yeah. I wasn't aware of
5 him before.
6 Q. When were you first aware that 45 of the Daily Mirror's
7 journalists were identified by the
8 Information Commissioner positively to have been
9 involved in the commissioning, in his view, of unlawful
10 transactions by Mr Steve Whittamore?
11 A. Was this published in 2006?
12 Q. It was, yes. Were you aware of it before then?
13 A. I was actually working mainly in America. I'd left
14 newspapers two years before, so that was when -- I mean,
15 I vaguely remember noting it when it was published in
16 the papers at the time.
17 Q. The Information Commissioner identified 681
18 transactions, is the term he used, which he considered
19 amounted to breaches of data protection law, and 45
20 named journalists at the Daily Mirror. Are you saying
21 that you weren't aware of any of that happening at the
22 time whilst you were editor?
23 A. I'm not aware of any of the specifics, but I'm also not
24 aware that any of those journalists were ever arrested
25 or charged or prosecuted or convicted of anything. So

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1 he may have a view about the nature of those
2 investigations, and the paper may well have had a very
3 different view.
4 Q. But what view did you have of what the journalists were
5 doing at the time, regardless of the view the
6 Information Commissioner might have had?
7 A. Well, the journalists were obliged under their contracts
8 of employment to work within the law and the only
9 possible exception to that was if you were deploying
10 a public interest defence. It's the only possible
11 excuse you could have for going against the law.
12 Q. But were you aware in general terms of the sort of
13 information that the journalists were seeking from
14 Mr Whittamore?
15 A. No.
16 Q. Namely ex-directory numbers, vehicle registration marks,
17 that sort of thing? Were you aware of that?
18 A. No. (Overspeaking)
19 Q. Wasn't it your responsibility as editor to be aware of
20 what your journalists were doing, at least in general
21 terms?
22 A. I would say the average editor is probably aware of
23 about 5 per cent of what his journalists are up to at
24 any given time on every newspaper.
25 Q. Were you aware of the sort of money that was being spent

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1 on Mr Whittamore? Even if one confined it to the 681
2 positively identified transactions, according to the
3 Information Commissioner's evidence, the figure would be
4 anything between £52,000 and £80,000. Were you aware of
5 that at the time?
6 A. No.
7 Q. Who would be responsible for authorising that level of
8 expenditure? Would it be the managing editor?
9 A. I think -- I think so, yeah. I think at the Mirror it
10 was all pretty tightly run through the managing editor's
11 office and from the desk editors, themselves, the news
12 editor, features editor. It would all be done at that
13 level. It didn't come across my desk as far as I have
14 any recollection of, so that's why I don't have any
15 memory of any of the specifics on this.
16 But I do want to reiterate here: none of this has
17 ever been proven. I mean, these are just things where
18 people said, "Well, we believe this."
19 LORD JUSTICE LEVESON: Mr Morgan, I'd be very grateful if
20 you would answer Mr Jay's questions rather than enter
21 into a debate with him. I'm sure we'll get on much more
22 quickly.
23 A. Okay, no problem.
24 MR JAY: I may come back to that issue but the issue of
25 phone hacking, which I am obliged to ask you about --
Day 20 pm  Leveson Inquiry  20 December 2011

1 page 279 of the first volume of your diaries, which is 1 this Inquiry, I don't think.
2 an entry for 26 January 2001.  2 Q. But were you rumour-mongering when you had the interview
3 A. Yes.  3 with the Press Gazette in 2007 or were you speaking from
4 Q. Bear with me one minute while I find it. Four lines 4 your own experience?
5 into the entry for 26 January: 5 A. No, I was just passing on rumours that I'd heard.
6 "But someone suggested today that people might be 5 Q. Was this a practice which, if we may add a third
7 listening to my mobile phone messages. Apparently, if 6 newspaper to the mix, was taking place within the
8 you don't change the standard security code that every 7 Daily Mirror before 2004?
9 phone comes with, then anyone can call your number, and 8 A. I do not believe so, no.
10 if you don't answer, tap in the standard four digit code 9 Q. You don't believe so, or you're sure?
11 to hear all your messages. I'll change mine just in 10 A. I don't believe so. To the best of my recollection, I
12 case, but it makes me wonder how much public figures and 11 do not believe so.
13 celebrities are aware of this little trick." 12 Q. Then there was Desert Island Discs, June 2009, in which
14 When were you first made aware of this little trick? 13 Kirsty Young said:
15 A. Well, according to this, Friday 26 January 2001. 14 "And what about this nice middle class boy who would
16 Q. Were you aware of it before? 15 have to be dealing with -- I mean, essentially people
17 A. Not as far as I'm aware, no. 16 who rake through people's bin for a living?"
18 Q. Who made you aware of this little trick? 17 And then you say:
19 A. I have no idea, I'm sorry. It was ten years ago and 18 "Well, I -- "
20 I can't remember. 19 And then you're cut off by Kirsty Young and she
21 Q. Can you assist at all with the context? If you look at 20 continues:
22 the start of the entry, which deals with something else 21 "People who tap people's phones, people who take
23 altogether. Just refresh your memory. 22 secret photographs."
24 A. Mm-hm. 23 Then you say:
25 Q. I'll ask you to think hard. You don't necessarily have 24 "I know but --"

1 to identify the someone who suggested it to you, but 1 And then you're interrupted again by Kirsty Young:
2 whether it was another journalist, whether it was 2 "Who do all that very nasty down-in-the-gutter
3 a friend, can you help us at all? 3 stuff. How do you feel about that?"
4 A. If I can't remember who it is, then obviously I can't 4 And then you say this:
5 narrow it down to a genre. I can't remember. 5 "Well, to be honest, let's put that into perspective
6 Q. Do you remember an interview in which you said: 6 as well. Not a lot of that went on. A lot of it was
7 "As for Clive Goodman, I feel a lot of sympathy for 7 done --"
8 a man who has been the convenient fall guy for an 8 And then she says:
9 investigative practice that everyone knows was going on 9 "Really?"
10 at almost every paper in Fleet Street for years." 10 Then you say:
11 A. Yes. 11 "A lot of it was done by third parties rather than
12 Q. Why did you say that? 12 by the staff themselves. That's not to defend it,
13 A. Well, that was the rumour mill at the time. I mean, it 13 because obviously you were running the results of their
14 was exploding around Fleet Street. I wasn't there, 14 work. I'm quite happy to be parked in the corner of
15 I hadn't been there for three years, but everyone you 15 tabloid beast and to have to sit here and defend all the
16 talked to said that he was being made a scapegoat, that 16 things I used to get up to and make no pretense about
17 this was a widely prevalent thing. I wasn't aware that 17 the stuff we used to do. I simply say the net of people
18 it was widely prevalent in any specific form. I was 18 doing it for certain was very wide and certainly
19 hearing these rumours like everybody else. The reality 19 encompassed the high and the low end of the supposed
20 is that it certainly seems to have been much more 20 newspaper market."
21 widespread at one newspaper, and we now know that the 21 So you were saying there, weren't you, that your
22 Guardian also phone-hacked, so you had two newspapers. 22 newspaper was doing it?
23 So it's certainly wider apparently than just 23 A. Doing what?
24 Clive Goodman, but I'm not going to get into 24 Q. Phone hacking, amongst other things.
25 rumour-mongering because that's not really the point of 25 A. No. If you listen to the tape -- it's quite interesting
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1 because I played it back the other day to remind myself.
2 You can see that I go to answer her question immediately
3 and she cuts me off, because I know exactly where she's
4 going and she's talking about the kind of -- what
5 I guess would be described as the dark arts of newspaper
6 investigations, whether that's Benjy the binman, whether
7 it's paparazzi photography, and I was responding in
8 general terms. I think if you hear the tape back in
9 real time, you can see that. I didn't hear her say
10 "phone tapping" and I certainly wasn't alluding to phone
11 tapping. I was talking in a general way about the
12 practices of undercover investigations, the nature of
13 which, by definition, can often sound quite unedifying.
14 Q. The third parties who you were referring to, rather than
15 the staff themselves, who were those third parties in
16 general terms?
17 A. People like Benjy the binman, private investigators.
18 Q. What were the private investigators doing which fell
19 within the dark arts?
20 A. I don't know specifics. I'm talking about the
21 generalisation of this kind of investigative work.
22 So -- you know, people don't understand how stories get
23 into newspapers or how indeed television news reports
24 get on television. The way that stories are gathered,
25 the way that they are processed, can often sound
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1 unedifying. It doesn't make it illegal.
2 Q. I just wonder what you were intending to encompass by
3 the third parties and private investigators, Mr Morgan?
4 A. I don't know specifics, as I've said to you. But
5 I think I've given a range of things from, you know, the
6 rubbish bin saga we've talked about, the paparazzi
7 photography, to staking people out at their homes. It's
8 not the kind of work that sounds that edifying, but
9 every news organisation will do it in the process of
10 gathering news. It doesn't matter if you're
11 a broadsheet, a television company or a tabloid.
12 Q. Are you saying you didn't hear Kirsty Young mention
13 people who tap people's phones?
14 A. No. I think if you listen to the tape back, you can see
15 that I probably didn't hear it.
16 Q. Because the transcript says -- admittedly it's:
17 "People who tap people's phones, people who take
18 secret photographs."
19 A. "I know but -- "
20 And then, to be fair, she interrupts you again.
21 A. I've already tried to answer on her first point before
22 she mentions phone tapping. I didn't hear her say
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1 "phone tapping". She rattles off a list of stuff, and
2 if you listen to it in real time, I think you would see
3 that.
4 Q. Okay, and then there's another interview which is in GQ
5 magazine, which should be under your tab 17, I hope,
6 Mr Morgan. "When Piers met Naomi".
7 A. Yes.
8 Q. I think this is quite recent, 4 February 2011.
9 A. No, no, it's not.
10 Q. It's a reprint of an article which was published
11 in April 2007. That's right. The version we're looking
12 at was later. It's the same sort of phenomenon as we
13 saw with Steve Coogan, that --
14 A. Yes.
15 Q. -- it was reprinted. Unfortunately, the way this was
16 printed off, because it's quite difficult to get these
17 things off the Internet, it's about 13 pages in.
18 A. I've got the page, actually.
19 Q. When Naomi pulls out a large notepad --
20 A. Yeah.
21 Q. -- and she starts interviewing you. The question she
22 puts to you at the bottom of the page:
23 "What do you think of the News of the World
24 reporter who was recently found guilty of tapping the
25 royals' phones? Did you ever allow that when you were
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1 there?"
2 "Well, I was there in 1994, 1995, before mobiles
3 were used very much, and that particular trick wasn't
4 known about. I can't get too excited about it, I must
5 say. It's pretty well known that if you didn't change
6 your PIN code when you were a celebrity who bought a new
7 phone, then reporters could ring your mobile, tap in
8 a standard factory setting number and hear your
9 messages. That's not, to me, as serious as planting
10 a bug in someone's house, which is what some people
11 seemed to think was going on."
12 When you say there "it was pretty well known", what
13 period of time would you say it was pretty well known,
14 if I can ask the question in that way?
15 A. Well, I know from my own book that I became aware of it
16 in early 2001 and I have vague memories after that of
17 this gathering awareness. I think members of the public
18 knew. From what I hear, this wasn't a great trade
19 secret, but my memory is not grey about this. It was
20 a long time ago.
21 Q. Okay. After you've expressed a view about its
22 seriousness -- I mean, does that indicate to us that you
23 didn't think it was particularly serious?
24 A. No, I think there had been a misconception that built up
25 that this involved journalists breaking into people's

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Q. But you were sticking your neck out quite far, weren't you, Mr Morgan?
A. Yeah, and it seems to have been borne out by events.
Q. But in April 2007, we were looking at one individual, Mr Goodman, and one private investigator, Mr Mulcaire.
A. I do not believe so, no.
Q. Have you listened to recordings of what you knew to be illegally obtained voicemail messages?
A. No, I did not --
Q. Of the perpetrators, those who were carrying out this sort of practice. And you well know that.
A. Well, you also well know that not a single person has made any formal or legal complaint against the Daily Mirror for phone hacking. Not one. So why would you say that?
Q. I'll continue with what you told Ms Campbell, just to complete this line of questioning:
"But with new technology comes new temptation and new issues, and this has brought the practice out into the open and it won't happen any more -- celebrities get a lot more privacy now than they used to."
A. I certainly felt that with the jailing of Clive Goodman that the practice would be dead in the water, yeah.
Q. Have you listened to recordings of what you knew to be illegally obtained voicemail messages?
A. I do not believe so, no.
Q. Well, you either did or you didn't. I don't think it's a question of belief.
A. No, I did not --
25 A. Again, that was the rumour mill and that was my concern.
24 When the person who I can't remember said to me: "Look, they may be hacking your phones", and I was like: "What is that?" and they told me -- you know, I'd been told people were doing it to me through my DTI investigation, which I know you may want to refer to later, but I have no specifics and I have no proof or evidence of that.
23 Q. Of the perpetrators, those who were carrying out this sort of practice. And you well know that.
22 A. I certainly felt that with the jailing of Clive Goodman that the practice would be dead in the water, yeah.
21 Q. Did the rumour mill you're referring to embrace your newspaper as being amongst the perpetrators?
20 A. Not that I remember, no.
19 Q. Come on, Mr Morgan. Your newspaper was near the top of the list, wasn't it?
18 A. I do not believe so, no.
17 Q. Did the rumour mill you're referring to embrace your newspaper as being amongst the perpetrators?
16 A. Not that I remember, no.
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3 Q. Have you listened to recordings of what you knew to be illegally obtained voicemail messages?
2 A. I do not believe so, no.
1 Q. Have you listened to recordings of what you knew to be illegally obtained voicemail messages?

Q. Ms Campbell asked you:
"It is an invasion of privacy though."

A. Well, I would have thought that subsequent events have shown that to be the case. So I do think he was made a scapegoat and having known him when I was at the News of the World, I felt sorry for him.

Q. Of the perpetrators, those who were carrying out this sort of practice. And you well know that.
A. Well, you also well know that not a single person has made any formal or legal complaint against the Daily Mirror for phone hacking. Not one. So why would you say that?

Q. I'll continue with what you told Ms Campbell, just to complete this line of questioning:
"But with new technology comes new temptation and new issues, and this has brought the practice out into the open and it won't happen any more -- celebrities get a lot more privacy now than they used to."

A. I certainly felt that with the jailing of Clive Goodman that the practice would be dead in the water, yeah.

A. No, I did not --
MR JAY: It's dated 19 October 2006. It's quite a frank headline, but that doesn't matter:

"I'm sorry, Macca, for introducing you to this monster."

So we've got our bearings there, and what you say at the start of this piece is that it was you who introduced Sir Paul McCartney to Heather Mills. That's what you say, isn't it?

A. Yes.

Q. I am going to miss out some irrelevant parts, if you don't mind, unless you want me to read them out, but you explain that you introduced Heather Mills to Paul after the show and then we know what happened next, as it were. I'm going to cut straight to the quick. Right in the middle of this page:

"Stories soon emerged that the marriage was in trouble."

Do you have that sentence?

A. I do, yeah.

Q. "At one stage, I was played a tape of a message Paul had left for Heather on her mobile phone."

Can you remember the circumstances, Mr Morgan?

A. I can't discuss where I was played that tape or who played it, because to do so would be to compromise a source, and I can't do that.

Q. I am not sure about that, Mr Morgan. You can discuss in general terms where it was, can't you?

A. Actually, no, I can't.

Q. It was a tape of a voicemail message, wasn't it?

A. I'm not going to discuss where I heard it or who played it to me for the reasons I've discussed. I don't think it's right, and in fact the Inquiry has already stated to me you don't expect me to identify sources.

Q. No, but I think we do expect you to identify what is obvious to anyone reading this, that you listened to a tape of a voicemail message; is that correct?

A. I listened to a tape of a message, yes.

Q. But it was a voicemail message, wasn't it?

A. I believed it was, yes.

Q. Then you deal in more detail here with what you heard:

"It was heartbreaking. The couple had clearly had a tiff, Heather had fled to India and Paul was pleading for her to come back."

And he even sang something into the answerphone, as you say. You listened to all that. Did you know that that was unethical?

A. Not unethical, no.

Q. Why not?

A. It doesn't necessarily follow that listening to somebody speaking to somebody else is unethical.

Q. But on a tape of a voicemail message, you didn't think that was unethical?

A. It depends on the circumstances in which you're listening to it.

Q. Can you tell us something about the circumstances which might lead us to think that it was not unethical?

A. I'm afraid I can't, no, because I'm not going to do anything that may identify the source.

Q. But the source would only be someone who was participating in the same unethical activity as you were; isn't that true?

A. Well, you're presuming it's unethical.

LORD JUSTICE LEVESON: Let's think about it this way, Mr Morgan. Without identifying your source, the only person who would lawfully be able to listen to the message is the lady in question or somebody authorised on her behalf to listen to it. Isn't that right?

A. Possibly.

MR JAY: Put forward another possibility if there is one, I think.

A. We know from --

LORD JUSTICE LEVESON: She may say she did, in which case you're not compromising anybody. But if she didn't, then we can proceed on the premise that it's somebody else, can't we?

A. What we know for a fact about Lady Heather Mills McCartney is that in their divorce case Paul McCartney stated as a fact that she had recorded their conversations and given them to the media.

LORD JUSTICE LEVESON: Maybe I'll do that then.

MR JAY: Can you help us, please, as to approximately when the events described here took place, namely you listening to the message?

A. I believe early part of 2000, 2001, but I can't remember exactly when.
<table>
<thead>
<tr>
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<td>A. I'm not going to go into any details about the source.</td>
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<td>Q. I don't think you'd be identifying the source if you were to tell us whether or not the individual was an employee of the Daily Mirror. Can you not do that?</td>
<td>A. I'm not going to start any trial that leads to identification of the source.</td>
</tr>
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<td>Q. Did you listen to Ulrika Johnson's voicemail messages in relation to Sven Goran Eriksson?</td>
<td>A. No, I did not.</td>
</tr>
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<td>Q. Do you recall a lunch at the Daily Mirror hosted by Victor Blank on 20 September 2002 when you advised Ulrika Johnson to change her PIN number and you started mimicking her Swedish accent? Do you remember that occasion?</td>
<td>A. No, I don't remember the specifics. I think I remember her coming to a lunch.</td>
</tr>
<tr>
<td>Q. Breaking it down into its two parts, might you have advised her to change her PIN number?</td>
<td>A. I don't recall anything like that.</td>
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<td>Q. Was a Mr Ben Verwaayen, if I pronounce his name correctly, also at the lunch, indeed sitting next to or close to you?</td>
<td>A. It's actually not numbered this, I don't think.</td>
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<td>Q. Was your source an employee of the Daily Mirror?</td>
<td>A. No, I did not.</td>
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<td>Q. It's page 330 of The Insider, I think, the entry for 18 April 2002, where you say: &quot;I think you may have to sit down for this one.&quot; Are you with me?</td>
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<td>A. Not here, no.</td>
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<td>A. I wouldn't agree with that, no.</td>
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<td>Q. Did you tell him he should tell his customers to be more careful about changing their PIN numbers?</td>
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<td>A. Absolute nonsense as far as I'm concerned.</td>
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<td>Q. None of that is true; is that right?</td>
<td>A. No. In fact, I detail in my book how I was simply told: &quot;We've had a tip that Ulrika Johnson's having an affair with Sven Goran Eriksson&quot;, and I rang Ulrika's agent, who I knew very well, she spoke to Ulrika and she came back and confirmed it.</td>
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<td>Q. Maybe the reason for your diffidence, Mr Morgan, is that you didn't want to set out precisely who or what the source was, because you knew that that would be a bit tricky, to put it mildly. Would you agree with that?</td>
<td>A. I wouldn't agree with that, no.</td>
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<td>Q. Then it's right, you did phone Ulrika's agent and then there were various exchanges, but can I ask you to deal with the entry for 21 April, the last line: &quot;I attribute this all to 'close friends of Ulrika'.&quot; What was that a reference to?</td>
<td>A. Yes.</td>
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<td>Q. Was your source an employee of the Daily Mirror?</td>
<td>A. He did come to one of the lunches. Do you mean the British Telecoms guy?</td>
</tr>
<tr>
<td>Q. He came to one of the lunches, but I don't know which one.</td>
<td>A. Well, since I'd been warned, it's possible, yeah.</td>
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<td>Q. Did you tell him he should tell his customers to be more careful about changing their PIN numbers?</td>
<td>A. I don't recall that.</td>
</tr>
<tr>
<td>Q. Might you have told him that?</td>
<td>A. It's actually not numbered this, I don't think.</td>
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<tr>
<td>Q. Can I put to you, as generally as I can, the circumstances in which I suggest that you did listen to Ulrika Johnson's voicemail? A competitor of yours had hacked into her voicemail. Obviously I'm not going to go into the details of that. There was then boasting about it in a pub and then someone told someone close to you, who let it be known to you that this is what happened, and then you decided that you -- in other words, the Mirror -- had better hack into Ulrika Johnson's voicemail as well, and that is precisely what happened?</td>
<td>A. Absolute nonsense as far as I'm concerned.</td>
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<tr>
<td>Q. None of that is true; is that right?</td>
<td>A. No. In fact, I detail in my book how I was simply told: &quot;We've had a tip that Ulrika Johnson's having an affair with Sven Goran Eriksson&quot;, and I rang Ulrika's agent, who I knew very well, she spoke to Ulrika and she came back and confirmed it.</td>
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Q. The paragraph beginning in the middle of the page:

"Another example of the lack of corporate governance of the Mirror was the unfettered activities of its showbusiness team."

Are you with me?

A. Yes.

Q. "I sat next to the Mirror's showbiz journalists on the 22nd floor of Canary Wharf Tower ..."

Pausing there, is that where the showbiz journalists were based?

A. Yes, I think so, yeah.

Q. "... and so was able to see at close hand how they operated. I witnessed journalists carrying out repeated privacy infringements, using what has now become a well-known technique to hack into the voicemail systems of celebrities, their friends, publicists and public relations executives. The openness and frequency of their hacking activities gave me the impression that hacking was considered a bog-standard journalistic tool for gathering information. For example, I would, on occasion, hear two or more members of the showbusiness team discussing what they had heard on voicemails openly across their desks. One of the reporters showed me the technique, giving me a demonstration of how to hack into voicemails. The practice seemed to be common on other newspapers as well -- journalists at the Mirror appeared to know that their counterparts from the Sun were also listening to voicemail messages because on occasion I heard members of the Mirror team joking about having deleted a message from a celebrity's voicemail in order to ensure that no journalist from the Sun would get the same scoop by hacking in and hearing it themselves."

Is that something you knew about, Mr Morgan?

A. No.

Q. You sure about that?

A. 100 per cent. I'd also point out that James Hipwell is a convicted criminal.

Q. We know that and you've told us that several times in your second witness statement.

A. Yes.

Q. But again you come close to arguing a position rather than giving us evidence.

Can I just ask you a number of other points on what Mr Hipwell says? He says as well, page 24228, the fourth page, five lines from the bottom:

"Occasionally when big stories emerged, he [that's you] would ask us, myself and Mr Bhoyrul, about the source of our information -- the prime concern being the credibility of the source and whether or not the paper would face a libel action on publication if the story turned out to be wrong."

Is that correct?

A. Sorry, can you repeat that?

Q. It's five lines from the bottom, you asking him about the source of their information occasionally, he says.

A. I had very little to deal with Mr Hipwell at all. I dealt with Anil Bhoyrul in the main, so I have no recollection of any conversation with him ever about the source of any story.

Q. But as a generality, talking about your practice rather than a specific case, would you ask your journalists about the source of their information?

A. Not usually, no.

Q. On occasion, would you?

A. Very occasionally.

Q. At the top of the next page, where Mr Hipwell says:

"From my experience of working in newspapers, news editors and editors ask reporters for the source of their stories as a matter of course -- the fear of libel action, or having to print a grovelling apology their number one concern."

Is that right or not?

A. No.

Q. Are you seeking to distance yourself from these sources, turned out to be wrong."

Is that correct?

A. Sorry, can you repeat that?

Q. It's five lines from the bottom, you asking him about the source of their information occasionally, he says.

A. I had very little to deal with Mr Hipwell at all.

Q. I dealt with Anil Bhoyrul in the main, so I have no recollection of any conversation with him ever about the source of any story.

A. Not usually, no.

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Q. At the top of the next page, where Mr Hipwell says:

"From my experience of working in newspapers, news editors and editors ask reporters for the source of their stories as a matter of course -- the fear of libel action, or having to print a grovelling apology their number one concern."

Is that right or not?

A. No.

Q. Are you seeking to distance yourself from these sources,
because the sources we are talking about are the fruits of phone hacking?

A. No.

Q. Two pages further on, our page 24231, four lines from the top of the page, Mr Hipwell says: “There is, however, an undeniable pressure to deliver scoops.” Is that right or not?

A. If you edit a tabloid newspaper or you work for one, there’s a convention that you would try and come up with some stories, yes.

Q. Then he continues: “Exclusives sell newspapers, especially Sunday newspapers, and every journalist is under pressure to bring them in.” Would you agree with that statement or not?

A. Journalists were under pressure to bring in stories, yes, definitely. That is their job description.

Q. He continues: “For example, Mr Morgan would regularly send out all-staff emails berating his journalists for not bringing in enough exclusives, and these emails would often be quite menacing in tone.” Is that correct or not?

A. I would quibble with “menacing in tone”, but I would certainly occasionally put a rocket up their collective backsides if I felt they weren't performing well enough.

Q. Have you seen the sentencing remarks of Mr Justice Beatson in connection with the criminal proceedings against Mr Hipwell and Mr Bhoyrul?

A. Is that in a tab here?

Q. Yes, it is. I'm going to find it for you. Bear with me one moment.

Bear with me because I know your bundle has been tabbed in a slightly different way. I'm not sure you have this, Mr Morgan.

A. I might have it. I think I have got it. It's number 2, 3 and 4 here in my --

Q. Someone is whispering to me helpfully that it's behind your witness statement. Sorry, it's behind Mr Hipwell's witness statement in your bundle.

A. Yes, I think I have it, yeah.

Q. There's just one part of this I want to ask you about for comment. I'm not going to ask you about the particular circumstances of their case. Mr Justice Beatson says on page 5, about ten lines from the bottom of page 5 of the sentencing remarks: “I also take into account the fact that at that time there was no formal code of conduct for journalists at the Daily Mirror.”

A. Yes, I think I have it, yeah.

Q. That's correct or not?

A. I believe there was. I mean, in relation to the Press Complaints Commission code of conduct, which was on display in the newsroom. There wasn't an individual one for the Daily Mirror, but journalists were expected to adhere to the code.

Q. Okay.

A. There was no guidance from your superiors or from the in-house lawyers ...

Q. Would you agree with that?

A. I wouldn't, no. There was regular guidance from the lawyers, in particular.

Q. Then he continues: "... and there was evidence of a culture of advance information about tips and share-dealing within the office." Would you agree with that?

A. I would dispute that.

Q. You don't think there was any culture of that sort abroad in the Daily Mirror at the time or at all; is that right?

A. No, I don't. I mean, certain journalists did buy shares but I don't think there was a culture of this at all.

Q. I think you were one of them, weren't you? You bought £67,000 worth of shares in a company called Viglen the day before it was tipped by the Daily Mirror, I think on 18 January 2000; is that right?

A. Yes.

Q. It culminated in the PCC upholding a complaint, a technical breach of the code but no more than that, and the DTI, after a four-year investigation, not taking the matter any further; is that right?

A. Yes.

Q. Although originally, I think your position, Mr Morgan, was that you'd only purchased £20,000 worth of shares; is that right?

A. No, that wasn't my position. I told my company immediately how much shares I'd bought.

Q. Which company?

A. I think it was Trinity Mirror then, wasn't it?

Q. But the PCC's adjudication, the first one, referred only to £20,000 worth of shares, didn't it?

A. Yes.

Q. Didn't that based on the information that you provided to the PCC?

A. Not that I provided, no. The company did.

Q. Which company?

A. I think it was Trinity Mirror then, wasn't it?

Q. But it must have been information which you provided Trinity Mirror for them to provide to the PCC. Can we not agree about that? Trinity Mirror would not know unless you told them.
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<td>Day 20 pm Leveson Inquiry 20 December 2011</td>
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<tr>
<td>1 A. Trinity Mirror were well aware within, I think, ten hours of the story first emerging exactly how many shares I'd bought.</td>
<td>1 asked, 'If you don't win the case, will you kill Piers Morgan?' Hewitt replies, 'Maybe. I don't know, I don't know.'</td>
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<td>Q. Based on information you provided; is that correct, Mr Morgan?</td>
<td>&quot;In another call, he expands on his thoughts, saying he knows a Nicaraguan hitman who could take me out for £20,000. God Almighty. I hurriedly leaked all this to the Telegraph diary, so at least everyone will know who did it if some bloke from South America guns me down in Soho.&quot;</td>
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<td>6 A. Yes.</td>
<td>10 Why did you say &quot;dodgy transcript&quot;?</td>
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<td>Q. So one way or another they were under the impression -- incorrect, it seems -- that it was £20,000 worth of shares and not £67,000. Is that right?</td>
<td>11 A. Well, I would have thought somebody planning to have me assassinated by a Nicaraguan hit man is fairly dodgy.</td>
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<td>10 Q. It might be said that the dodginess relates to the circumstances in which the transcript was obtained. Is that not a possibility here?</td>
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1 A. No.
2 Q. Why did you call to thank her for dropping the tabloid baton at the last minute?
3 A. Because it was getting huge attention from the press and was clearly a clanger on her part, a mistake.
4 Q. In what sense a mistake, at least from your perspective?
5 A. I think she accepted it was a mistake. I can't remember exactly what she said at the time, but I think it was something she didn't mean to say.
6 Q. Okay. But from your standpoint, was it a mistake because she shouldn't have said it, or was it a mistake because it was untrue? Do you see the distinction?
7 A. I have no idea if it was true or not.
8 Q. Okay. There's another incident which caught my attention in The Insider. This is when a journalist was put under cover at Buckingham palace for a number of weeks as a footman. Do you recall that? I think we might be hearing from him at that stage. The journalist was a Mr Ryan Parry.
9 A. Yes.
10 Q. Was that something you organised?
11 A. Yes, it was.
12 Q. Why?
13 A. Because on the face of it, it appeared to be a massive security breach involving the Royal Family, which was exactly what it turned out to be.
14 Q. Although it's one you instigated, of course, wasn't it?
15 A. Well, rather us than a terrorist.
16 Q. Okay. Did you publish any stories as a result of this? Presumably you did.
17 A. We did, yeah. It led the news for about a week.
18 Q. Did you feel that was in the public interest?
19 A. Absolutely.
20 Q. Okay. Why, Mr Morgan?
21 A. Well, because we exposed a huge series of loopholes in the security systems surrounding the senior members of the Royal Family, which was so easy to expose that we could easily have been a terrorist and if we had been terrorists and not journalists, then the Royal Family senior members might not be here today. It's hard to imagine anything more in the public interest than that.
22 Q. Then you say:
23 "I'll developing a curious moral code as I go. Sometimes the job does feel a bit like playing God with people's lives. I get ultimately to decide every week who lives and dies by the News of the World's sword." Is that true as well?
24 A. Metaphorically speaking, yes, I think so it is.
25 Q. "That sword can be a ruthless, highly destructive implement." Is that true as well?
26 A. Yes.
27 Q. "I've not had any sleepless nights yet but I can feel them coming." Of course it wasn't that much longer. You were only on the News of the World for another 13 months or so
28 A. Yes.
29 Q. This is what you describe as an intriguing tale about a female switchboard operator who chatted up a caller and became obsessed him, tracking down his address and pestered him big time. This is a story which, on further investigation, you didn't publish; that is correct?
30 A. That's right, yeah.
31 Q. You explain why, but there was evidence that the female switchboard operator was psychiatrically disturbed or ill. Then you say:
32 "Lots of people break down when we confront them and lots threaten to kill themselves."
33 Was that an accurate statement in your diary?
34 A. Yeah. I don't know what I mean by "lots". I think it was more of a general sense that when is people get confronted -- you know, paedophiles and people like that -- they do tend to play that card.
35 Q. Then you say:
36 "But there's a difference between paedophiles and lonely disturbed women like this. I could not have lived with myself if we'd exposed her on page 17 and then she had killed herself."
37 What is the difference?
38 A. Between a paedophile and somebody who runs a switchboard?
39 Q. Yes.
40 A. I would have thought it's fairly self-evident.
41 Q. Yes, but explain it to us, please, in this context.
42 A. Well, one is, you know, potentially abusing and raping young children, and the other one is manning a switchboard.
43 Q. But the paedophiles at the relevant time are presumably not doing those things, but you're still exposing them, aren't you, just because they are or have been paedophiles in the past? Is that the position?
44 A. I certainly think it's overtly in the public interest to expose paedophiles, yes.
45 Q. Then you say:
46 "That sword can be a ruthless, highly destructive implement." Is that an accurate descriptions, in slightly florid language, of what a job of an editor of a tabloid newspaper entails?
47 A. Not really, no. It's much more a matter of lying, cheating, stealing, hacking, and that sort of thing.
48 Q. So it's a good description.
49 A. Yes.
Day 20 pm  Leveson Inquiry  20 December 2011

1. before you moved on. But you, of course, had immense
2. power, didn't you, in this position as editor of the
3. News of the World and then the Daily Mirror? Presumably
4. you would agree with that?
5. A. Yes, I think the holder of the office of editor has
6. immense power, yes. It wasn't me personally. It's
7. whoever's the editor.
8. Q. Did you feel that you had sufficient judgment, at the
9. age of 28, to weigh up the difficult issues of the
10. private interests of individuals against the public
11. interest, Mr Morgan?
12. A. I did my best.
13. Q. Well, no doubt you did, but did you have the necessary
14. judgment to carry out that exercise, looking back on it?
15. A. I would say that I was unusually young for a job like
16. that, and I came to rely on much older, more experienced
17. people on the staff who were invaluable. But certainly
18. when I first went in, I think it's fair to say that
19. I was -- you know, I was pretty young. I was 28.
20. Q. When you were editor of the News of the World, I think
21. you paid £250 a week to have a mole put into the
22. Sunday Mirror. Is that correct?
23. A. The paper did, yes, I believe.
24. Q. Is that something you knew about?
25. A. I was made aware of it, yes.

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1. Q. I think you said:
2. "It's a disgrace, of course, and totally unethical."
3. Would you agree with that?
4. A. Probably, yes.
5. Q. There's one example, I think, which you accept occurred,
6. of altering or doctoring photographs. This was the
7. daily Princess Diana photograph which made them look as
8. if they were kissing; is that right? 8 August 1997.
9. A. Yeah, it was a stupid thing to do. We didn't actually
10. con the public, because the picture was exactly the same
11. as the one that was going to be appearing the next day
12. in a rival paper in our own building, but it was a very
13. silly thing to have done and it came as a result of the
14. introduction of digital photography, and a few papers
15. came a cropper in that period by misusing original
16. images like that, and I think we all woke up and
17. thought: "This is not a good idea."
18. Q. Can I deal as well what your attitude is -- or was and
19. still is -- to privacy? Go back to the "When Piers met
20. Naomi" piece, which is tab 17. Four pages from the end
21. of this interview, top right-hand corner. It says
22. page 2 of 6. The question from Ms Campbell is right in
23. the middle of the page:
24. "How do you feel about snitches who tell private
25. information to the papers? Do you pay them?"

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1. Then the answer:
2. "Yes, papers pay snitches, but they're disgusting
3. little vermin."
4. "Who help you sell papers?"
5. "Yes, so there's rank hypocrisy there again,
6. I agree, but just because papers buy the stories, it
7. doesn't mean the editors don't think the people selling
8. them aren't horrible."
9. "Now you're a celebrity, has your view of the prize
10. laws changed?"
11. "No, because celebrities are the very last people
12. who should be protected by privacy law. They're the
13. ones who use the media the most and who sell their
14. privacy for money."
15. Were you referring to all celebrities there?
16. A. In what context?
17. Q. Well, the answer to this question, which was put to you.
18. A. Yeah, I've actually struggled to find this here because
19. these are not in order, so I was listening to you rather
20. than reading it. Can I just identify exactly the
21. paragraph you're talking about?
22. Q. Yes, it's four pages from the end of this clip or sheaf
23. of pages. At the top right-hand side, you will see
24. page 2 of 6. It might say 2 of 7 apparently on yours.
25. It says 2 of 6 on mine.

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1. A. Yes.
2. Q. It depends how it's printed off because it's quite
3. a difficult website to print stuff off, I know from my
4. own experience.
5. A. I'm reading the two paragraphs, yes. My view of
6. celebrities and privacy, if that's what you're asking,
7. is that it really depends, I think -- and I'm sure this
8. will come as a central point to the Inquiry, which is:
9. how much privacy are you entitled to if you're a famous
10. person or public figure if you yourself use your privacy
11. for commercial gain? You know, I have very little
12. sympathy with celebrities who sell their weddings for
13. a million pounds, one of the most private days of their
14. lives, and then expect to have privacy if they get
15. caught having affairs, for example. It seems to me
16. a nonsensical position to adopt. I have a lot more
17. sympathy with celebrities who just don't do that kind of
18. thing.
19. Q. I think you're going a little bit further here, but it
20. may be that you were being wound up by your interlocutor
21. by suggesting that all celebrities are not deserving of
22. any sympathy at all because they sell their privacy for
23. money. Do you see that?
24. A. I think I've said they're the very last people who
25. should be protected by privacy law. So probably on the

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24 (Pages 93 to 96)
list of people most deserving of a privacy law, I would put the genre of celebrity last. The reason is that actually -- and I've had the benefit of experiencing both sides of this coin, the media and the celebrity side, and the reality is there are lots of benefits that come with being a celebrity, many benefits that are not available to ordinary members of the public, and I consider myself extremely fortunate on a daily basis. Other celebrities do not consider themselves to be fortunate, and there's a kind of war of attrition that they wage with the media, in the sense that they wish to use the media to promote themselves and their brands and their television shows or their movies but they don't like the tap continuing to run if it's ever remotely negative, and I just don't think you can have it both ways.

Q. Okay. May I deal with your attitude to the PCC. The party line which the Inquiry has received from many is that an adjudication by the PCC is regarded very seriously and really a matter of shame. Was that an attitude which you had at all material times, Mr Morgan?

A. Yes. I think that is an accurate version, yes.

Q. We've touched on paragraph 34 of your first witness statement and the Earl Spencer complaint, but page 82 of The Insider, please. Maybe we should take it up at the bottom of page 81, four lines from the bottom. This is a conversation you're having with Mr Rupert Murdoch: "Hi Piers, how are you?" he said cheerily. "Oh, fine, thanks, boss. Really enjoyed you humiliating me over Earl Spencer. Thanks a bunch, pal,' was what I wanted to say, but instead I said I was in great shape, the paper was in great shape and, well, everything's in great shape -- the usual very bullish address to the chief bull. One thing I've learnt is that he really doesn't want to hear you whingeing so there's no point in going down that road. He just wants to hear precisely how you intend to smash the opposition into oblivion."

Is that more or less correct, at least as regards your state of mind, Mr Morgan?

A. From a business point of view, yes.

Q. Then what you attribute to him is this: "I'm sorry about all that press complaining thingamajig," he said to my astonishment."

Is that what Mr Murdoch said?

A. That was my memory of it years later, yeah. I wouldn't say it's word for word because I don't have a recording of it.

Q. But the thingamajig part, does that chime with what you recall him having said?

A. It was my memory. I mean, you know, the fact that he couldn't remember in that moment the exact wording of the Press Complaints Commission, I wouldn't read too much into it.

Q. Right. Your state of mind, though -- and this must have continued with you -- was one of astonishment, wasn't it?

A. Well, I mean obviously, given the background to this, which was that the front page which I had created which got me into trouble and for which I take full responsibility had only really come about because the page I wanted to do Mr Murdoch had effectively suggested wouldn't be a good idea.

Q. Hmm. Although you might not remember precise words used, one's own experience is that one does remember one's feeling or emotion when something is said, and you've said here "astonishment", so that must have been your state of mind when he uttered whatever he did utter. Would you agree with that?

A. Yeah, I think that he was slightly taken aback by the sheer scale of the coverage after he issued the statement against me. It was the first time he'd ever made a statement against any of his editors of that nature, and I was getting kicked all over the place and he knew I was very young. He knew that I was probably slightly impetuous, that I'd made a dumb decision that night, which I had, changing the front page at the last moment, and I think that he wanted to express a sense of understanding that.

Q. Okay.

A. And he did.

Q. Then your diary continues:

"He definitely used the word 'sorry'."

That's right, isn't it?

A. I believe so, yes.

Q. Well, you used "definitely" in the diary. You're quite categorical about it, aren't you?

A. Yes, but as I say, I mean, this is 1995, so I would have written this in 2005, ten years later. So it's as best as my memory serves it.

Q. Okay, and then it continues:

"... 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."

So that was the message he left you with, wasn't it?

A. Well, it was my assumption of the message. I mean, that may not be his recollection of events.

Q. I'm not asking you for his recollection. I can ask him for his recollection when we get there. I'm asking you for yours. That was the impression he left you with.
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1 wasn't it?
2 A. Yes. That was how I saw it.
3 Q. That was also, really, the culture in the
4 News of the World, I would suggest, and the Mirror as
5 well, that people really didn't give a toss about the
6 PCC, did they?
7 A. No, absolutely they did.
8 Q. They did? Okay.
9 May I cover some matters which are outside module
10 one, but to avoid bringing you back for module three,
11 I just want to get you to confirm, Mr Morgan -- we
12 haven't warned you of this, if there's a difficulty
13 you'll let me know, but the questions, I promise you,
14 are innocuous. At least, they don't require you to do
15 more than agree or disagree with what I'm going to put
16 to you.
17 How many face-to-face meetings did you have with
18 Tony Blair? Desert Island Discs in 2009, the number you
19 gave was 56. Is that correct?
20 A. That was one-on-ones, just he and I, yeah.
21 Q. Just you and him?
22 A. Yes.
23 Q. You deal in The Insider at page 93 with the --
24 A. Sorry, sorry, just to clarify that. Occasionally
25 Alastair Campbell may have been there, too, in some of

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1 those meetings.
2 Q. Yes. And your conversations, presumably, ranged far and
3 wide, but covered matters such as the position your
4 newspaper was taking in relation to the Labour Party,
5 either in opposition or in government, at the material
6 time; is that right?
7 A. Yes.
8 Q. The Hayman Island conference, page 93, please, of The
9 Insider for 1995.
10 A. Yes.
11 Q. Is my recollection correct -- I think it is -- that you
12 were in Hayman Island, Australia, with Mr Blair on this
13 occasion?
14 A. Yes.
15 Q. I just want you to confirm that what is in the diary is
16 correct, or to the extent that it isn't, you will
17 indicate. But at page 93, about six lines from the
18 bottom, the entry for 18 July:
19 "Tony Blair made the keynote speech to the
20 conference delegates here today and went down an
21 absolute storm. He spoke passionately of his new moral
22 purpose [et cetera], all just what Murdoch wanted to
23 hear."
24 So far so good?
25 A. Yes.

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1 Q. "It was a pulsating speech delivered with great energy
2 and dynamism and excluding confidence."
3 I'm sure all that was correct.
4 "And we walked out afterwards, Sam Chisholm grabbed
5 me by the shoulders and virtually shrieked, 'That was an
6 amazing speech, he's the new bloody JFK.'"
7 Again, I'm sure that's what was said, wasn't it?
8 A. I think so, yes.
9 Q. "Murdoch tried to make light of the mutual love-in that
10 was going on by saying in his speech, 'If our flirtation
11 is ever consummated, Tony, then I suspect we will end up
12 making love like two porcupines: very, very carefully.'"
13 Was that said?
14 A. Yeah, I thought it was a rather good line.
15 Q. Yes:
16 "But there didn't seem to be anything prickly
17 between them from where I was sitting. Blair himself
18 seemed elated when I had a quick word with him outside:
19 'You know, Piers, it's very important for me to come
20 here and get the message over that New Labour is not
21 going to strangle businesses like News Corporation. We
22 believe in a vibrant, free press and in commercial
23 enterprise.'"
24 I'm sure words to that effect were probably said as
25 well, weren't they?

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1 A. Yes.
2 Q. "Murdoch was understandably impressed. 'He's a very
3 bright young man and he made a great speech, didn't he?'
4 he raved 'We're going to back him then?' I asked. 'Too
5 early to say that, but I could see people voting for
6 him. He's a breath of fresh air.'"
7 Is that what Mr Murdoch said or words to that
8 effect?
9 A. That is my recollection, yes.
10 Q. And we know that Mr Murdoch did back Mr Blair before
11 1997, didn't he?
12 A. Yes, he did.
13 MR JAY: Okay, thank you very much, Mr Morgan. There may be
14 some further questions, but those are all the questions
15 I have to ask of you. Thank you for your patience.
16 A. Okay, thank you.
17 MR SHERBORNE: Sir, yes, I'd like to ask Mr Morgan
18 a question about the evidence of Steven Nott. I don't
19 know whether you recall that.
20 LORD JUSTICE LEVESON: Yes, I do. Yes.
21 Questions by MR SHERBORNE
22 MR SHERBORNE: Mr Morgan, you said in your book, and you
23 confirmed in your evidence to the Inquiry earlier, that
24 the first you ever heard of the practice of phone
25 hacking was on 26 January 2001. Is that correct?
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1 A. Yes, that appears to be the case, judging by the entry
2 in the book, yeah.
3 Q. And you still maintain that, do you?
4 A. Yes.
5 Q. You were the editor of the Daily Mirror in August 1998,
6 weren't you?
7 A. Yes.
8 Q. And you remember, no doubt, Oonagh Blackman, who was one
9 of your editors; is that correct?
10 A. Yes. She was a reporter, actually.
11 Q. She was actually special projects editor in 1998, wasn't
12 she?
13 A. I don't know. She may have been.
14 Q. Were you aware, Mr Morgan, that she was contacted by
15 someone in August 1998 with a major new story about how
16 mobile telephones could be hacked?
17 A. No.
18 Q. The story came, we've heard, from someone called Steven
19 Nott, a Welsh lorry driver. That's a fairly memorable
20 story, isn't it?
21 A. I don't remember it.
22 Q. Mr Nott gave evidence here, evidence which wasn't
23 challenge by Trinity Mirror, that Ms Blackman, when he
24 telephoned her, was very excited about this story and
25 told him it would be one of the biggest headlines that
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1 decade. Do you not recall that?
2 A. Well, given that decade included events like the death
3 of the Princess of Wales and other major events, I find
4 that incredibly hard to believe. I have to say,
5 I watched his evidence. I've studied this man's website
6 since then, and he seems to me one sandwich short of
7 a picnic.
8 Q. So you're well aware of his evidence then, Mr Morgan?
9 A. I watched a bit of it live, actually, yeah.
10 Q. A story such as this, you would have expected Oonagh
11 Blackman to bring to you, wouldn't you?
12 A. Well, I just think the idea this is the biggest news
13 story of the decade that he said is complete nonsense.
14 Q. And you then, having heard his evidence, will know that
15 he said that after chasing Ms Blackman for days and
16 days, finally 12 days later she came back and said that
17 the newspaper wasn't interested in the story at all.
18 Q. That happens every hour of every day on a daily
19 newspaper. We are offered thousands of stories like
20 this, a lot of them from people like Mr Nott, who are
21 slightly barking. And we clearly rejected it, I would
22 imagine, on that basis. I had nothing to do with him.
23 Q. Barking, you say, Mr Morgan? But he was right, wasn't
24 he, because mobile telephones could be hacked in
25 precisely the way that he said they could?
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1 A. That's true.
2 Q. So he wasn't really barking, was he?
3 A. Well, I watched his testimony. I'd say fairly barking,
4 yeah.
5 Q. And when Mr Nott complained that the Mirror had spent 12
6 days checking out his story and then decided that, despite
7 the fact that I think this practice worked, they weren't
8 actually going to publish anything, he was very
9 concerned, wasn't he, that you were going to use it at
10 the Mirror for the purposes of obtaining stories about
11 well-known people? Do you remember he gave that
12 evidence?
13 A. Yeah, I saw bits of it, I didn't see the whole thing.
14 Q. I just think, honestly, this is a complete nonevent.
15 A. I knew nothing about this. It was never going to be
16 a huge story in the Mirror. It never got suppressed for
17 the reasons he's trying to insinuate. I think it's
18 nonsense, the whole thing.
19 Q. If it's such a nonsense, why was he sent a check for
20 £100 out of the blue in September of that year?
21 A. Well, loads of people would be paid for offering stories
22 that then don't get used. It happens all the time.
23 Q. And have you seen the description of the article for
24 which he was paid, Mr Morgan?
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1 A. No. I've never seen a cheque. I don't know for a fact
2 he was paid. I don't dispute it. £100 for the biggest
3 story of the decade sounds pretty cheap to me.
4 Q. The story was entitled, "Mobile phone scandal".
5 A. Right. Where did it appear?
6 Q. The story never appeared.
7 A. Right.
8 Q. But yet you paid him £100 without him even asking for it
9 several weeks later.
10 A. And your point?
11 Q. I ask the questions, Mr Morgan. Were you aware of the
12 payment at the time?
13 A. No.
14 Q. Were you aware of the story at the time?
15 A. No.
16 Q. Even though it was brought to one of your editors?
17 A. As I've said, thousands of stories are brought to the
18 attention of my journalists at the time on a weekly
19 basis. I think we worked it out once: we get offered
20 2,000 stories a day and we publish 100 to 120, so ...
21 Q. Stories about a mobile phone scandal that we know has
22 now caused such an outrage that it has led to the start
23 of this Inquiry?
24 A. I think you are massively self-inflating the importance
25 of this particular character and his almost
psychotically obsessive campaign to make people think this was the catalyst for all this. It had nothing -- from my view, from what I've seen of him and his website and his testimony, absolutely nothing to do with him. I believe his story then got published in a local newspaper at a later date, I don't know that for a fact, but that's what seems to have happened. It's probably where it belonged at the time.

Q. But the point is, Mr Morgan, that no one, none of the tabloids, wanted to publish this story because they didn't want to reveal this practice which they were using for the purposes of obtaining stories about precisely the celebrities and well-known people that they wanted to fill their newspapers with; that's correct, isn't it?

A. No, it's your supposition and I think it's total nonsense.

Q. Last question, Mr Morgan: when you say that you found out on 26 January 2001 about this practice of phone hacking, it was Mr Nott's story that gave rise to that knowledge, wasn't it? That's how you knew about phone hacking?

A. Absolute nonsense.

MR SHERBORNE: No further questions.

LORD JUSTICE LEVESON: Thank you very much, Mr Morgan. Would you please --

A. Thank you.

LORD JUSTICE LEVESON: -- thank those who facilitated the possibility of your giving evidence on a video-link and all the people who have done the work at your end.

A. Thank you.

LORD JUSTICE LEVESON: It depends about what you want to speak.

A. Well, only that it's just -- this has gone how I thought it would, which it becomes almost like a rock star having an album brought out from his back catalogue of all his worst-ever hits, and I do feel still very proud of a lot of the very good stuff that both the Mirror and the News of the World did in my tenure as editor. And it does slightly concern me, because I've been watching a lot of the Inquiry and I think a lot of it is very, very useful, but I do think there has to be a better balance here because a lot of the very good things that the newspapers were doing in those periods and continue to do are not being highlighted at all and there's a very, very slanted --

LORD JUSTICE LEVESON: If you'd followed the Inquiry carefully, Mr Morgan, you will find that I have said several times not merely that much of what the tabloids and the newspaper industry does is splendid and utterly to be applauded, but I've also emphasised the need for that balance. I hope you've seen that --

A. Yes.

LORD JUSTICE LEVESON: -- part of the Inquiry as well. I'm very conscious --

A. I have seen that.

LORD JUSTICE LEVESON: -- as I have said many times, of the enormously important work that all newspapers do, which is why I have always made it very clear that the critical importance of freedom of expression and freedom of the press is to be preserved.

A. Yes. I have noted you saying that and I appreciate that. I think the industry does, too.

LORD JUSTICE LEVESON: Thank you. Thank you very much, and I say thank you to all those in America who have made this possible. Thank you very much.

A. Thank you very much. Thank you.

LORD JUSTICE LEVESON: Right. It was obviously sensible that we sit to conclude that evidence. Tomorrow morning, 10 o'clock. Thank you.

(5.12 pm)

(The hearing adjourned until 10 o'clock the following day)
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