MR BROWNE: They, as I understand it, have now been listened to. I won't remind the Tribunal of how many times we've asked that that should be done but they have now been listened to and with his customary courtesy, Mr Barr informed me at 7 o'clock on Friday night that they would be transcribed.

We have agreed, I hope, between us that no questions will be put to the editors about the contents of the transcripts insofar as they bear on the state of mind of the two reporters, Sarah Jellera and Nick Owens, and Mr Owens' evidence has been deferred until the transcripts are available.

LORD JUSTICE LEVESON: Yes. That's as a result of a conversation that I have had, and I entirely agree with that approach. Thank you.

Yes, Mr Barr.

MR BARR: Thank you, sir. I don't wish to appear oversensitive but I ought to say that the Inquiry had access to the audio tapes on Friday afternoon.

LORD JUSTICE LEVESON: Yes, I understand that too.

MR BARR: Thank you, sir. I don't wish to appear oversensitive but I ought to say that the Inquiry had access to the audio tapes on Friday afternoon.

LORD JUSTICE LEVESON: Yes, I understand that too.

MR BARR: The running order for today, sir, is going to be Mr Wallace, Ms Weaver, Mr Penman this morning, and then Mr Embley and Mrs Bailey this afternoon. Mr Owens, of course, for the reasons just explained, is going to give evidence at a later date.

Page 1

Page 3
MR BARR: You tell us in your first witness statement -- and I'm looking now at page 3 -- a little about your career in journalism. You've worked in journalism for about 30 years.

A. Yes.

Q. You started on a local newspaper, the Leicester Mercury. You then moved on to a news agency, the Ox and Bucks news agency, before becoming a shifter on national newspapers and then working for the Daily Mail and the Sun?

A. Yes.

Q. Since then, for the past 21 years, you've worked for Trinity Mirror?

A. That's correct.

Q. Can I ask you, before moving on to the details of your career with Trinity Mirror, a little about the culture and the differences in culture, if any, between the Daily Mail, the Sun and the Trinity Mirror. All three are tabloid newspapers. Was there, in your opinion, any discernible difference in the journalistic culture at those three titles?

A. No.

Q. I think it's right, isn't it, that there's a fair degree of movement of journalists between titles, including between titles owned by different newspaper groups?

A. That's correct.

Q. Does that help explain, perhaps, why there is not a discernible difference in journalistic culture?

A. Absolutely.

Q. To pick up with your career with Trinity Mirror, you joined the Daily Mirror as a showbiz report in 1990 and remained in that position until October 1999 and remained in that position until October 2000, when you were promoted to the head of news. Could I ask you, first of all: did you sit with the showbusiness team?

A. Yes.

Q. Did you have extensive contact with the showbusiness team while you were the showbusiness editor?

A. Yes.

Q. Were you aware of the source of the stories that were published about showbusiness whilst you were the showbusiness editor?

A. Generally, yes.

Q. Generally? Does that suggest there were, on occasions, stories that you weren't aware of the source?

A. Absolutely.

Q. How frequent was that?

A. Not very often.

Q. I'm asking you these questions, Mr Wallace, because James Hipwell gave evidence to this Inquiry that he sat close to the showbusiness team in the period 1998 to 2000. Did you know Mr Hipwell?

A. Yes.

Q. Is it right that he sat in close proximity to the showbusiness team?

A. Yes.

Q. His evidence is that he saw phone hacking going on amongst members of the showbusiness team on more than one occasion, and effectively gave the impression that it was commonplace. I'd like to ask you: from your position as editor sitting with that team at that time, is it true that there was phone hacking going on amongst the showbusiness team?

A. No. Not to my knowledge.

Q. You say "not to my knowledge". Can I take it, therefore, that it's possible that it was going on but being hidden from you?

A. Might well have been.

Q. If I may pick up now your career. You spent some time in the United States as a United States editor before returning in August 2003 to this country to be the deputy editor of the Sunday Mirror, working to our next witness, Ms Weaver. When you were appointed as deputy editor of a national Sunday newspaper, were you given any specific training in the role of deputy editor?

A. No.
| Q. Was that formal advice or informal? | 1 Q. Can I ask you, please: who appoints members of the Code of Practice Committee? |
| A. Informal. | 2 A. PressBoF. |
| Q. What form did that take, please? | 3 Q. Is it by application or by invitation? |
| A. I spoke with Ms Weaver and I spoke with various other senior executives around the group, as it was the biggest job I'd had to that date, on what made a good deputy editor and they gave me some pointers and it proved to be good advice. | 4 A. By invitation. |
| Q. You then were promoted to the position of editor of the Daily Mirror in 2004. Can I ask you the same questions. At that point, were you given any specific training in how to be the editor of a national tabloid newspaper? | 5 Q. What are the terms about the length of your tenure on the committee? |
| A. I think if you are promoted and given big jobs to do, there is a view from whoever appoints you that you would be a competent individual to carry out those tasks. | 6 A. It's open-ended. |
| Q. Were you given any briefing? | 7 Q. How frequent, in your experience, have been the meetings of the Code Committee? |
| A. Not specifically. | 8 A. Three times a year. |
| Q. Were you given any advice? | 9 Q. Are they periodic or ad hoc? |
| A. Yes, lots of advice. | 10 A. Periodic. |
| Q. Lots of informal advice? | 11 Q. What is the basis for an amendment? Does there have to be a majority vote, does it have to be unanimous or is there some other approach? |
| A. Yes. | 12 A. By and large it's unanimous. It's not formal as such, but there needs to be a majority/unanimous view in the room, it's fair to say. |
| Q. We see there a pattern in how this promotion happened. With the benefit of hindsight, or perhaps really looking forward for the future, do you think that that was sufficient preparation for the job or would it be better if it had been a more formal process with formal training and instruction? | 13 Q. What is the basis for an amendment? Does there have to be a majority vote, does it have to be unanimous or is there some other approach? |
| A. No. | 14 A. By and large it's unanimous. It's not formal as such, but there needs to be a majority/unanimous view in the room, it's fair to say. |
| Q. Were you told anything about why it was that Mr Morgan had lost his position as the editor? | 15 Q. What is the basis for an amendment? Does there have to be a majority vote, does it have to be unanimous or is there some other approach? |
| A. Indeed. | 16 A. By and large it's unanimous. It's not formal as such, but there needs to be a majority/unanimous view in the room, it's fair to say. |
| Q. Were you told anything about why it was that Mr Morgan had lost his position as the editor? | 17 A. By and large it's unanimous. It's not formal as such, but there needs to be a majority/unanimous view in the room, it's fair to say. |
| A. I was around in the building when that saga unfolded, so I was aware of what had happened and why he was dismissed. | 18 A. By and large it's unanimous. It's not formal as such, but there needs to be a majority/unanimous view in the room, it's fair to say. |
| Q. To your knowledge, why was he dismissed? | 19 A. By and large it's unanimous. It's not formal as such, but there needs to be a majority/unanimous view in the room, it's fair to say. |
| A. Because we published a series of hoax Iraqi prisoner abuse pictures. | 20 A. By and large it's unanimous. It's not formal as such, but there needs to be a majority/unanimous view in the room, it's fair to say. |
| Q. Did it go further than that? Were you given any explanation as to why it was that the publication of those particular photographs should cost Mr Morgan his job? | 21 A. By and large it's unanimous. It's not formal as such, but there needs to be a majority/unanimous view in the room, it's fair to say. |
| A. As we have seen throughout this Inquiry, editors can make errors of judgment. I think this was a catastrophic error of judgment and he paid the price. | 22 A. By and large it's unanimous. It's not formal as such, but there needs to be a majority/unanimous view in the room, it's fair to say. |
| Q. You then tell us more about your career. We see that in 2006, on your watch, your newspaper won a series of awards: newspaper of the year, news team of the year and daily newspaper of the year, as well as a personal award to you as GQ magazine's editor of the year. Was that arising from one particular scoop or story or was it a more general -- | 23 A. By and large it's unanimous. It's not formal as such, but there needs to be a majority/unanimous view in the room, it's fair to say. |
| A. It was a more general series of good stories, and also I think the overall quality of the paper. | 24 A. By and large it's unanimous. It's not formal as such, but there needs to be a majority/unanimous view in the room, it's fair to say. |
MR BARR: You next tell us some background to the Daily Mirror newspaper on page 5. You explain that it is a newspaper which has backed the Labour Party ever since the 1945 general election. You sell around 1.2 million copies a day but think that your readership is nearly 3 million per day. In addition, you have 800,000 unique users on your website. Is your website a distinct separate operation or is it linked to the hard copy --

A. Partially linked.

Q. The average age of your newspaper readers is 50.

A. Yes, but it hasn't moved that much in the last 20 or so years. It's always remained about that median.

Q. So you don't think it's anything to do with the impact of the digital age?

A. I think that will be a factor in the mix somewhere, but not by and large.

Q. You say that 30 per cent are retired and that 15 per cent are from ethnic minorities, the highest percentage in the tabloid mid-market sector. Is there any particular reason why you think you have such a high proportion of ethnic minority readers?

A. I think, again, it plays to the Daily Mirror's traditions and values of justice and fairness, and -- certainly in the 1950s and the 1960s, when we saw a lot of immigration and the paper was supportive of minorities coming into the country, unlike probably most of the rest of the press, so we were felt to be on the side of the underdog and people struggling to make their way in a new country. We identified with and supported.

Q. Moving from the 1960s to the 21st century, do you think it's still the case that there are tabloid newspapers which have editorial lines which are not supportive of people from ethnic minority backgrounds?

A. Indeed.

Q. You say that your core values as a newspaper are fairness, justice and compassion, and that's a matter to which I'll return later. At about paragraph 16, you quote with approval the highly regarded silk, Hugh Tomlinson QC, who told the Law Society: "A tabloid that can explain complex issues in a comprehensible form is a good democratic resource."

A. Absolutely.

Q. You explain a number of campaigns have been run -- Honour the Brave, Hope Not Hate, Asbestos Timebomb, Fair Tips -- and then you also talk about the Pride of Britain awards which is run by Trinity Mirror, watched by 7 million people. Are you there trying to communicate to us the good works, the positive side --

A. Absolutely.

Q. -- of tabloid journalism?

A. Absolutely. I think we're hearing obviously, and we will be hearing more, I'm sure, today, about the negative aspects of tabloids, but I think there are significant positives, not least that we can inform and explain to people the complexities of an increasingly complex world.

Q. You continue in this same vein by pointing out at paragraph 18 that you have a weekly investigations column run by Messrs Penman and Sommerlad -- and we're going to hear from Mr Penman later this morning -- a Caring For Carers campaign and a Get Britain Working campaign.

A. And today we started a We Love Reading campaign. We have a tie-up with Ladybird books which has been very successful and we're doing that for the second year, to encourage parents and children to do more reading.

Q. Can we now move to the corporate governance system of the Daily Mirror and Trinity Mirror. You set out a Caring For Carers campaign and a Get Britain Working campaign. There was then an email explaining to staff a zero tolerance policy on Data Protection Act breaches.

A. Mm-hm.

Q. Paragraph 22, though, deals with what happened after you quote with approval the highly regarded silk, Hugh Tomlinson QC, who told the Law Society: "A tabloid that can explain complex issues in a comprehensible form is a good democratic resource."

A. In what regard?

Q. Sending out a zero tolerance message by email and reminding editors of the national titles of their responsibilities following the jailing of Mr Goodman.

A. I think it was delivering a very strong message from the corporate arm of the business that any illegality is just not on.

Q. On the question of phone hacking, Mr Morgan has written in his book about listening to a voicemail message -- or it may not have been expressly as a voicemail message, but listening to a record message of Sir Paul McCartney for Heather Mills. Had you heard that story before it was published?
Q. Had you heard any talk about it?
A. No.
Q. You go on in paragraph 23 to talk about risk management certification. You explain that you are responsible for the risks to your business objectives and you have to certify that internal controls exist so that at any given time you provide you -- and, of course, those above you -- with assurance that the risks are appropriately identified, evaluated and managed.
A. That would be a view, but yes. I mean, if I make roll is that much easier?
Q. Does it mean that if something goes wrong, making heads my responsibility.
A. Yes.
Q. Does it have an accountability purpose?
A. My responsibility.
Q. Does it have an accountability purpose?
A. Yes.
Q. Does it mean that if something goes wrong, making heads roll is that much easier?
A. That would be a view, but yes. I mean, if I make a catastrophic error, then I'm out.
Q. To put it less dramatically, let's look at exactly what it is that you have to certify. By certifying that your business objectives and internal controls exist, you're not actually certifying there that nothing is wrong; you're simply certifying that the systems are in place which should prevent something going wrong?
A. That's correct.
Q. Is it your view that it would be too onerous to expect a certification scheme to ask you to certify any more than it already does?
A. I think it's a written reminder of one's responsibilities and also seeks to clarify that I am responsible for this particular part of a very big business, and that what happens within that business is above you -- with assurance that the risks are appropriately identified, evaluated and managed.
A. I think it's a written reminder of one's responsibilities and also seeks to clarify that I am responsible for this particular part of a very big business, and that what happens within that business is my responsibility.
Q. Does it have an accountability purpose?
A. Yes.
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Q. Does it have an accountability purpose?
A. Yes.
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1 you have discussions with board members quite
2 frequently?
3 A. No.
4 Q. Infrequently?
5 A. Hardly ever, other than an informal gathering with where
6 I might chat with them.
7 Q. Do they express opinions to you about the direction that
8 the newspaper should be taking or the sorts of stories
9 that it should be publishing?
10 A. No.
11 Q. Do you have contact with advertisers?
12 A. Yes, occasionally.
13 Q. Do they ever express views about the content of the
14 newspaper?
15 A. Yes, they express views.
16 Q. Do they ever try and put any pressure on you as to how
17 you should report issues?
18 A. Never.
19 Q. Shareholders?
20 A. No.
21 Q. Is it your evidence that these people don't even try to
22 influence your editorial control of the paper?
23 A. No. I think within Trinity Mirror they are very
24 strict -- and you'll no doubt hear from my chief
25 executive later -- very strict delineation between
Page 21

Page 22

1 editorial and the business per se.
2 Q. I'm not suggesting that the editorial decision is
3 anything other than, ultimately, one for you.
4 A. No, I understand.
5 Q. I was trying to explore whether there was any attempt to
6 persuade you one way or the other.
7 A. No, no.
8 Q. Adherence in practice is a section that starts at
9 paragraph 27 of your witness statement. Can we look at
10 paragraph 28 in particular, please.
11 A. Yes.
12 Q. You say there:
13 "To the best of my knowledge, the law and the code
14 are adhered to in practice: certainly this is always my
15 intention."
16 As we will come to in more detail later, Trinity
17 Mirror has, on occasions, fallen foul of the law. We're
18 going to come to the question of the contempt in the
19 Mr Jefferies case, and we know that there have been some
20 civil cases --
21 A. Yes.
22 Q. -- which have been brought and either settled or
23 otherwise disposed of.
24 A. Mm-hm.
25 Q. So is the use of the present tense in paragraph 28
Page 23

Page 24

1 deliberate?
2 A. No. I mean -- well, it is always my intention not to
3 break the law or to break the code.
4 Q. Accepting that, if it's always your intention, the other
5 part of the sentence deals with what the reality is in
6 practice --
7 A. Well, absolutely. I mean, I have -- and I'm sure we'll
8 be going through them later -- broken the code on
9 occasion. But it was not my intention to, and often one
10 believes that maybe one will have a good argument or
11 debate as to why we could defend our position.
12 Q. Yes. You're not the only newspaper, by any means, in
13 that position. Perhaps I can explore it with you in
14 this way: it's a true position that you strive to adhere
15 to the law but don't always manage to succeed. Could
16 you give us some indication: how many times, in your
17 career as the editor, has the Daily Mirror falling foul
18 of the criminal law?
19 A. As editor, I don't think -- I'd need to -- I don't think
20 at all, actually. No.
21 Q. And the number of libel and privacy cases brought
22 against the Daily Mirror successfully, either because
23 they're settled or because you lose at trial; is that
24 a statistic that you monitor?
25 A. I don't have it to hand but it will be lurking
Page 22

Page 23

Page 24

1 somewhere. But yes, we have made mistakes and yes,
2 we've made corrections, but by and large we seek to
3 settle any issues before it gets to proceedings.
4 Q. Can we move now to the PCC. I'm looking at paragraph 32
5 of your statement.
6 A. Yes.
7 Q. You say:
8 "As an editor, I take complaints and adverse rulings
9 from the PCC seriously."
10 I'd like to explore that a little bit, please. Do
11 you have any evidence of a PCC ruling ever having an
12 adverse consequence on circulation of the Daily Mirror?
13 A. No.
14 Q. Has there ever been any adverse financial consequences
15 of a ruling from the PCC?
16 A. How do you mean, financial consequences?
17 Q. In any way?
18 A. No, no.
19 Q. Because they don't have the power to fine --
20 A. No, exactly. Sorry, I thought you meant some --
21 profitability or something. No.
22 Q. So if there aren't any consequences on circulation or
23 any financial consequences, is the consequence purely
24 reputational?
25 A. Yes.

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(+44) 207 404 1400 London EC4A 2DY
Q. Do you --
A. Sorry, just adding there, the readers see this. So they're not going to be happy either.
Q. That's part of the reputational damage, is it?
A. Yes.
Q. Because what I want to ask your opinion on is: do you think it would be better if, whatever form future regulation takes, there was a power to fine for breaches of the code?
A. To be frank, I'm in two minds about that. I think there's -- certain serious misdemeanours there might be a view on introducing fines. I certainly wouldn't rule that out.
Q. We've had various suggestions emerging in the evidence. One is that an offending publication should be required to pay for the apology to be printed in a rival newspaper. An imaginative suggestion.
A. Quirky, I would say.
Q. What's your reaction to that?
A. I'd not heard that until just now, so -- well, it's unusual and creative. I'm not sure what it achieves.
Q. It would sting, wouldn't it, having to pay a rival for your own apology?
A. Yes. Yes, it would, I suppose, yes.
Q. And there's been a suggestion that whatever form future regulation may take, if there is some control over advertising and some sanctions in terms of advertising because that's such an important revenue for you, that would be one way of --
A. Well, I think we're probably moving to an area that is slightly too draconian. Advertisers generally, if they don't like the product or a product is consistently in trouble, they tend not to advertise. To actually then sort of formalise that in some way I'd be a bit concerned about.
Q. There's also been talk of an independent disciplinary function outside much the reporters' employer.
A. Yes.
Q. What do you think of that?
A. I think a standards panel/ombudsman is an excellent idea. I very much support that.
Q. Can I move now to the question of the placement of apologies and corrections. Your newspaper runs a "For the Record" column?
A. Yes.
Q. Is that always on page 2?
A. No. We actually began that column -- I think it was around 13 years ago. We were the first and, at that time, only tabloid to do such a column and we had it on the letters page, which is one of the most read pages in the paper, and when the Daily Mail moved to page 2 towards the beginning of this Inquiry, I thought maybe there is an industry standard that we could move towards, so I moved our "For the Record" to page 2, and other Trinity Mirror titles have similar mechanisms on page 2 throughout the group now.
Q. As far as statistics may inform your experience or experience may inform you, how read is page 2 in comparison to other pages?
A. It is -- well, probably -- well, it is one of the top two most read pages in the paper for one simple reason: it has the weather on it. Despite all our brilliant journalism, the most popular pages in the paper is the TV listings and page 2 because it has the weather, so...
Q. We've had some evidence about the crosswords as well, TV listings and page 2 because it has the weather, so...
A. Well, you're with me on that. I know that within this room people would say, "Well, that's not a very prime spot." Within the readers' focus, it is very much a prime spot.
Q. The alternative suggestion is that the prominence of the apology should be commensurate to the place of the offending article, so if it's an offending front-page article, there should be a front-page apology and so on and so forth. Do you see merit in that?
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1 representation from experts, ie editors that are serving
2 editors. I think on any arbitration or standards body,
3 I think there needs to be former editors, former
4 lawyers, people that have been here and done that, who
5 can sit in judgment but in qualified judgment.
6 Also, I think it's important, in the same way that
7 the Inquiry does, is to have access to a panel of
8 serving individuals, be they lawyers or editors, who
9 can -- because you know, editing a newspaper even seven
10 years ago, when I took over, is a very different thing
11 now than it was then, so ex-editors who have perhaps not
12 sat in the seat for some time may not be fully up to
13 speed on certain aspects of the job these days. So to
14 have access to, again, a panel who provides strictly
15 advice, they have no other input, I think would be
16 a wise way.
17 Q. Is there a difficulty that as soon as you have serving
18 editors, you have rivals judging one another, whether
19 directly or indirectly?
20 A. No. I think that probably the PCC as it is set up at
21 the moment could be open to that charge. I think, as
22 I said, any new body, if it was a wholly independent --
23 as I said, there wouldn't be serving editors upon that.
24 They would be perhaps in an advisory role, but no.
25 Q. Do you think that if there was an advisory role for
Page 29

1 serving editors, that would give sufficient separation
2 to get over the problem that these are commercial
3 rivals --
4 A. Oh --
5 Q. -- offering an opinion?
6 A. Absolutely. The way that I would envisage it is there
7 are experts formally in jobs who would say, "Is this the
8 reality of editing your paper today?" and being able to
9 call on the expertise of serving editors or serving
10 media lawyers or what-have-you to say, "Actually that is
11 not the experience any more; this is how it is." So
12 purely in an advisory capacity.
13 Q. Do you think that, moving forwards, whatever shape
14 future regulation takes, there should be investigative
15 powers for the regulator?
16 A. I think it should be able to call editors or individuals
17 from organisations to account for their actions.
18 Q. What about documents?
19 A. It depends -- it would have to depend on what
20 circumstances. I think that I've said earlier, in
21 another forum, that the idea of having an audit trail on
22 every single story that is published is probably not
23 practical. However, if there is a story where there is
24 a clear debate over public interest, then any standards
25 panel should be able to say, "What were the exchanges
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1 here?" and: "We're going to need to see that
2 documentation."
3 So as I said, it would depend on the individual
4 case, but as a general rule, "Right, we want anything
5 and everything", no.
6 Q. You think in a case where it was proportionate to do so?
7 A. Exactly.
8 Q. And is the lack of extensive investigative powers
9 a drawback to the present system?
10 A. I think with the events that have unfolded, absolutely.
11 Q. You point out in 39 the not unnoticed difficulty of
12 dealing with regulation in the digital age and the
13 emergence of the Internet and social media sites such as
14 Twitter. Do you have any suggestions, as the newspaper
15 industry moves into the digital age, as to how -- shall
16 we start, first of all, with search engines, how they
17 can be incorporated into the regulatory framework.
18 A. I think there is already an opportunity here, and we
19 just need to grasp it, is -- whatever this Inquiry kind
20 of throws up as a new body, I believe that there is
21 a willingness in the digital world amongst Internet news
22 providers to themselves sign up to some kind of
23 framework because it gives them, frankly, cachet.
24 In the world of the Internet, there is just a lot of
25 noise, and what the consumers are seeking and business
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1 is seeking is some kind of order, and I think that
2 legitimate bloggers, legitimate Internet news providers
3 would welcome the opportunity to join such a body, to be
4 kite-marked or branded in some kind of way, because it
5 would have a direct effect on their businesses.
6 At the moment, Google does actually select, with one
7 of its magical algorithms, the order in which results
8 are thrown up, so if you were to Google "Leveson
9 Inquiry", it would obviously go to the website but on
10 the news function it would throw up stories from
11 newspapers, because they are regarded by the algorithm
12 as the most reliable, and there is a grade of 1 to 10.
13 BBC is the highest in this country with number 9, ie.
14 this is premium content, reliability. I think we're at
15 7, along with most national papers. In the US, it's the
17 So there is a kind of gradient in existence, and as
18 I said -- we've had 15 years, 20 years of disruption
19 with technology, and we're now trying to seek some
20 order, and I think actually this could be a great
21 positive for this process, is to start to harness some
22 of the content that is online.
23 LORD JUSTICE LEVESON: I'm very interested in that. It may
24 be that we're getting some of the Internet service
25 providers to come along, but when you talk about
Page 32

8 (Pages 29 to 32)
a willingness to engage, has there been, to your knowledge, some sort of meeting, some sort of collective view? Is that public?

A. No. There is an online association -- I can't remember the name of the organisation -- which a colleague of mine at Trinity Mirror is a member of, and we were talking informally a few weeks ago about this sort of subject, and he said to me that this organisation would be -- it's like an online publishers association, something like that -- would definitely like to talk about such issues.

LORD JUSTICE LEVESON: Okay.

MR BARR: Your observations seem to be directed at those who publish news, perhaps news aggregators, on the Internet.

What about the social media, Facebook and Twitter?

A. I mean, I think that here is -- I have no answer for.

This is a huge difficulty which goes, I think, way beyond the press and is potentially challenging to the law. You know, Ryan Giggs was probably the most high profile example, but I know sort of in jury trials now, the biggest fear is that in a couple of clicks on the profile example, but I know sort of in jury trials now, the biggest fear is that in a couple of clicks on the phone, a juror is going to see what they shouldn't be seeing online, which has been thrown up by social media.

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So our traditional values of being a mature brand actually have got very positive aspects in that digital environment.

MR BARR: Can I move now to the completely separate topic of your relationships with the police. I use "your" both in the personal sense and the corporate sense.

A. Yes.

Q. Paragraph 41 of your statement tells us that the Daily Mirror has a longstanding relationship with the police. That paragraph goes on to explain some of the things you do to assist the police: co-operating with the police?

A. Around four or five.

Q. Have you had dinner with any other chief constables?

A. Yes.

Q. Paragraph 41 of your statement tells us that the Daily Mirror has a longstanding relationship with the police. That paragraph goes on to explain some of the things you do to assist the police: co-operating with the police?

A. Yes.

Q. Paragraph 41 of your statement tells us that the Daily Mirror has a longstanding relationship with the police. That paragraph goes on to explain some of the things you do to assist the police: co-operating with the police?

A. Yes.

Q. Do you see any need for regulation of bloggers or certain types of bloggers?

A. No. Look, you know, one of the essentials of the Internet is the freedom of expression, but I think that those who -- and I think it's emerging now -- those who are responsible and take their responsibilities to pass comment in a reasonable manner are showing that, and more importantly are more successful. The out-and-out cowboys, of which obviously the Inquiry has had an experience already, I don't see in the long term that they can survive because, again, I think people -- they want information and it's their right to have information, but they want information that is competent and is true.

LORD JUSTICE LEVESON: That's the great value of the press, because that's supposed to mediate stories and present them in a way that is accurate, truthful and provides comment that is consistent with the first two of those principles.

A. Look, I think our reputational value is great. We have 800,000 users online but less than 10 per cent of those people buy the paper and the average age is 28, ie.

there's a completely different audience who wouldn't dream of buying the paper in its traditional form, but understand: "Oh, the Mirror, they might be a bunch of lefties, but actually they know news, they know sport, and what I'm seeing here is truthful and interesting."

So our traditional values of being a mature brand actually have got very positive aspects in that digital environment.

Q. What the police want from you appears to be pretty clear. Is there anything you would like to add to that?

A. No. I think I've laid it out.

Q. In terms of contact, you move on in paragraph 42 to tell us that you've had dinner on a number of occasions with Sir Paul Stephenson.

A. Yes.

Q. Is that when he was chief constable of the Metropolitan Police?

A. Yes.

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A. Yes.

Q. Can you recall how many occasions?

A. Around four or five.

Q. Have you had dinner with any other chief constables?

A. No. I was at a dinner where I was seated next to the current chief constable of the Metropolitan Police -- or Police Commissioner, rather -- recently, but not mano-o-mano, as it were.

Q. You explain that you would regard it as customary to pay suspects. You give an example, being the promulgation of CCTV head shots of alleged rioters from the troubles in the summer, and you say that on occasion the police seek evidence from you about suspected crimes, and on other occasions they ask you not to publish information so as not to interfere with their enquiries.

A. Yes.
25 LORD JUSTICE LEVESON: Is this just the police? You might also meet -- I'm asking you the question -- generals or bishops --
22 A. Yes.
23 LORD JUSTICE LEVESON: Or any --
24 A. I've done a couple of bishops.
25 LORD JUSTICE LEVESON: I don't think you quite mean that.

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1 portrayed favourably in your newspaper?
2 A. I don't -- I mean, Paul Stephenson is a good, honest man, and what I would call a copper's copper. He just wanted to nick bad guys and keep the streets safe, and I continue to be a great admirer of him as an individual, but it wasn't about sort of getting a good write-up in the Daily Mirror.
24 Q. If that's what he was telling you, what was it that you were seeking from him in these meetings?
25 A. Again, it's more of a background conversation. So when stories are coming in, I can have a sense at the back of my mind when I'm making various judgments of, you know, what the police -- why the police took certain actions, so that frankly, we don't start applauding or condemning certain actions without knowing the full context, and as I said, meetings liking this were very, very useful in understanding, you know, how policing actually works. It's a very complicated business.

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1 A. No, but I -- yes, part of the function of an editor is to meet with other senior figures in a variety of different roles that affect society, and particularly our readers, so it's important to have those kind of contacts and the ability to sit down and talk frankly. They're not sort of love-ins; there can be some very firm exchanges of views.
8 MR BARR: Can I move now to politicians. Again, you explain it's been a close relationship between politicians and the press, and you describe the perception in this country that politicians need the backing of the tabloid press. Is that a perception that you agree with?
13 A. Not personally, no.
14 Q. But it's right, isn't it, that the mass media has an opinion-forming influence?
15 A. Yes.
16 Q. So what the papers are saying about politicians matters, doesn't it?
17 A. Yes.
18 Q. Is that sort of comment an aberration or was it something that happened from time to time?
19 A. No. He's still employed by us.
20 Q. Is that the root of politicians' interest?
21 A. It matters, but it doesn't matter as much as they think it matters, in my belief. Sorry, I interrupted you.
22 Q. No, no, not at all. That's an important clarification, because you go on at the end of paragraph 43 to say: "What any politician might want does not influence which gives rise to the question: why do they keep on meeting with you?
25 A. Because they're always seeking to blunt the edges. It does make it harder to traduce somebody in print if you actually find them rather good company. They're always seeking to influence. Politicians everywhere seek to -- if they can't hold the medium, certainly influence the message.

Page 39

1 Q. You give quite a stark example at the top of paragraph 44. You say that just after you were appointed editor of the Daily Mirror, the then Prime Minister, Tony Blair, invited you to 10 Downing Street. One of the first things he asked you was when you were going to sack one of your journalists who had been a consistent critic of the government and Mr Blair in particular. You say you didn't react to it?
18 A. No. He's still employed by us.
19 Q. Was that sort of comment an aberration or was it something that happened from time to time?
20 A. I think in Mr Blair's case it was more of an aberration.
22 He, at this stage in his premiership, had become -- I wouldn't say "immune" because he went on to describe us all as feral beasts, but sort of went with the flow when it came to the press, so you view that as an
Q. You say you met Mr Blair in a variety of forms between 10 and 15 times before he left office and that you visited Gordon Brown at the Treasury and later at Number 10 on a number of occasions and that you were invited to Chequers by Mr Brown on two occasions and accepted. You've met Mr David Cameron privately twice. Is the disparity between the number of times that you met Labour leaders and the number of times you've met the Conservative leader a reflection of your paper's political stance or is it a reflection simply that the Labour Party were in office for very much longer?

A. It's a reflection of our political stance. I think Yvette Cooper also attended your 50th birthday party. For example, Ed Miliband, David Miliband, Ed Balls and that you have also had contact with other politicians. Is it quite common for senior political figures to attend things like the birthday parties of editors of the national newspapers?

LORD JUSTICE LEVESON: Is this sort of contact different?

A. No. I think I'm anticipating your next question: should there be a note? No, I don't think so. Part of our democracy, I think, is the free flow of information between politicians and those who can deliver the messages and argue the points and have differing opinions, and I think that free flow has to be maintained and to formalise every meeting that a politician would have with a journalist would, I think, be too much. I think it would really damage the ability for a cabinet minister to sit down in a quiet corner and just run ideas. It's often the case: "What do you think of this? We're thinking about doing that."

LORD JUSTICE LEVESON: I understand that, but then you have to deal with and confront the question whether the relationship can be perceived to be too close and have an adverse influence.

A. I think, it obviously -- I mean, again, I think this is an exception here. It clearly became -- from all sides of the political persuasions, they became much too close to a particular organisation. I don't think anybody could dispute that. But I, at the same time, would say that, you know, the reason -- to my mind, and it's only a personal expression, the reason Rupert Murdoch had so much power is because we choose to give it to him. When President Obama was a Senator, he met with Mr Murdoch at the Waldorf Astoria and Mr Murdoch was saying that he was going to be backing him and he said, "I'm not interested." I understand Mr Murdoch wasn't too happy about that but Obama was saying, "I don't care, I have my own agenda and I can deliver it in my own way", and I think politicians perhaps should have shown a lot more backbone when it came to dealing with -- they're there to represent and look after the welfare of the people, not to represent or look after the welfare of a particular individual rather than --
Day 26 - AM

Leveson Inquiry

16 January 2012

Q. No, you say in your statement that the primary responsibility for checking sources lies with the individual journalist.
A. That's correct, yes.
Q. But there are responsibilities all the way up the editorial chain and ultimately the buck stops with you?
A. Yes.
Q. Against that background, though, in paragraph 49, you say that you don't believe that you necessarily, or even in some cases properly, should be aware of your journalists' sources and methods?
A. Mm.
Q. Can I explore that can you a little while. If you are ignorant of the source, that increases the risk, doesn't it --
A. Yes.
Q. -- that something may go wrong? So should a case in which you are ignorant of the source be reserved for exceptional cases?
A. Yes. I mean, I think that's the case at the moment. If there is a particularly delicate story, which -- I'm going to sort of probe that in a lot more aggressive fashion than I would others. I mean, it depends on the nature of the story.
Q. Can you help us with why it should be that a source --
Page 47

Q. And it's your impressions that politicians listen to that sort of opinion?
A. I think they listen. They don't -- you know, they don't sort of necessarily react to it, but yes, they listen.
Q. Moving on to sources and the checking of sources, you're very clear that the responsibility for checking sources lies with the individual journalist. I'm looking now at page 13 of your witness statement.
A. Mm-hm.
Q. Would it be right to describe that as the primary responsibility?
A. Sorry, I missed the start. The primary responsibility is to --
Q. Checking sources.
A. My primary responsibility?
Page 46

Page 45

1 A. I can't really add to what I've said. I think because of a particular organisation -- I don't think that the whole of the media is too close to politicians. I think even politicians would agree with that. I think there was a particular organisation which had a particular big influence, I think 40 per cent of the market, and relationships became way too close.
LORD JUSTICE LEVESON: How would one cope with that?
A. Mm.
LORD JUSTICE LEVESON: It's not a compulsory question.
A. No, I have to say I knew you were going to ask that. I need to think some more about it. I'd be happy to address it.
MR BARR: Having asked you what pressures politicians might have put on you, can I ask you whether you've ever dangled an incentive in front of a politician to run a particular policy, for example, by saying you'll give a particular incentive, for example, by saying you'll give Page 45

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Page 46
obtaining stories happens in practice, our focus is on establishing accuracy, always against the backdrop of the law."

Is there perhaps some complacency in that statement, if you're focusing on accuracy against a presumption of your subordinates acting lawfully?

A. One could view it in that way, yes.

Q. If we could take this as an opportunity now to look at the Information Commissioner's reports, "What price privacy?" and "What price privacy now?" It's right to say that the Daily Mirror had a prominent position in the league table, if I call it that, published in the second report. The Daily Mirror had 681 transactions from 45 journalists.

A. Yes.

Q. There were various forms of information which had been obtained, some which are not specified but others included, for example, obtaining vehicle registration numbers. To do that requires illegality, doesn't it?

A. Sorry?

Q. To obtain a vehicle registration number.

A. Yes.

Q. Similarly if you want to obtain a criminal record?

A. Yes.

Q. I don't mean you personally.

A. No, no.

Q. Equally, getting data from the DVLA database, converting a vehicle registration number into an address, something which Mr Whittamore was offering, is illegal?

A. Yes.

Q. Obtaining friends and family lists from BT or other phone companies?

A. Yes.

Q. That's illegal, isn't it?

A. Mm.

LORD JUSTICE LEVESON: But all these are subject to the exception of public --

MR BARR: Subject to public interest exceptions. Accessing ex-directory telephone numbers and mobile phone numbers, can that be done legally or is that another example of illegal activity?

A. Illegal activity.

Q. Converting mobile and landline numbers, not addresses, by accessing billing information is clearly illegal, isn't it?

A. Yes.

Q. Or, as the chairman very rightly says, subject to a public interest defence. Given the prominent number of transactions in the "What price privacy now?" report, can I ask you first of all what the reaction was of the Daily Mirror when these reports were published? In particular, did the Daily Mirror hold an investigation to try and establish whether or not any of its journalists had acted illegally?

A. No.

Q. Why not?

A. I think when the report was first published, it was viewed as an industry-wide issue and the reaction was also industry wide. There was a change, if I recall correctly, to the PCC code, and certainly -- I can only speak for Trinity Mirror -- we made it very clear to all our staff that any such behaviour was -- we just did not tolerate.

Q. So was it a question of looking forwards and deliberately not looking backwards?

A. It was about looking forwards, and I think as the current Information Commissioner has said, that since 2006 there has been no transgressions at all and he's more concerned in other industries.

Q. Is the bottom line: because there was no investigation, you can't tell the Inquiry categorically one way or the other which of those 681 transactions had a public interest defence and which did not?

A. That's correct.

Q. Given the sheer volume, it would be surprising, wouldn't it, if all of them had a public interest defence?

A. It would indeed.

Q. When did you first hear about the involvement of journalists from your newspaper in this saga, the Motorman case?

A. I can't recall the exact date, but it would have been around probably early, mid-2004.

Q. So that's before the trial?

A. Yes.

Q. Well before the trial. Why was no action taken at that stage, when it wasn't clear what the Information Commissioner was going to do about it?

A. Well, I can -- I mean, I can't really speak in detail to this because that was during the period when I took over as editor of the Daily Mirror and there was something of a great trauma within our organisation as a result of what happened then, so the responsibilities for the Information Commissioner's report, et cetera, sort of fell to the managing editor's office and the corporate legal department. So I didn't have sort of detailed knowledge of what had gone on.

Q. These are people below you, the managing editor and the --

A. Well, within -- no, not within the organisation. The managing editor's office runs, effectively, the business...
Q. Are you talking about the from group managing editor?
A. Yes, sorry.
Q. I see. So you're saying that it was a decision to be taken further up?
A. Yes, because I was sort of moving between roles within that period as that story unfolded, so it was sort of felt that my priorities needed to be elsewhere, I think.
Q. Was it a topic you discussed with senior managers above you in Trinity Mirror or not at the time?
A. I'm sure that there would have been, but I mean, I can't recall, to be honest with you.
Q. More recently, the ICO has announced that it's prepared to disclose the names of journalists to their employers. That was done in 2009. Has the Daily Mirror taken up that invitation?
A. No, I don't believe we have. I have no knowledge of it.
Q. Again, did you regard that as a decision for you to take or a decision for those further up the corporate chain at Trinity Mirror?
A. Further up the corporate chain.
Q. Were you party to any discussions about whether or not to do anything at that stage?
A. No.
Q. Does it remain the position that you, as editor of the Daily Mirror, have not sought to do anything to establish who it was who was seeking that information?
A. Yes.
Q. You now move in your witness statement to the question of supervision, and you say that one of the checks you have is that you have senior reporters sitting at the shoulders of more junior reporters. In theory, that sounds as if the benefit of the experienced reporter can assist that of the junior reporter, but we've had a lot of evidence about reporters competing with one another for stories. Indeed, the junior reporters hoping to get a permanent seat and the senior reporters hoping not to lose theirs. In practice, can you really effectively run a mentoring scheme?
A. Yes.
Q. Indeed, the junior reporters hoping to get a permanent seat and the senior reporters hoping not to lose theirs. So in practice, can you really effectively run a mentoring scheme?
A. Well, yes. That's how it does run. I would take issue that the senior journalists are living in fear of young whippersnappers. I think certainly on the Daily Mirror we have something of a reputation within Fleet Street of developing the young talent and bringing it on. We had a graduate trainee scheme which we're going to be reintroducing, so finding, discovering and nurturing talent is one of our great strengths as a newspaper, and as part of that process, senior members of staff help

Q. The position here was that your newspaper had alleged that a man with the name Smith had been charged with quite unspeakable child porn image offences and it transpired ultimately that there were two Mr Smiths.
A. Mm-hm.
Q. And you named the wrong one, didn't you?
A. Sometimes publish on the basis of a single source. Presumably that is commensurately more risky?
A. Yes, absolutely.
Q. I want to put some of the occasions on which everything has not gone right to you. There should be a bundle called "Trinity Mirror miscellaneous articles". Do you have that?
A. Yes. Was that the one you sent late Friday?
Q. Yes.
A. Right, okay, I have it.
Q. The one I'd like to put to you, Mr Wallace, is the recall, to be honest with you.
A. Yes, absolutely.
Q. The one that I'd like to put to you, Mr Wallace, is the court report blunder. In theory, that sounds as if the benefit of the experienced reporter can assist that of the junior reporter, but we've had a lot of evidence about reporters competing with one another for stories. Indeed, the junior reporters hoping to get a permanent seat and the senior reporters hoping not to lose theirs. So in practice, can you really effectively run a mentoring scheme?
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Q. And with a name as common as Smith, you need to be particularly careful to make sure you're getting the right one, don't you?
A. Yes.
Q. Does that point to an inadequacy of systems for checking material coming from agencies or was there a lapse in the system?
A. No, I think this plays into human error. It was highly regrettable, but it was a straightforward mistake, something that all of us do every day in some way, shape or form. Obviously Mr Smith -- for him, it was a very traumatic experience but the reporter made a mistake, and I think no amount of tightening up of rules or regulations can stop human error.

LORD JUSTICE LEVESON: I'm sure you said something to the Press Association?
A. Indeed. Very firmly.

LORD JUSTICE LEVESON: Yes, because actually everybody should be aware that -- I mean, it's a famous problem, isn't it, people with the same name?
A. Mm.

MR BARR: Another example the Inquiry has heard evidence about is that a picture of Sienna Miller on the floor was published along with a story that she was drunk at a party.

Q. So you took the editorial decision at the time, did you?
A. Yes.
Q. The truth was she was entirely sober and playing with a child whilst on a visit.
A. Yes.
Q. Can you help us with how it was that the corporate systems fell down on that occasion?
A. I'd like to split this into two halves: one, the story, and then we'll come back to the picture. The story was from somebody who was at the event, who had been judged to be a reliable source. That was clearly not the case; in fact, a very unreliable source. It's a long time ago, but as I recall there were attempts to contact Miss Miller's public relations representative. I don't know if conversations happened but we published a very inaccurate, in fact plain wrong, story. Two days afterwards, we had a complaint from Miss Miller's then lawyers. It became apparent very quickly that the negotiations between lawyers were going to be going at a somewhat glacial pace, so in consultation with my legal department, I said, "I want to publish a unilateral apology to Miss Miller, so that we cannot be accused at a later date of not seeking to rectify what was a horrendous mistake."
We published that apology, which was within four days, I think, if I recall, of the article being published, and I think it was another two weeks, around that period approximately, when finally the lawyers agreed whatever it is that they had to agree and we paid the charity of Miss Miller's choice £25,000 in damages.

Q. Do you agree with me that at best this was a vivid example of the perils of relying on a single source?
A. Absolutely. But also I think that we took the bull by the horns and, realising that we'd made a very large error, we wanted to correct it.

Now, if I can deal with the picture aspect. I think there was an allegation that we'd doctored the pictures or cropped -- or had done something with the pictures. Part of my picture editor's evidence in his bundle are the actual copies of the pictures taken at the time, and the decision was taken not to publish pictures of Miss Miller with children, (1) because of the obvious adult nature of the story, but more importantly is that we didn't have the permission of the children's guardian or parents, so to have a picture of her with, you know, young children in that environment of that story is -- I felt was not appropriate. And I'm very glad that I took that decision now, certainly with hindsight, because I think it would have been an even bigger mistake than we'd already made.

Q. Doesn't it strike you that if you had pictures of Sienna Miller with children, chances of the account that was being given to you being true were very dubious and that should have called for further checking?
A. Well, with hindsight, yes.
Q. You've said, I think, in places that editors act on instinct a good deal. Does the failure of instinct on occasions like this point to a need for more rigorous systems, such as double sourcing?
A. No. I think -- you know, looking at that point generally -- I mean, today is the 2,364th edition of the Daily Mirror on my watch. I have made some errors of judgment within my seven and a half years in the editor's chair but I think to view my record in its totality, that without wishing to appear immodest, I don't have a bad track record and probably could count on the fingers of one and a half hands real serious grave errors that I have made which have been down to my judgment, and to my mind, I don't think that a tightening of regulations or around my decision-making processes would necessarily be an answer to those issues.

Q. Can I move to some waters which you might find a little quieter, personally, to financial and commercial

A. Yes.
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1. pressures? Your evidence, along with that of many others, is that there is a lot of financial pressure on the industry at the moment.
2. A. Yes.
3. Q. Does that have any effect on the quality of training that you are able to provide to your staff?
4. A. No.
5. Q. Does it affect staffing levels?
6. A. Yes. One would always like more staff, but one has to be realistic about the challenging world we live in at the moment.
7. Q. Does it affect the extent to which you can go to check a story?
8. A. No.
9. Q. Does it affect the type of sources that you can and cannot afford to use?
10. A. No.
11. Q. Are you sure about that? Presumably you have a budget and can't pay any money for any story?
12. A. If there was a particular story that I thought was of great value to the paper, I've never had an issue with my corporate paymasters over money. If I need money for a particular project, they will give it to me, provided I give them a reasonable argument for wanting that funding.

Page 61

1. Q. Does it limit the number of in-depth investigations that the paper can conduct?
2. A. No.
3. Q. Does it lead to a temptation to rely upon and print material from public relations agents and agencies?
4. A. I think actually in some senses it sharpens one's senses.
5. Q. I'm moving now to page 19 of your witness statement, paragraph 67. You say: "After controversy surrounding the activities of private investigators emerged in earnest in 2011, I was verbally instructed to halt the use of such great value to the paper, I've never had an issue with my corporate paymasters over money. If I need money for a particular project, they will give it to me, provided I give them a reasonable argument for wanting that funding."
6. Q. Does it follow that private investigators were used up to 2011 by the Daily Mirror?
7. A. I'm not sure we did, but yes, probably.
8. Q. Are you able to help us with when you stopped using Mr Whittamore?
9. A. I believe it was August 2004.
10. Q. You move then in your witness statement to deal with the payment of external sources and you say that you're not aware of any payments to the police, but on occasion you have paid public sector employees connected with the health and prison services for information about prisoners or prison conditions. There is, in the bundle, an article about the crossbow cannibal --
11. A. Yes.
12. Q. -- as your newspaper styled him, Stephen Griffiths, being urged to make a death bed confession. There is a lot of detail in that story which appears to have come from within the prison hospital unit.
13. A. Mm-hm.
14. Q. Is that an example in which you paid to obtain information from the prison service or from prison service health workers?
15. A. I don't recall if we paid for any information that contributed to that story.
16. Q. If that's not a particular example, can we take it from your witness statement that on occasions people working for the prison service have been paid for information?
17. A. Yes.
18. Q. Is this confidential information?
19. A. Yes, probably.
20. Q. Do you think that that raises the same ethical issues as paying police officers for information or not?
21. A. No, because by and large I believe there is a public interest in -- if somebody is -- from the hospital is saying, "We have patients lying in the corridor, there's general chaos and here's some pictures, but I'd like some money for that", then you know, I'm quite happy with that because I think there's a strong public interest.
22. Q. So from a Data Protection Act point of view, you think the answer is that it's in the public interest?
23. A. Yes.
24. Q. Expenses and remuneration, just very quickly. Do you still make cash payments to sources?
25. A. We do on occasion, but quite rarely now.

Page 62

1. Q. Does it set the standard for the number of in-depth investigations that the paper can conduct?
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Page 63

1. saying, "We have patients lying in the corridor, there's general chaos and here's some pictures, but I'd like some money for that", then you know, I'm quite happy with that because I think there's a strong public interest.
2. Q. Do you move now to your second witness statement, which deals with your newspaper's coverage of the Christopher Jefferies story.
3. LORD JUSTICE LEVESON: Before we do that, Mr Barr, I think we'd better just have seven minutes.
4. (11.32 am)
5. (A short break)
6. (11.40 am)
7. MR BARR: We're going to resume by moving to the coverage of Mr Jefferies at the very end of 2010, the very beginning of 2011. It would be right, wouldn't it, that you, as the sitting editor, take personal responsibility for this?
8. A. Yes.

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Q. In addition with your responsibility arising simply from your position, as a major story with major front page splashes, is this something that you had personal involvement in?

A. Yes.

Q. You said in your witness statement that the values of Trinity Mirror and of the Daily Mirror were fairness, justice and compassion. Would you agree with me that on this occasion the Daily Mirror fell down on all three of those values?

A. Yes.

Q. The articles we don't need to go into in any detail. The Inquiry has seen them before and you have copies in front of you. It was a story which, it is clear from your statement, the paper threw a lot of resources at. A lot of enquiries were made --

A. Yes.

Q. -- to investigate Mr Jefferies. There were a number of off-the-record conversations with police that you tell us about and you summarise them in your statement at paragraph 10. Can I ask you to look in particular at the one at 10(c).

A. Mm.

Q. It says:

"In the article of 31 December, we reported that a source close to the police investigation said that it was believed Jo's murderer had tried to conceal her body. This information, to the best of my knowledge, came from one of the off-the-record briefings referred to above."

Was that typical of the sort of thing that you were getting from the Avon and Somerset police off the record?

A. Yes. As I set out in my statement, throughout these investigations it's not atypical the police provide guidance.

Q. Then if we move perhaps to what appears to the nub of the matter -- and I'm going to ask you if it is the nub of the matter -- at paragraph 11, you say:

"The police also gave more general guidance to the press. When Mr Jefferies was arrested on 30 December, the content desk informed me that off the record the police were saying that they were confident Mr Jefferies was their man."

Were you aware of that?

A. Yes.

Q. And what influence did that have on your decision to feature Mr Jefferies prominently in your newspaper?

A. Before I answer that, can I just say that I wish to express my sincere regret to Mr Jefferies, and particularly his family and friends who had to see this unfold. We obviously caused him and his nearest and dearest great distress, which I regret personally greatly, and I regard it as very much a black mark on my editing record.

But yes, that piece of information would have been probably front and centre of my thoughts when I was making decisions that evening.

Q. But it was plain that the police were still investigating and that you'd only been told off the record.

A. It is my understanding that there's a general appeal -- but it's much, much more than the police could make decisions that evening.

LORD JUSTICE LEVESON: Could I interrupt about that? I'm just a bit concerned about this. Do you have a view about off-the-record briefings of this nature?

A. In what regard? Whether they should be --

LORD JUSTICE LEVESON: Yes. Why --

A. I think it can work -- as I expressed, I think, in my first witness statement, is that the to-ing and fro-ing of information on a live investigation, certainly a high profile investigation, is often quite critical to finding -- you know, solving the issue. An example happened within this story, where we interviewed a pub landlord who had CCTV of Ms Yeates walking home, and I think it was if not the last, then certainly the penultimate piece of CCTV footage of her that evening.

The police had interviewed the landlord but neglected to take away for some reason this CCTV, so we highlighted in the paper that we had this CCTV. As a result, the police went back to the pub and asked for the CCTV footage because obviously it might have contained some help.

So the point I'm making is that there is a general to-ing and fro-ing behind the scenes because we can be helpful to any investigation.

LORD JUSTICE LEVESON: I understand that had entirely, and obviously there is an important dialogue to be had as to getting information or whatever. I can give an example from my own recollection, that during the investigation of the murders in Gloucester, I think -- I won't identify the tabloid but a tabloid newspaper found a photographer who had taken a photograph of one of the dead girls which was absolutely critical to part of the case. So I see the great value of the power of the press to help the police solve crime. What I'm really concerned about here is off-the-record briefings of opinion which may then colour how you present what you can present within the confines of the law. I'm not going into whether it's contempt or not -- I appreciate you have a view about that and you're pursuing an appeal -- but it's much, much more than the police could...
the McCanns. There are periodically coming along stories.

MR BARR: Thank you, sir.

A. I do.

I was asking about getting off-the-record information from the police and the influence that it had. The fact that it was off the record and the police were still investigating ought to have been a reason for treating it cautiously, oughtn't it?

A. Yes.

Q. What in fact appear to have happened is it sowed a firm idea in your mind as to who the culprit was and led to his vilification, didn't it?

A. Yes.

Q. As an editor with great experience, quite accepting that you have very properly described this as a black mark in your book, shouldn't it have been very clear to you that reporting about a murder investigation in these terms was very dangerous indeed, first of all to the reputation of Mr Jefferies?

A. Yes.

Q. And should have called for very considerable fact-checking?

A. Well, I think -- and I think you're seeing the journalists involved at a later date, but these are highly competent professional journalists who gathered facts.

Q. And secondly, from the point of view of the administration of justice. On 31 December, the Attorney General put out a statement about contempt, didn't he?

A. I mean, I can't really get too far into this because...
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<tr>
<th>Q.</th>
<th>How, in your view, would you learn from the mistake that you made on this occasion to avoid something like this happening again?</th>
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<tr>
<td>A.</td>
<td>I think Mr Jeffries’ name will be imprinted on my brain forever more. It will change very much the way I deal with any story of this nature in the future.</td>
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<td>Q.</td>
<td>Apart from that, is there any practical change that could be made to reduce the risk of something like this happening again?</td>
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<td>A.</td>
<td>I don't believe so, because ultimately it's down to the judgments of editors and, you know, as I found in this regard and other mistakes have been highlighted, we all make mistakes. I'm not seeking to downplay those mistakes or dismiss them; I'm just saying you can have as many safeguards and checks and balances in place as you would like but these errors are going to happen. It's about creating a climate, I believe, which makes all editors think perhaps a little bit longer than they have previously.</td>
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<td>Q.</td>
<td>Can I move now to some particular allegations that have been made about alleged phone hacking at the Daily Mirror. They concern Sven Goran Eriksson and Ulrika Jonsson. There are some materials in your bundle, tab 17.</td>
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<td>A.</td>
<td>Yes.</td>
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<td>Q.</td>
<td>Where had that tip come from?</td>
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<td>A.</td>
<td>I don't recall the exact nature of it, but it was from within the showbusiness department. It could have been -- I don't know. It could have come from anywhere, really.</td>
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<td>Q.</td>
<td>Did you ask any questions about the ultimate source?</td>
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<td>A.</td>
<td>I probably would have done because it was a fairly sensational story at the time, but I can't recall the exact -- I can't even recall who actually put the story forward, to be honest.</td>
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<td>Q.</td>
<td>So you're not in a position today to positively assert one way or the other what the source was?</td>
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<td>A.</td>
<td>That's right.</td>
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<td>Q.</td>
<td>Is it possible, even if you weren't told, that it was phone hacking?</td>
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<td>A.</td>
<td>It's possible, yes.</td>
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<td>Q.</td>
<td>Because there's been subsequent allegations in the press -- I'm looking first of all at tab 24. There's an article in the Press Gazette, July of this year, alleging phone hacking in relation to that particular part of Ms Jonsson's private life. There's also been, I think, allegations made by the political blogger Guido Fawkes.</td>
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<td>A.</td>
<td>Yes.</td>
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<td>Q.</td>
<td>Is the bottom line that you're not able to help us with the details but you're not able to rule out hacking?</td>
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<td>A.</td>
<td>No, this is -- as I said, I cannot recall. The reason I went into the then-editor's office is really quite straightforward. Piers had made his name being probably the most successful showbusiness journalist in recent memory and knew a lot of celebrities and agents personally outside his professional capacity. We'd had this information came in, and I thought rather than going around the houses and knowing that Piers knew...</td>
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| Page 73 |

| Q. | The extracts from Mr Morgan's book, "The Insider". Can I ask you to turn to page 330, by which time we're at 2002, Thursday, 18 April -- |
| A. | Mm-hm. |
| Q. | -- where Mr Morgan describes you coming into his office saying, "I think you may have to sit down for this one", and you looking even more pleased with yourself than usual, with a wicked grin on your face, saying, "You'll genuinely never guess", and then going into details about Ulrika Johnson's private life. |
| A. | Mm-hm. |
| Q. | My question to you is: how did you obtain that information? |
| A. | Well, at that point we'd only had a tip as such. It wasn't a confirmed piece of information, which is why I'd gone to the editor's office. |
| Q. | Where had that tip come from? |
| A. | I don't recall the exact nature of it, but it was from within the showbusiness department. It could have been -- I don't know. It could have come from anywhere, really. |
| Q. | Did you ask any questions about the ultimate source? |
| A. | I probably would have done because it was a fairly sensational story at the time, but I can't recall the exact -- I can't even recall who actually put the story forward, to be honest. |

| Page 74 |

| Q. | Ulrika and her agent well, I thought -- and he did this quite regularly. If there was a celebrity that he knew and that we had a story about, I'd go: "Can you make the call?" because it cuts through the agents and all the other periphery, and I think as he goes on to say is that he did call the agent, who confirmed the story and then he came out and told me that, yes, the story was true. |
| MR BARR: | Thank you very much, Mr Wallace. Those are all the questions that I have for you. |
| LORD JUSTICE LEVESON: | Can I ask something quite different? There's been a lot of concern that tabloid newspapers are different from other newspapers and that removing some of the fun from such papers is going to damage their commerciality. |
| A. | Mm. |
| LORD JUSTICE LEVESON: | I'd just like to test that with you, if I could. Nothing I have seen in what you've said suggests that your newspaper depends in any way upon stories that have been obtained inappropriately or might breach somebody's privacy. Is that right? |
| A. | Yes. I mean, unfortunately the Inquiry's come through the prism of celebrity, that somehow there's a -- that our papers are just full of celebrity scandal all the time and something must be done. I think, as you... |

| Page 75 |

| Q. | So you're not in a position today to positively assert one way or the other what the source was? |
| A. | That's right. |
| Q. | Is it possible, even if you weren't told, that it was phone hacking? |
| A. | It's possible, yes. |
| Q. | Because there's been subsequent allegations in the press -- I'm looking first of all at tab 24. There's an article in the Press Gazette, July of this year, alleging phone hacking in relation to that particular part of Ms Jonsson's private life. There's also been, I think, allegations made by the political blogger Guido Fawkes. |
| A. | Yes. |
| Q. | Is the bottom line that you're not able to help us with the details but you're not able to rule out hacking? |
| A. | No, this is -- as I said, I cannot recall. The reason I went into the then-editor's office is really quite straightforward. Piers had made his name being probably the most successful showbusiness journalist in recent memory and knew a lot of celebrities and agents personally outside his professional capacity. We'd had this information came in, and I thought rather than going around the houses and knowing that Piers knew... |

<p>| Page 76 |</p>
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<td>pointed out throughout the Inquiry and again today,</td>
<td>look at the trends and then look at the recent history</td>
<td>then I'm all for that, and I believe compulsory</td>
<td>20 (Pages 77 to 80)</td>
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<td>there is actually a lot of positive things and the</td>
<td>of the tabloid press in particular, there has been an</td>
<td>arbitration, an independent standards panel/ombudsman,</td>
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<td>papers are not just filled -- or certainly the more</td>
<td>improvement and there will continue to be an</td>
<td>are the way forward.</td>
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<td>well-regarded tabloid newspapers are not full of,</td>
<td>improvement. The main reason there will be is because</td>
<td>20 LORD JUSTICE LEVESON: But once you talk about compulsory</td>
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<td>frankly, salacious rubbish, and I think that one of the</td>
<td>the readers let us know. If there is rubbish in the</td>
<td>anything, somewhere along the line, somebody has to say,</td>
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<td>key drivers in all this -- and we've not really heard</td>
<td>Daily Mirror, my readers tend to let me know in the most</td>
<td>&quot;It has to happen&quot;, which means there has to be some</td>
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<td>much from them in this Inquiry thus far -- are the</td>
<td>blunt terms: &quot;Why are you doing stories about</td>
<td>form of backing to it.</td>
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<td>public themselves, who -- 7 million people buy the</td>
<td>ex-celebrities? Why do we have to read this rubbish?&quot;</td>
<td>8 A. Yes.</td>
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<td>tabloids each day, 20 million people read them. Another</td>
<td>They're the ones that let you know.</td>
<td>9 LORD JUSTICE LEVESON: I'm struggling to see how that could</td>
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<td>15 million or so buy weekly magazines. We are</td>
<td>happen without a piece of legislation, but in the very,</td>
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<td>a significant part of how the public get their</td>
<td>11 very far back.</td>
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<td>information, their entertainment, even to a certain</td>
<td>12 A. Yes, exactly.</td>
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<td>extent their education. So we're a significant force in</td>
<td>13 LORD JUSTICE LEVESON: So that's all I'm worrying about.</td>
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<td>the land, and by and large we take those</td>
<td>But the reason I say, &quot;Is it good or bad?&quot; is to press</td>
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<td>responsibilities very carefully.</td>
<td>it with this further question, which is that some people</td>
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<td>Frankly, I don't see that what this Inquiry is</td>
<td>have suggested that it would make you all very, very</td>
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<td>newspapers.</td>
<td>your newspapers. Do you think it would?</td>
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<td>LORD JUSTICE LEVESON: It most certainly isn't, and I'm</td>
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<td>happy to say that, but I ought to just say: I don't</td>
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<td>accept that it's simply the prism of celebrities that</td>
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<td>A. Oh yes, but they're the ones that got most attention is</td>
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<td>what I meant.</td>
<td>15 A. No. I'm being all tabloid, I'm sorry. But there has</td>
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<td>been -- certainly in -- I mean, one of the sources of</td>
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<td>great controversy is the whole issue of paparazzi</td>
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<td>photographers. There has been a real move, certainly</td>
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<td>during my editorship, of an acknowledgment of the</td>
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<td>behaviours of some of the extremes of this and positive</td>
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<td>ways of dealing with that and preventing it. So the</td>
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<td>climate, which I mentioned earlier, I think is changing</td>
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<td>and that there is a greater thoughtfulness and that will</td>
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<td>continue. It's not a case of: right, we're all going to</td>
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<td>be good boys today and then tomorrow ... I think if you</td>
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<td>19 A. I don't -- no, I don't think it would change the way</td>
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<td>I would want to publish the paper, but it would make me</td>
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<td>more mindful of certain issues, and frankly help</td>
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<td>concentrate the mind on certain issues.</td>
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<td>20 LORD JUSTICE LEVESON: Is that good or bad?</td>
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<td>21 A. That is a good thing. It can only be a good thing.</td>
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<td>I mean, I'm not proud of what we did to Mr Jefferies at</td>
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<td>all, and, you know, if there are ways, without obviously</td>
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<td>impeding our work, that we can lessen the chances of</td>
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<td>happening again without regulation and statute,</td>
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<td>22 A. I mean, for instance, when I took over as editor seven</td>
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<td>and a half years ago, the Internet as a real threat to</td>
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<td>the paper and the business was only really just</td>
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<td>emerging. Now it's front and centre of my thoughts.</td>
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<td>Actually, the structural changes that are going --</td>
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MR BROWNE: Indeed. I thought I'd just refer to where it
arise of intrusion on the child's privacy.
show the child because they didn't want any question to
deals with this issue at paragraph 37. The child wasn't
put in from Mr Ian Down, the picture editor, in which he
24 November. There is a witness statement that we have
she made when she gave evidence on, I think,
alleged cropping of the photograph. That was a charge
24 LORD JUSTICE LEVESON: Thank you. Is there anything else
you want to add?
25 MR BROWNE: Firstly he was asked about occasions when he'd
fallen foul of the criminal law and Mr Jefferys was
obviously one. During the break, we found a judgment of
the Divisional Court and Lord Justice Richards in
another contempt case involving a man called Jammer(?).
I'll hand up a copy of the judgment.
LORD JUSTICE LEVESON: Of course you may.
MR BROWNE: Firstly he was asked about occasions when he'd
fallen foul of the criminal law and Mr Partington says and as Lord Justice Richards
records, this was the first time in 15 years that an
important legal mark had been missed.
If you go to paragraph 34, you'll see that on that
case to my attention, reading an article about the
forthcoming trial of Mr Jammer, warned of the potential
dangers. He made what they call a legal mark,
paragraph 28, and regrettably there's some in relation
to the Yorkshire edition, some 10 per cent of the
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15 MR BROWNE: The other point relates to Sienna Miller and the
alleged cropping of the photograph. That was a charge
she made when she gave evidence on, I think,
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put in from Mr Ian Down, the picture editor, in which he
deals with this issue at paragraph 37. The child wasn't
cropped out. Photographs were selected which didn't
show the child because they didn't want any question to
arise of intrusion on the child's privacy.
LORD JUSTICE LEVESON: Mr Wallace, I think, said that.
MR BROWNE: Indeed. I thought I'd just refer to where it

A. Tina Lorraine Weaver.
Q. You have provided statements to the Inquiry, two of
them. I understand that before you confirm the accuracy
of their contents, there are two corrections that you
wish to make to the first statement. The first one is
in paragraph 20, on page 6, and I'm told that you want
to make a correction to the sentence: "The last government agreed to a study for the
children and grandchildren of the vets."
What is the change?
A. It originally was a study of the children and
grandchildren, but it changed to just a study of the
vets.
Q. Paragraph 42, page 11. I understand that you wish to
make a correction to the number of in third line, where
it says:
"The PCC currently deals with 10,000 complaints each
year through a system that is fast, effective and free
of charge."
Is it right that you wish to make an amendment to
the number?
A. Yes. I think the number is incorrect. It's 7,000 or
thereabouts.
Q. Subject to those corrections, are your witness
statements true and correct to the best of your
knowledge and belief?
A. Yes, they are.
Q. Can we start, please, with your career? Page 3 of your
first witness statement, you tell us that you've worked
in tabloid journalism for over 20 years?
A. That's correct.
Q. Your first national paper was the Sunday People, now the
People, and then you moved to the Daily Mirror to Today,
and then you moved back to the Daily Mirror and were
promoted before being promoted in April 2001 to be
become editor of the Sunday Mirror. I asked Mr Wallace
about whether journalistic culture in the tabloid papers
was the same across the tabloids or whether there were
discernible differences. He couldn't discern
differences. Do you agree with him?
A. Yes, I do.
Q. Whilst we're on the subject of your work for the

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- differences. Do you agree with him?
- A. Yes, I do.
- Q. Whilst we're on the subject of your work for the
-
Q. Can you help us with the source, please?

A. The information came in through the then editor, Piers Morgan. I was his deputy and he asked me to write it. He purchased it from Max Clifford -- I think that's a matter of record -- and he told Mr Morgan where he received the original information from, I believe.

Q. Thank you. If we now move to page 4 of your witness statement, where you tell us that you are and have been a member of the Press Complaints Commission since 2008, and you tell us a little bit about the PCC and its work. The Inquiry is quite familiar with this, and so please forgive me if I don't go into the details, but can I put these points to you, please? First of all, it is said in some quarters that one drawback of the PCC is that it doesn't have teeth. Would you agree with that?

A. Yes, I would.

Q. You will have heard me discussing and exploring with Mr Wallace as to what type of teeth in the future a regulator might have. Do you have any views?

A. I agree with the three-column structure that seems to be emerging from the various discussions that have been had here and outside of the Inquiry. I do think that the PCC has been very effective as a mediator. I look at the number of complaints that come in from members of the public, and -- when you sit on the Commission, you see the complaint from the original day the person has got in touch with the PCC. They are often not sure how to formulate or articulate the complaint, they're not clear about where it comes under the code, and I think the officers do a very good job at helping the public articulate that, and I think that element of it has been successful and should stay. It clearly doesn't have the power that is needed -- that was made quite clear during the phone hacking lack of investigation, where the PCC was misled by News International -- so I think if we kept the Complaints Commission largely as it is, perhaps looking at the panel, the commission and the make-up of it, but actually giving the standards arm greater teeth, with perhaps financial penalties against publishers or -- who consistently breach the code.

Q. I see. What about the criticism that it is really too dominated by the press and is not independent?

A. There's a greater majority of lay commissioners than editor -- I think the figure is 10 to 7 -- and normally, at any given time, there are less industry members in the room because you leave the room if the adjudication is about a paper within your group. We have 165 papers at Trinity Mirror, including the regionals. I don't sit in judgment on any of the regional papers.

I've been around the table. We have very, very robust debates about the rights and the wrongs of the story, and it's very rarely that the editors agree, so it normally goes to a vote and sometimes I'll agree with another editor, sometimes I won't. So I don't think there's a dominance of industry figures swaying the opinions.

If you look at the make-up of the Commission, you have a very high calibre of Lay Commissioners. We have a retired judge, a headmaster, a former chief superintendent. We had until recently a bishop. They're not the sort of people who are going to be swayed by newspaper editors.

LORD JUSTICE LEVESON: How were you appointed to the PCC?

A. The NPA. I was invited to join about three and a half years ago, I think. Editors rotate after three years, but as it's in a state of flux, we've stayed on until we know what the new --

LORD JUSTICE LEVESON: Are they all nominated by the NPA?

A. Yes.

LORD JUSTICE LEVESON: All the editors?

A. Yes, they are. It works quite well in that there's a fair representation of the industry in there. They have a red top editor, myself, a mid-market and the Sunday Telegraph editor too, because the challenges and issues facing different parts of the media are quite different at times.

LORD JUSTICE LEVESON: Who appoints the lay commissioners?

A. There's a nominations committee.

LORD JUSTICE LEVESON: So it's self-appointing?

A nominations committee of the PCC or PressBoF or what?

A. I'd have to check with the director of -- actually how it works, would --

LORD JUSTICE LEVESON: All right.

A. When we are looking or the Commission are looking for new members, they're normally inundated with applications, and we just -- I mean, Sir Michael Grade has just come on, Lord Grade, and -- a retired judge, as I said, and a senior lawyer from a law firm, retired lawyer.

MR BARR: How do you answer the criticism that was raised by Mr Desmond, that it's judgment by one's commercial rivals?

A. He's obviously entitled his opinion --
Q. Can it be substituted by the use of retired editors as opposed to serving editors?
A. I've heard that suggestion, obviously, at the Inquiry, but if you just look at the evidence of the two Sun editors last week, the former editor, Kelvin eventually McKenzie, and the current editor, the approach is entirely different now just to 20 years ago -- well, even five years ago, so I think you really need somebody who is serving with the challenges we face today to give proper input into the decision-making process.
Q. And voluntary membership. At the moment, there are various publications that have decided not to join the PCC club and therefore are effectively not controlled except by the law. Is it better to have compulsory membership than to have people electing to sit outside any form of regulation?
A. Yes. I think self-regulation can only really work if everybody's in the tent.
Q. We've heard various suggestions as to how that might be affected. One theory is: make it so attractive that it's a no-brainer, everybody will join. The other is: make it literally compulsory. Now, there are obvious problems with the first, in that how do you make it so attractive that everybody will always want to be in the club, and there may be some difficulties which need to be navigated in the second. What's your view on that particular dilemma?
A. Well, as we're talking about a new three-pronged approach to future regulation, the third prong of that being the sort of arbitration panel, if you like, which would hopefully deal with libel and privacy claims -- I mean, that would be a very attractive option to any newspaper publisher, if you could reduce the onerous costs we face in legal fees, and I think if you only had access to that arbitration panel if you're a member of whatever the new regulatory body is called, I think that would be the carrot, the incentive, to encourage membership.

A. Yes, that would be a good idea.
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I think everybody so far, including Mr Desmond, has indicated they would be willing to look and join a new regulatory body. I think there is a real willing in the industry to work together. I think we've heard the call to get together and come up with a solution. I think people really are doing that in consultation with Lord Hunt.

LORD JUSTICE LEVESON: Of course, you would want, wouldn't you, to require those who wished to complain about the press to go through that arbitral system. This was a discussion I had with Mr Barber, who expressed concern that his newspaper could be squashed by somebody with enormous amounts of money who would therefore put enormous pressure to suppress a story or not to publish a story or retract a story. How could you make it compulsory unless the law said, "This is the route you have to take"?
A. I agree with you. I think the arbitration arm, you would need legislation to underpin it to force -- to make it mandatory for people to use that before resorting to the courts.

I am sort of -- I have thought about that arbitration arm and it does seem extremely appealing. I'm still sort of not quite clear -- I know these are very much rough and ready solutions that need to be worked on --
LORD JUSTICE LEVESON: We're not really into solutions; we're into thoughts, ideas.
A. Yes, thoughts, ideas. I'm not quite sure how it would work in a prepublication way, whether there would -- you would -- would it have any --
LORD JUSTICE LEVESON: What you could do is you could go and say that if an editor wanted not to pre-notify, he would have to get the support of one of the panels or bodies.
A. Yes, that would be a good idea.
LORD JUSTICE LEVESON: And if he did, then that would be relevant to a hearing. If he didn't, or chose to ignore
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<td>1. what they said, that might be relevant to damages, if it got that far.</td>
<td>1. &quot;Well, you could change the statute&quot;, but actually they could always pass a new statute, so it doesn't actually go very far. One of the things that's concerned me about the debate is that everybody talks about the statutory regulation or self-regulation as though they are binary, that you either have to have one or the other. I'm not sure that there isn't, in the type of way that I've been discussing, some alternative mechanism that allows the industry, the business, with independent support, with perhaps some legal support, to identify the standards and to mediate short of resolving disputes.</td>
<td>2. LORD JUSTICE LEVESON: -- I'm trying to portray?</td>
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<td>2. A. Yes.</td>
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<td>3. LORD JUSTICE LEVESON: There are various mechanisms to do it, but again it requires, somewhere in the background, a piece of legislation. A long way in the background, I agree, because one doesn't want any suggestion of government regulation.</td>
<td>3. LORD JUSTICE LEVESON: But if you're going to have a mechanism that does allow fining somebody for lying to the standards people or whatever, then that has to be the law because otherwise you could never enforce it.</td>
<td>3. LORD JUSTICE LEVESON: No, but you'd want them in on the contract law which --</td>
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<td>4. A. No, I agree, and I think if there was some way you could keep the other two columns which have been discussed, of mediation in some form based on the current process and the standards committee -- which incidentally I don't think should have serving editors on -- if you could keep those free of legislation and then --</td>
<td>4. A. Could you not -- if you all sign up to it, if you all agree there are a set level of fines -- I mean, we have talked outside about a commercial contract under civil law. Would that not enforce it?</td>
<td>4. A. I'm not an expert on that.</td>
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<td>5. LORD JUSTICE LEVESON: All you need do is say that they are set up. But if one is going to say that the court, the arbitral mechanism, is entitled to have regard to what one of the other two says, then they have to be at least recognised.</td>
<td>5. LORD JUSTICE LEVESON: There are all sorts of issues there of contract law which --</td>
<td>5. LORD JUSTICE LEVESON: No, I won't ask you to discuss.</td>
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<td>6. A. Oh, yes.</td>
<td>6. LORD JUSTICE LEVESON: However much you say that the industry, the public, whoever, in some other way nominates people who serve on these things, they have to be recognised, otherwise there isn't a hook on which you can hang the use of that material, if you follow what I'm saying.</td>
<td>6. LORD JUSTICE LEVESON: -- which are not insignificant. The other snag with that, of course, is that that may or may not bind those who sign the contract, but it certainly wouldn't bind anybody who didn't sign the contract, which would include all those people who are complaining. They're not in a contract with you at all.</td>
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<td>7. LORD JUSTICE LEVESON: I'm not agreeing about anything. I'm still thinking about everything. You're not going to catch me out quite like that.</td>
<td>7. A. Yes, I do. I think I do and I think I'm in agreement, but I was hoping there was a mechanism in which there wasn't any legislation controlling the standards arm and the mediation arm. Are we in agreement there?</td>
<td>7. A. You mean non-industry people?</td>
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(+44) 207 404 1400  London EC4A 2DY
1 LORD JUSTICE LEVESON: I won't make decisions until the
2 summer, and indeed, it won't be a matter for me
3 ultimately anyway.
4 MR BARR: Can I ask you now to imagine a world without CFAs,
5 or at least without CFAs as we know them. Would your
6 point about legal costs, in principle, still hold good?
7 A. It's a CFA with success fees and our old friend
8 after-the-event insurance as well. I don't know. I'm
9 sure there would be some other mechanism to be hit by
10 huge costs, whatever. I don't think CFAs are going to
11 completely disappear. I know there is reform under way
12 and discussions under way, but I...
13 Q. I'm going to move on now from the PCC. You tell us in
14 your statement a little bit about the Sunday Mirror.
15 A. You sell approximately 1.85 million copies each week,
16 although there is a much larger readership, and you have
17 a team of 68 staff, so significantly smaller --
18 A. That's full-time staff. I do have part-time staff as
19 well.
20 Q. But it's a point that you're significantly smaller than
21 the Daily Mirror?
22 A. Yes.
23 Q. You work Tuesday to Saturday, so I should apologise to
24 you for ruining your weekend. You then go on at
25 paragraph 18 to say:

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1 "Each day, I chair an editorial conference."
2 And you describe how you reject some stories and
3 accept others for various reasons. Can I ask you: on
4 a paper with a staff approximately a third of the size
5 of the Daily Mirror, does that mean that you, as the
6 editor, make the decision on every story or not?
7 A. No, absolutely not. No.
8 Q. At paragraph 19, you're talking about your paper and you
9 say:
10 "Readers for many decades have come to expect
11 revelations and exposes of wrongdoing and bad behaviour
12 of the rich and famous from their Sunday paper."
13 Can I take it there's therefore a pressure on you to
14 deliver such stories?
15 A. It's not really a pressure, no. It's just something
16 that's traditionally been part of the fare of a Sunday
17 tabloid. It is less so now.
18 Q. Is that anything to do with developments in the law of
19 privacy?
20 A. Partly. I think we just try and reflect public opinion.
21 Our readers vote for us every week by buying the paper,
22 and sometimes if there's a revelatory story they don't
23 like, I will receive many letters complaining, so I try
24 to form my judgments on what I believe the readers will
25 like and find acceptable.

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1 newsroom, celebrities including Liz Hurley and
2 footballer Rio Ferdinand being a target and there's a
3 description, under the subheading "Dark arts", that
4 the source, one afternoon in the newsroom, saw Liz
5 Hurley's phone being hacked and a reporter listen to her
6 mobile phone messages and take a note of what was said.
7 Do you know whether or not that allegation is true?
8 A. I don't believe it to be true.
9 Q. Does it follow from your choice of words that this is not a matter which has been the subject of an
10 investigation?
11 A. Well -- no, no, it hasn't.
12 Q. Has the BBC's article been the subject of a complaint by
13 either your newspaper or by Trinity Mirror Group?
14 A. A complaint to the BBC?
15 Q. Yes.
16 A. No.
17 Q. Has any action been taken about it?
18 A. No. I think they know that we were unhappy about
19 unsubstantiated, non-specific, anonymous allegations
20 from seven years ago being presented as unearthing
21 evidence.
22 Q. The article goes on to say:
23 "Designated reporters would be doing it pretty much
24 every day."
Are you able to help us one way or the other as to whether or not that's true?

A. I don't believe it to be true.

Q. "One reporter who was very good at it was called the master of the dark arts."

Have you ever heard that nickname?

A. No, I haven't heard that term.

LORD JUSTICE LEVESON: Those paragraphs are general, but there's a specific allegation about one particular person, so presumably it would be possible to research all your stories about this particular person and see whether -- but you've not done that?

A. Sorry, which specific --

LORD JUSTICE LEVESON: On the bottom of the first page.

A. Leslie Ash? Yes, I did ask someone to look through the cuttings for that year to see if there's any story it could be relating to, but we drew a blank.

MR BARR: We're looking at the same names?

A. Leslie Ash?

Q. The bottom of the first page.

A. Second page.

LORD JUSTICE LEVESON: There's Liz Hurley and Leslie Ash, the same --

A. Well, it was a pretty unspecific allegation -- unspecific detail about Liz Hurley. The Leslie Ash one I did ask somebody to check out, yes.

MR BARR: Sorry, which one?

A. The Leslie Ash allegation.

Q. With what result?

A. I said they drew a blank as to what it could be referring to.

Q. Moving to the section of the article that's subheaded "Voiceover artist", it says: "At one point in 2004, it seemed like it was the only way people were getting scoops. If they didn't just randomly hack people in the news, they would use it to stand up stories that people had denied."

Have you ever heard any gossip to that effect?

A. No.

Q. Are you able to help us as to whether or not it's true?

A. I'm afraid I'm not.

Q. It then says that the source claimed that the Sunday Mirror hired a voiceover artist to imitate famous people in order to get information about them. Is that true?

A. I've never heard of that, no.

Q. "I was told he had successfully managed to get health records too," the source said.

Have you had in the Sunday Mirror's possession people's health records?

A. I don't believe we have, no.

Q. Did you ever hear such a message?

A. No, I didn't.

Q. Did you ever speak to Mr Morgan about such a message?

A. No, I didn't.

Q. There are allegations that on the Daily Mirror Mr Hipwell witnessed phone hacking by the showbusiness team. Were you ever aware one way or the other about whether or not the Daily Mirror showbusiness reporters were hacking phones?

A. No, I wasn't, I'm afraid.

Q. We're going to hear later on evidence from Mr Browne about the People. That will was phone hacking on the People. Do you know anything about that?

A. I wouldn't know, I'm afraid. We're completely separate papers.

LORD JUSTICE LEVESON: You're actually competitors with the...
A. We are.

MR BARR: Moving now to the question of self-certification.

We heard from Mr Wallace that every year, as an editor of a title in the Trinity Mirror Group, you have to sign a certificate. I'm looking at page 9 of your witness statement, if that helps. Your evidence points to a qualification at page 32 that you've added to your certificate?

A. That's correct.

Q. It's essentially pointing out that you can't give guarantees --

A. Yes, I am always nervous of giving assurances.

Q. -- that everything will be all right. It reads:

"It is not always possible to identify which stories are significant. All potential stories include an assessment of both downside and upside risk -- however, it is necessary to make judgment calls on the appropriate degree of risk identification, evaluation and management of a story by story basis. Many potential risks fall into the realm of the genuinely unknown or unforeseeable -- as such, it will never be possible to have a foolproof system of risk identification, evaluation and control in this area of our business."

So you're pointing out here that by certifying that your controls are in place, you're not giving a guarantee that everything is going to be all right?

A. Yes, I'm just pointing out that there are no certainties. You're never quite sure where something might go wrong. You try your best to ensure it doesn't, but occasionally it will do.

Q. I'm keen to explore why you felt it necessary to add this qualification. I'm thinking from the point of view of: what is the purpose of the certification? Can you help us with why you wanted --

A. I'm possibly just a cautious person. Before I sign anything, I would probably take legal advice and put something like that in. I think I'm just trying to point out that while we do everything we can to check that there are no mistakes and -- there will occasionally be times that there are mistakes made.

Q. If I can put it very bluntly, is this a mechanism which helps, in the event of some major problem, very senior managers to pin accountability at editorial level, or is it genuinely a mechanism which serves to reinforce and remind you of your responsibilities and to help you to raise or maintain your game?

A. I don't think it's either, actually. I think it's just good corporate governance, it's good business practice.
Day 26 - AM Leveson Inquiry 16 January 2012

1. media interest or prior to that. You say the use of
2. private investigators was banned by the company a few
3. months ago, as Mr Wallace told us.
4. Can I ask you in that regard then a bit about what
5. happened when the ICO published its two reports, "What
6. price privacy?" and "What price privacy now?" in 2006.
7. First of all, is the position the same as with the
8. Daily Mirror, that there has been no specific
9. investigation by the Sunday Mirror as to whether or not
10. its journalists acted illegally in its dealings with
11. Mr Whittamore?
12. A. Yes, that's correct.
13. Q. The table, if it helps you, ranked Sunday Mirror six in
14. the table, with 143 transactions from 25 journalists.
15. When were you first aware that there was an issue about
16. Mr Whittamore?
17. A. I'm not sure of the exact date. I would say it was
18. early 2004 when I believe he was being charged; is that
19. right?
20. Q. Forget the precise date. If we take the point in time
21. at which he was charged, did your newspaper use
22. Mr Whittamore after was charged? Do you know one way or
23. the other?
24. A. No, I do know we hadn't used him for about two years
25. prior to that.

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1. Q. Would you agree with me that if the matters concerned
2. are matters which need to be justified by the public
3. interest, if they are to be legal, 143 transactions with
4. 25 journalists raises a very big question about whether
5. or not transactions were illegal?
6. A. Well, yes, it does.
7. Q. And it would be rather surprising if all of them were?
8. A. It would be surprising, but I don't know.
9. Q. Does it follow from paragraph 34 that apart from the
10. reminders that we've heard were issued to behave
11. properly and there would be zero tolerance of data
12. protection breaches, there was no actual change to the
13. systems of corporate governance when the ICO published
14. his reports?
15. A. Well, I think it was an industry problem and the
16. industry reacted. There was a change to the code to
17. explicitly ban hacking into --
18. Q. My question is about corporate governance in the Mirror
19. Group. Is it right there was no change?
20. A. I don't quite understand what you're asking, I'm sorry.
21. Q. I'm asking if there was any change to the way the Sunday
22. Mirror did its business in relation to private
23. investigators?
24. A. Oh, the -- well, we weren't using private investigators
25. then, I don't believe, anyway, but I certainly spoke to

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1. LORD JUSTICE LEVESON: That won't help the person who is
2. complaining about your front page splash, will it?
3. A. No, it won't, sir, no.
4. MR BARR: Moving to the question of the perception of the
5. PCC, you tell us that newspaper editors take
6. adjudications from the PCC very seriously and as a
7. member of the PCC itself, it would be surprising if
8. you didn't, but one of your staff appears to have said
9. rather disparaging things to Mr Atkins about the PCC.
10. Do you think that there is a perception amongst
11. journalists that because it doesn't have teeth that it
12. doesn't matter all that much?
13. A. If you don't mind, could I just correct that she wasn't a
14. member of my staff, but -- I don't know if that's
15. relevant. She's a member of the People staff. I don't
16. thinking it materially matters. But no, I don't think
17. that's the case at all. I think -- judging by the
18. conversations I have around my newsroom with my
19. reporters about the code and their striving to stay and
20. comply with it, I don't think that's the view at all,
21. no.
22. Q. Moving to the question of sources, are you an editor who
23. will publish a story without knowing who the source is?
24. A. The simple answer is yes, but it also depends on a whole
25. range of other contributing facts.

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<table>
<thead>
<tr>
<th>Q.</th>
<th>How common is that?</th>
<th>Q.</th>
<th>with a series of allegations, and they didn't really</th>
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<tbody>
<tr>
<td>A.</td>
<td>Quite common. A lot of stories are just innocuous and</td>
<td>1</td>
<td>like what you were saying, it might be in their</td>
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<td>unremarkable by their nature, so I wouldn't know the</td>
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<td>interests to ring up a rival paper and present your</td>
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<td>source, but on the more controversial, contentious</td>
<td>3</td>
<td>story with their slant on it, so that your work then</td>
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<td>larger planks of the paper, if I don't know the name of</td>
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<td>appears elsewhere -- and it might be your exclusive, it</td>
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<td>the source, I will know where the source is in relation</td>
<td>5</td>
<td>might be your front page. That's occasionally</td>
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<td>to the story. I will try and ascertain how they've come</td>
<td>6</td>
<td>a consideration, but as I said, that is not the norm.</td>
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<td>about hearing the information.</td>
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<td>Q.</td>
<td>Do you agree that for you as an editor to shoulder the</td>
<td>Q.</td>
<td>Is fear of an injunction a consideration?</td>
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<td>responsibility for a story without knowing the source</td>
<td>A.</td>
<td>Occasionally.</td>
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<td>gives rise to risk?</td>
<td>Q.</td>
<td>So if the fear of an injunction is occasionally the</td>
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<td>A.</td>
<td>It does if I was just printing information without any</td>
<td>A.</td>
<td>problem, what's the difficulty with submitting to legal</td>
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<td>idea who was supplying it, but -- or how it had come</td>
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<td>process?</td>
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<td>about, but I normally know a lot about a story which has</td>
<td>11</td>
<td>A. Well, we're not not submitting to legal process in that</td>
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<td>a potential risk before I publish.</td>
<td>12</td>
<td>it's not mandatory. This issue, as we know, went to</td>
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<td>Q.</td>
<td>Can I move now to the question of prior notification.</td>
<td>13</td>
<td>Europe and it was decided that prior notification could</td>
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<td>This is really in stories which might invade privacy.</td>
<td>14</td>
<td>have a chilling effect on the freedom of speech and</td>
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<td></td>
<td>What I'd like to know is: when you give prior notice in</td>
<td>15</td>
<td>censor the way we operate.</td>
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<td>a case which might have a privacy aspect, do you</td>
<td>16</td>
<td>The other problem occasionally -- and I don't have</td>
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<td>hesitate about giving notice for any reason?</td>
<td>17</td>
<td>any examples I can give you, because as I said, this is</td>
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<td>A.</td>
<td>Yes, I do.</td>
<td>18</td>
<td>is not the norm, but occasionally it could happen that if</td>
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<td>Q.</td>
<td>Can you tell us more about your thinking?</td>
<td>19</td>
<td>you go to somebody on a Saturday afternoon, they will</td>
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<td>A.</td>
<td>What I'd say, the majority of times, in fact nearly</td>
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<td>seek injunctive relief, a duty judge will be called and</td>
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<td>always, we would go to someone before publication. It's</td>
<td>21</td>
<td>naturally they will err on the side of caution. They</td>
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<td>actually -- often it's essential because you might think</td>
<td>22</td>
<td>will perhaps want more information than can be</td>
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<td></td>
<td>of.</td>
<td>23</td>
<td>reasonably provided at that time, and so they will grant</td>
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<td>Q.</td>
<td>So how are you suggesting that in those circumstances</td>
<td>A.</td>
<td>occasionally.</td>
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<td>A.</td>
<td>Well, there's obviously no proof, but if you go to</td>
<td>Q.</td>
<td>Can you tell us more about your thinking?</td>
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<td>somebody and then, within half an hour, your rivals, say</td>
<td>A.</td>
<td>What I'd say, the majority of times, in fact nearly</td>
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<td>the News of the World when they were in existence, or</td>
<td>always, we would go to someone before publication. It's</td>
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<td>the Mail on Sunday, know about it -- I mean, you can</td>
<td>actually -- often it's essential because you might think</td>
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<td>only make assumptions.</td>
<td>of.</td>
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<td>Q.</td>
<td>You're suggesting there are leaks?</td>
<td>A.</td>
<td>Occasionally.</td>
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<td>A.</td>
<td>No, I'm suggesting it's sometimes in the interests of</td>
<td>Q.</td>
<td>Can you tell us more about your thinking?</td>
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<td>a person to put a story with the complexion they want on</td>
<td>A.</td>
<td>What I'd say, the majority of times, in fact nearly</td>
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<td>it, so if you went to an industry leader, for example,</td>
<td>always, we would go to someone before publication. It's</td>
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<td>you know everything about a story and you'll go to</td>
<td>actually -- often it's essential because you might think</td>
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<td>someone and they'll put a whole new complexion on it.</td>
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<td>So the majority of times it's something I will insist</td>
<td>Q.</td>
<td>But can you tell us more about your thinking?</td>
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<td>Occasionally -- and this is not the norm -- there</td>
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<td>Can you tell us more about your thinking?</td>
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<td>will be commercial reasons you might not go to someone.</td>
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<td>What I'd say, the majority of times, in fact nearly</td>
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<td>We work in a small, incestuous business where agents,</td>
<td>always, we would go to someone before publication. It's</td>
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<td>PRs and representatives have relationships and</td>
<td>actually -- often it's essential because you might think</td>
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<td>friendships on other papers and it might be something</td>
<td>of.</td>
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<td>that your staff have worked for weeks on, it might have</td>
<td>Q.</td>
<td>You're suggesting there are leaks?</td>
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<td>cost a lot of money, and it's very commercially damaging</td>
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<td>Occasionally.</td>
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<td>to see that information, which is your commodity, your</td>
<td>Q.</td>
<td>Can you tell us more about your thinking?</td>
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<td>wares, appear elsewhere as someone tries to sort of stop</td>
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<td>your story.</td>
<td>always, we would go to someone before publication. It's</td>
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<td>So how are you suggesting that in those circumstances</td>
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1 side of the coin, don't you?
2 A. Yes, I do.
3 Q. There's a real ethical issue there, isn't there?
4 A. Yes, there are ethical considerations too. It's not an
5 easy subject.
6 Q. And so how, in your experience, have you made judgments
7 about whether or not to give prior notice?
8 A. How I've explained, really. The majority of times we
9 do, it's not normally an issue.
10 Q. Forgive me, you have said that, but what I'm getting at
11 is whether the ethical side, fairness to the person
12 whose privacy you are about to invade --
13 A. Oh yes, definitely -- I will consider -- well, with good
14 public interest reason, I hope --
15 Q. You think, and the other person hasn't an opportunity to
16 challenge unless you give prior notice. Does that
17 ethical point, that the other person should have
18 a chance to say something in the name of fair play --
19 does that cross your mind?
20 A. Yes, it does.
21 Q. Is that taken into account?
22 A. Yes, it is.
23 Q. Where does it stand alongside the considerations such as
24 "my rival might get the story", "we might be sucked into
25 an expensive legal dispute"?

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1 A. It depends what the story is, really. It depends how
2 serious it is, how sure we are of it. In Rio Ferdinand,
3 for example, you know, I felt it was true, I felt there
4 was a good public interest reason and the judge agreed.
5 MR BARR: Sir, I'm about to move on to a different topic --
6 A. But as I said, it is very rarely that we do not go to
7 somebody. It is not the normal situation.
8 LORD JUSTICE LEVESON: Had you pre-notified Mr Ferdinand?
9 A. No, we hadn't.
10 LORD JUSTICE LEVESON: I mean, the point that's been made,
11 as I'm sure you appreciate, is that once it's out, the
12 damage is done.
13 A. Yes, I do. I do.
14 LORD JUSTICE LEVESON: All right. That's a convenient
15 moment to leave it until 2 o'clock. Thank you.
16 (1.00 pm)
17 (The luncheon adjournment)
18
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