I had with Mr Wallace. There must be some concern that off-the-record gets translated and is potentially harmful?

A. Yes. Yes, you're absolutely right, sir. I'd have thought that is the case. However, I would add that I think any off-the-record guidance tends to be restricted to the crime reporters, who are members of the Crime Reporters Association, and they sort of know the framework in which we're allowed to operate. Often the police would give some information to the Crime Reports Association and they wouldn't use it. I think it relied on trust and respect in both ways, but I think because of what's happened at the moment, the News International situation, it does worry me it's almost moved too far the other way. There's an almost paralysis in the contact between the media and the police and all the useful functions of that -- we just won't have those benefits going forward.

LORD JUSTICE LEVESON: I understand.

MR BARR: Can we move on now to relationships with politicians? You explain that you rarely have lunches with politicians. You've had one meeting and one lunch with the current Prime Minister before he was in power at his invitation. You met Gordon Brown on several occasions whilst he was in office, and equally, at

1. Q. Do you know whether any of your staff have met chief constables?
2. A. I don't know, but I would have thought the crime correspondent would have.
3. Q. I see. You explain in paragraph 58 that the relationship is mutually beneficial and based on trust.
4. A. I think I had lunch with Ian Blair with a number of other people but it is so long time ago I'm afraid I can't remember much about it.
5. Q. Have you met with any of his successors?
6. A. No, I haven't.
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Q. So do you explain to the politicians what stories would meet with your approval as an editor and those which wouldn't?
A. Do I explain what stories would meet with my approval?
Q. Yes.
A. I --
Q. You like this subject, not this subject, like this policy, not that policy?
A. We might talk about policies, yes. We might discuss policies. I don't have many meetings, to be honest.
Q. Do you get the impression that the politicians listen carefully to what you say the editorial line will be in relation to a particular policy?
A. I think they probably pretend to but I suspect they meet an awful lot of people and I'm not sure it has that much impact.
Q. But would you agree with other witnesses we've heard from that there's no doubt that as the editor of a newspaper with a seven-figure readership, your paper has influence over people's views and therefore is of importance to politicians?
A. I can see why politicians would want to communicate with 7 million or less, about 5 million readers, but I think our readers are very intelligent. I think they form their own views and I don't think it's really impacted their own views and I don't think it's really impacted

Page 5

by a health minister writing a piece for us. Sometimes we will ask cabinet ministers to write a piece. It often explains this complicated issue in the news. I think we asked Yvette Cooper to write a piece for us at the weekend about police cuts, for example. So it works both ways, and it directly puts across views and explanations and background reasonings to the readers.
Q. But it must be of importance to the politicians what your editorial line is going to be on matters within the Labour Party, for example of party leadership?
A. I don't -- yes, I suspect with party leadership it is, but it doesn't really -- they don't influence what we do. Well, they don't influence what I do, and I don't think our editorial line or our stories really influence them. I think it's quite a healthy relationship.
Q. Why are there such interactions between very senior politicians and very senior journalists, editors, if you're not influencing each other?
A. Are you talking generally or specifically the Sunday Mirror? Because I think they're quite different questions.
Q. If you do think there's a difference, could you explain, please?
A. I think we know about what has been perceived as

Page 6

the News International situation. I know Mr Wallace talked about that this morning and I think everybody perhaps did become too close, but I don't believe that's the case at the Mirror. I don't think our circulations -- we don't have as many papers as News International so I don't think that's the case. The Mirror traditionally for many years now has supported the Labour Party so I don't believe Conservatives would think it would be worth coming anywhere near us. They probably wouldn't want to.
Q. If the details are perhaps a little different for News International and for Trinity Mirror and the Sunday Mirror in particular, the general principle holds, doesn't it, that you have a large number of readers in whose votes the politicians are interested?
A. Yes, that is true.
Q. Can we move now to the public interest test. You set out various examples of how you have applied it, starting at 73. This section of your witness statement is page 17.
A. All right, sorry. Yes.
Q. It starts with a preamble in paragraph 71 in which you say that you think that a privacy law has been introduced as a result of a series of judgments and you don't appear to be a fan of this development; is that right?
A. Sometimes I think the interpretation of what's in the public interest is too narrow.
Q. So you're not saying that there shouldn't be a law which takes privacy into account?
A. Not at all, no. I think everybody is entitled to a private life. It's just as editors we spend probably a disproportionate amount of time trying to balance up articles 8 and 10 in a way editors probably never used to, 10, 15 years ago, and give it a lot of consideration. The Rio Ferdinand story we mentioned before. I think I wrestled with the competing tensions and I decided to publish.
I sat on that story for a couple of weeks while I wrestled with the competing tensions and I decided to publish.

Page 7

LORD JUSTICE LEVESON: But isn't it good that you did that?
A. No, it is good. It's what we should be doing. No, I agree.
LORD JUSTICE LEVESON: Everybody says it's judge-made law. The fact is that the Convention, which was written by English jurists in the aftermath of the war, has been part of the international responsibility for years and what happened by the Human Rights Act was to bring it into our domestic law, so there it is.
A. Exactly. As I said, it's just the way the law is at the
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25 A. No, the additional time is not an issue. I think it's really where the line is being drawn. I mean, it is very subjective, but it's really where the line is being drawn that concerns me. It's less of an issue now, but about a year ago there was a series of injunctions which seemed to rain down on us like confetti from rich, powerful men trying to keep their infidelities or wrongdoing out of the papers and I personally didn't agree with some of those injunctions.

24 LORD JUSTICE LEVESON: Actually, it's the same law; it's just how you try and balance the factors.

23 MR BARR: I can't go through all of the examples, many of which will have to be taken as read --

22 LORD JUSTICE LEVESON: They're all in your statement and they'll all be available for everybody to see.

21 LORD JUSTICE LEVESON: You're entitled to your opinion.

20 LORD JUSTICE LEVESON: You're getting quite close to saying that I think the two overlap at times, obviously, but I just think it's been interpreted too narrowly at times and I think things which I would consider in the public interest and I think readers would consider in the public interest are often deemed to be private by judges. Is that fair?

19 MR BARR: Well, it's your view, which you've made clear.

18 LORD JUSTICE LEVESON: And I agree with some of those injunctions.

17 A. Yes, that's correct.

16 MR BARR: A volunteer. Perhaps the next grade is when a newspaper advertises for people to come forward to reveal infidelities. Does your paper do that?

15 Q. A volunteer. Perhaps the next grade is when a newspaper advertises for people to come forward to reveal infidelities. Does your paper do that?

14 A. We don't advertise to reveal infidelities. We do ask people to come forward if they have stories we might like to publish, but that's not necessarily about celebrities. That could be about any wrongdoing. In

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MR BARR: If I understand you, you're saying in principle you're happy for freedom of expression to be balanced with rights to privacy in individual cases, but what concerns you is where the line is being drawn and the additional time that it takes you to --

A. No, the additional time is not an issue. I think it's really where the line is being drawn. I mean, it is very subjective, but it's really where the line is being drawn that concerns me. It's less of an issue now, but about a year ago there was a series of injunctions which seemed to rain down on us like confetti from rich, powerful men trying to keep their infidelities or wrongdoing out of the papers and I personally didn't agree with some of those injunctions.

Q. Feeling rather better about life since the Rio Ferdinand judgment, are you?

A. I'm feeling a lot better, yes.

LORD JUSTICE LEVESON: Actually, it's the same law; it's just how you try and balance the factors.

A. It is subjective but I do think there is -- a wider test could be really: is it in the public benefit? And

MR BARR: Indeed. Can I ask a question arising out of paragraph 76, which is about a kiss-and-tell story. Do you think there are ethical considerations about kiss-and-tell stories?

A. Could I just say we don't really use the word "kiss-and-tell". I will do a story about a relationship in which there's a legitimate public interest. It tends to be a word that commentators on broadsheets use to describe tabloid stories, if you don't mind me just saying that.

Q. Let's get down to the details. We're going to be dealing with theoretical mundane details before anybody gets excited. The version you give an example of, page 18 of your statement, Lord Strathclyde, is someone, a woman who comes forward to you --

A. Yes.

Q. -- wanting you to publish a story.

A. Yes, that's correct.

Q. A volunteer. Perhaps the next grade is when a newspaper advertises for people to come forward to reveal infidelities. Does your paper do that?

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MR BARR: Can I be clear about exactly what you're saying here? Are you aligning yourself with Mr McMullan, who came along earlier to this Inquiry --

A. No, not at all. Not at all. I'm promoting an idea, a suggestion that -- we are talking about suggestions and ideas going forward -- that I think at times the public interest is defined too narrowly today.

Q. So you're not --

A. I'm not promoting -- obviously people are entitled to privacy. Of course they are. It's not a black and

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1 fact, I think we had a very good expose of bailiffs and
2 the way they were treating the debtors as a result of
3 one of those call-ins, so -- I mean, this story
4 I wouldn't actually call a kiss-and-tell. It's a woman
5 who's come forward who is a single mother, who turned to
6 a cabinet minister for help with a CSA, so it's not
7 quite a --
8 Q. It's quite clear that this is a category, your story, of
9 a volunteer. I'm asking you now about people who come
10 forward because you have advertised that you are
11 interested in stories and prepared to pay for them?
12 A. Yes.
13 Q. As I understand your answer, you're saying you don't
14 specifically advertise for what I might have called
15 kiss-and-tell stories, but do you advertise generally
16 for stories?
17 A. Yes.
18 Q. And that would include people coming forward --
19 A. Yes, you're correct, yes.
20 Q. -- with stories about infidelities.
21 A. We said his favourite poem was Oscar Wilde's "Ballad of
22 Reading Gaol" and there's obviously an issue with that
23 Q. Yes.
24 A. I wasn't in the office.
25 Q. I mean, I'm afraid I was off at the time. It was new year and
24 -- I know you've heard from other editors, but
25 Q. And therefore I want to do this", and without going to
21 go back to it, one can't really test.
20 Q. Well, -- as to what you thought, so that if
19 nothing does come about it, then you can say, "This is
18 why we thought what we thought."
17 A. Yes. So.
16 Q. Do you think that it might be good practice in the
15 future for the use of subterfuge to be documented in
14 advance and the public interest reasons for it recorded?
13 A. Yes, I wouldn't be opposed to that at all.
12 LORD JUSTICE LEVESON: These aren't very common, presumably
11 in the light of what you say?
10 A. No, they're not, really. The way the PCC code is that
9 if -- for example, you can't just go on, as you call it,
8 a fishing expedition. You have to be acting on specific
7 information, which ironically -- I hate to refer back to
6 something you asked about me earlier, but -- it is a bit
5 of an irony, but the Starsuckers situation, for example.
4 If a newspaper had done that -- I know there's
3 a legitimate public interest in what he was trying to
2 achieve, but it was largely a fishing expedition
1 which -- sadly, had we done it on a newspaper, we might
2 have found ourselves in breach of the code.
3 LORD JUSTICE LEVESON: Yes, of course the risk of all that
4 is that the reporter says, "I have rock solid
5 information about X. I'm not prepared to reveal who
6 told me or why he or she told me, but this is all solid
7 and therefore I want to do this", and without going to
8 go back to it, one can't really test.
9 A. No, you're right. It's very difficult to make the
10 decision in advance. I think in this particular case we
11 were acting on information from a whistle-blower who had
12 approached us, so we knew. But it is the difficulty of
13 investigative journalism. You're hoping there's
14 a public interest at the end of an honest endeavour to
15 try and expose wrongdoing.
16 LORD JUSTICE LEVESON: No, I don't think I'd worry so much
17 about that, because if there is a public interest in
16 doing what you're doing, then you have the public
15 interest even if the story doesn't emerge at the end.
14 That, I think, is why Mr Barr was asking you whether it
13 was a good idea to record your public interest
12 reasons -- it might be subterfuge, it might be some
11 other conduct which would otherwise be in breach of the
10 code -- so that you have a record before it all
9 happens --
8 A. Yes, yes.
7 LORD JUSTICE LEVESON: -- as to what you thought, so that if
6 nothing does come about it, then you can say, "This is
5 why we thought what we thought."
4 A. Yes, that would be a good idea. It would be very
3 helpful.
2 MR BARR: Moving now from the examples that you've chosen to
give to another example. This is the case of
1 Mr Jefferies. Although your paper wasn't the subject of
0 the contempt proceedings, it was nevertheless the
- subject of criticism for its covering of the story,
- wasn't it?
8 A. Yes, it was. It doesn't diminish the crime, if you
7 like, but we did a very small five-sentence story,
6 and -- I know you've heard from other editors, sir, but
5 I'm afraid I was off at the time. It was new year and
4 I wasn't in the office.
3 Q. Yes.
2 A. We said his favourite poem was Oscar Wilde's "Ballad of
1 Reading Gaol" and there's obviously an issue with that
0
1 and we apologised.
2 Q. On reflection, an English teacher teaching Oscar Wilde
3 is not something from which anything much can be --
4 A. With the details. We apologised and we did get it
5 wrong, obviously. It was a bad decision.
6 Q. The articles are at the back of tab 5. It's rather
7 lengthier than you'd remembered, if you look at pages 6
8 and 7. That was the actual coverage. I think you were
9 referring, were you, to the column at the bottom right?
10 A. Sorry if I'm mistaken. I understood that the complaint
11 was about the small story on the right. Obviously it
12 doesn't diminish the impact it had on Mr Jeffries.
13 Q. Could you help us with where things went wrong and how
14 a repeat of this sort of coverage could be avoided?
15 A. I'm sorry because I wasn't in the office. It was new
16 year's eve, I think two nights before -- I was off that
17 week. It wasn't, on this particular occasion, involved
18 in the editorial decision-making so I don't quite know
19 why that happened but I think people recognise it was
20 a poor misjudgment.
21 Q. I see. Can I ask you now about whistle-blowing. You
22 have a whistle-blown policy, Trinity Mirror does, as a
23 group.
24 A. Yes, a whistle-blower's charter, yes.
25 Q. Does it get used much on the Sunday Mirror?

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| 1 A. I don't know. I don't believe so, but I believe they'll
2 probably approach HR. No one's come back to me.
3 Q. So as far as you're aware, can you recall a single
4 instance of the whistle-blowing policy being used?
5 A. No, I can't.
6 Q. Your second witness statement deals with the exchanges
7 between Mr Owens and Mr Atkins. We are, for the reasons
8 that Mr Browne explained this morning, treading
9 carefully on this ground and I don't want to ask you
10 about Mr Owens' state of mind. But you do say in this
11 witness statement -- I'm looking now at page 5 --
12 A. Sorry, I was looking at clause 5.
13 Q. Look at paragraphs 17 and then 20. You say in
14 paragraph 17 that while you were concerned by some of
15 Mr Owens' remarks and he too realises that he did make
16 some misjudged comments, it's only fair to point out
17 that he did try and explain that a lot of information
18 would be private and he did show he was conscious of the
19 issue of public interest, and then you quote.
20 Q. What did you like to ask you is: what realisation did he
21 communicate to you that he had made some misjudged
22 comments?
23 A. Sorry, I have -- I don't understand the question. What
24 realise -- at what point --
25 Q. You say: |

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| 1 "While I was concerned by some of Mr Owens'
2 remarks --"
3 A. Oh --
4 Q. "-- and he too realises he did make some misjudged
5 comments ..."
6 A. Yes. He'd already realised -- obviously, you'll go into
7 more detail when Mr Owens gives evidence but he realised
8 that it wasn't in the public interest at some stage and
9 he didn't even report his meeting to the news desk,
10 and -- so the news desk were also unaware of this until
11 the Guardian contacted us. And even if it had --
12 I would just like to say this story would never have
13 been published.
14 Q. Yes, you make that very clear in your witness statements

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| 1 and set out the reasons. You say you formed the
2 judgment that you don't think Mr Owens acted wisely and
3 you say that you did speak to him --
4 A. Yes, I did.
5 Q. -- once the story came to your attention.
6 Having spoken to Mr Owens about the matter, did you
7 circulate any reminder to your staff about anything
8 arising from the Starsuckers film?
9 A. I didn't actually feel it was necessary because I think
10 at the time there was sort of -- not disruption in the
11 official but concern, and so we discussed it among
12 ourselves but there was no formal email. But I did
13 speak to the desk and individual reporters who I spoke
14 to about it -- who I was talking to about it.
15 Q. The --
16 A. I think they realised, and I think Mr Owens did -- and
17 I know he's not here but I would like to say: apart from
18 this incident, he's a very, very good and professional
19 reporter.
20 Q. The film was released and the Sunday Mirror didn't cover
21 the release of the Starsuckers film or review it. Why
22 was that?
23 A. We have one page of -- we're a weekly paper, we have one
24 page of film reviews a week and to be honest, I don't
25 think our readers would be that interested. I think it
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1 was a Channel 4 film, wasn't it? We tend to cover the
2 big main releases which would have mass appeal. I don't
3 think the film did very well. I think it had a quite
4 limited appeal, if I recall. There's no specific reason
5 not to.
6 Q. There were very many things discussed between Mr Owens
7 and Mr Atkins. One was that Mr Atkins expressed a real
8 interest in celebrity stories. Is it right that
9 a newspaper like yours is very interested in celebrity
10 stories in general terms?
11 A. Yes. I mean, we try to reflect a national conversation
12 and most of our readers are interested in celebrity but
13 actually it's not the prime reason for buying the paper.
14 All our surveys say that big news stories is a first
15 reason, sport the second and celebrity comes in third.
16 So it's always been part and parcel of tabloid coverage
17 for many years, but ...
18 Q. If I can ask you to turn in tab 3 to page 9,
19 paragraph 50. Mr Owens said -- do you have that yet?
20 A. Sorry, I'm in the wrong place.
21 Q. Tab 3, page 9.
22 A. Sorry, I'm working off my bundle, not the one today.
23 Q. Anywhere, page 9?
24 A. No. I'm working off my bundle.
25 LORD JUSTICE LEVESON: It's 49004 in the bottom left-hand
corner. Right-hand corner, I'm sorry.

MR BARR: Looking at paragraph 50, it says:
1 "If someone has had that operation, then it is true,
2 correct, and you go to them. The problem you can have,
3 you always have, you can come to me and say, 'Fern
4 Britton has had a gastric band', and we go to Fern
5 Britton and she says, 'No, I haven't', and her agents
6 say, 'No, she hasn't.' We are in a difficult spot then
7 because it is a flat denial and it can happen. Often
8 they lie. But then you are faced with a situation
9 whereby we might say to you, 'Guys, look, we are not
taking any use of this information, but can you give us
10 anything else other than just your word? Is there
11 a document somewhere, a piece of paper? Is there an
document somewhere, a piece of paper? Is there an
12 email, something that would prove she had it?'"
13 It seems there that Mr Owens is raising two possible
14 uses of the material that was being offered. One, he's
15 suggesting that if a newspaper has information about
16 a story, it can be used to be put to the subject of the
17 story, and if the subject of the story confirms it, then
18 it can be published. That's what he's suggesting, isn't
19 it? In this case, using the example of Ms Britton.
20 A. It does appear to be.
21 Q. Would you agree with me that if the information in the
22 first place is obtained illegally, that is problematic,
23 isn't it?
24 A. Yes. As I said, we would never have published this
25 story.
26 Q. Secondly, he says, the information could be used
27 essentially to barter for a different type of story.
28 "If we don't publish this, then will you give us a story
29 on that?"
30 A. I'm not sure that is what he means. You would probably
31 have to clarify that with Mr Owens.
32 LORD JUSTICE LEVESON: I wonder whether he doesn't mean
33 "Here's a way of distinguishing the flat denial from the
34 admission", because actually you have some mechanism to
35 stand the story up.
36 A. Also, I think the problem is when you're meeting
37 people -- and of course, we do have a lot of call-ins --
38 you don't know if they're hoaxers, liars or genuine
39 people. So you go along and you assess and you evaluate
40 and part of that process is engaging with someone, if
41 you like, sort of pretending to get on with them.
42 That's one of the things that journalists have to do.
43 You meet all sorts of people you probably wouldn't want
44 to spend your time with but you pretend to get on with
45 them. I think that's all he was doing and I think --
46 obviously, I wouldn't attach the sort of importance to
47 this as I would if he was here in evidence, giving

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Mr Jefferies --

A. Mr Jefferies, yes. I'm afraid --

Q. -- that it says:

"Suspect in poem about killing wife. Exclusive by
Nick Owens and Alistair Self."

Is that the same Nick Owens?

A. He didn't write that story. His name shouldn't be on it. Because we were on a bank holiday weekend, he sat on the desk and he put the story through to the back bench, and he's rather upset his name is on it. He's obviously heard what Mr Atkins said in his statement.

Q. Well, if he put the story through to the back bench, does that mean he formed part of the production chain, as it were?

A. If he was on -- if he was in the role of news editor, but he wasn't. He was merely helping move copy through. He didn't write and story and he wasn't involved in it --

Q. In its writing, but was he involved in its editing in the broadest sense?

A. No, he wasn't. He was literally a reporter who had -- or who had helped support the news desk on that particular day.

Q. So why is his byline on it?

A. It shouldn't have been. It really shouldn't have been.

---

It's just one of those things. It shouldn't have been.

Q. A final question: do you think it is important that bylines are accurate?

A. Yes, I do. I do, and that shouldn't have happened. But in the heat of -- you know, newspapers work under enormous pressure and have to make very quick decisions a lot of the time when things get put through and he might have answered some -- I don't know. I don't know why it was put on, but it was a mistake and it shouldn't have happened.

MR BARR: Thank you. Those are all my questions.

LORD JUSTICE LEVESON: Thank you very much. Can I just ask you one of the questions I asked Mr Wallace: do you think that the interest in papers such as the Sunday Mirror would be diminished or the type of stories that you write would be reduced by the sort of approach to propriety and the ethics that we talked about being rather more clearly enforced?

A. I'm not sure, because obviously here, for all the right reasons, we're hearing all the negatives about the paper, but I actually think that my staff are sort of very businesslike, professional and ethical in their conduct. Of course over a period of time there will be -- you can find the worst examples.

LORD JUSTICE LEVESON: But on that basis, the answer to my question is no, it wouldn't be different.

A. Exactly. No, it wouldn't be different. I'm wary of a constant log that people have to fill in, because I think it restricts just free flow of information, because people are wary -- just wary of things being written down about them, and the other more practical reason that you operate at a very fast pace and if we record conversations all the time, which is something I know you brought up with other editors --

LORD JUSTICE LEVESON: The only log that I'm actually contemplating is in relation to these difficult decisions. If you're provided with a story about -- a news story which doesn't involve doing any more than gathering the news, and of course commenting on it, as you're entitled to do, then the story will speak for itself. If you've been given information by a person about themselves, then again there is no internal dialogue that's necessary. But if you are deciding: is this appropriate to publish for public interest, what is the balance?

A. Yes.

LORD JUSTICE LEVESON: Which you've said occasionally happens --

A. It happens very frequently, actually, weighing up the balance on the public interest, I'd say.
Q. You explain that in 2010 the column won the Cudlipp Prize for excellence in tabloid journalism presented at the annual awards ceremony by the Press Gazette. You have been shortlisted four times. You've twice won the Consumer Journalist of the Year award presented by the Trading Standards Institute, an award which is open to journalists in any media.

Your statement is being taken as read and has been considered by the Inquiry, so I won't go through it all, but in short, you explain to us some of the problems that you had in practice tracking down people who are fraudsters.

A. Yes, certainly. Fraudsters, by their nature, tend to make it hard to be found, not just by journalists like me but possibly by the police or trading standards, and not least by the people they've ripped off, who are likely to be quite unhappy. Some can go to great lengths to hide, others are less successful.

My concern about prior notification is that if it becomes an obligation to contact someone before you write about them, then the crooks, who are most successful at going to ground, are the ones you won't be able to write about. It also follows, I think, that they are the ones who have been the most successful rip-off artists because they then have the wherewithal to, for example, incorporate their company overseas or set up overseas PO Boxes or even be physically based overseas.

I was going to give you a quick example of two people running the same scam. One was quite easy to track down, another very hard. There was a more successful one who had made millions of pounds by ripping off the public who had fled overseas with his money.

Very briefly, the situation was this. It's a fairly modern scam and a rampant one. It's called land-banking. The FSA estimates that the public loss is about £200 million. Late last year, I looked at this issue and I found -- actually I found three people who had been running land-banking scams, which, very briefly, involve selling plots of fields to the public, planning permission for, say, housing. This never happens and the poor investors are left with worthless bits of field somewhere in the country.

I found the directors of -- three directors of two companies that had been put into compulsory liquidation in the High Court in the public interest in various parts of the UK, partly because they were stupid enough to have personal licence plates on their cars, which

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<td>1</td>
<td>A. -- which spring to mind, as you've just mentioned, but I can see the arguments for doing it.</td>
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<td>LORD JUSTICE LEVIEWSON: Thank you. Thank you very much.</td>
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<td>MR BARR: Sir, our next witness is Mr Penman.</td>
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<td>4</td>
<td>MR ANDREW WILLIAM PENMAN (affirmed)</td>
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<td>5</td>
<td>Questions by MR BARR</td>
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<td>MR BARR: Mr Penman, you've provided an eight-page witness statement to the Inquiry. Are the contents of your statement true and correct to the best of your knowledge and belief?</td>
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<td>7</td>
<td>A. They are, yes.</td>
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<td>8</td>
<td>Q. Thank you. The topic of your witness statement is the subject of prior notice.</td>
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<td>9</td>
<td>A. Yes.</td>
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<td>10</td>
<td>Q. You tell us that you write the Penman and Sommerlad Investigate column in the Daily Mirror, which first appeared in January 1997.</td>
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<td>A. Under a different name then. We had slightly different personnel at the time.</td>
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<td>Q. And the purpose of the column broadly is to conduct consumer investigations into wrongs which have been alleged by the readership?</td>
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<td>13</td>
<td>A. In the main, yes.</td>
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made them a little bit easier to find than might otherwise have been the case.

There was a director of a fourth company, and this particular company had ripped off the public for around £20 million. That's not my guess; that's the figure given by the liquidator of the company, and the individual, the sole director, had done a bunk. He'd left to a -- last heard of by the liquidator in Cyprus and even the liquidator had no -- the liquidator had met him in Cyprus but in neutral territory, it was a hotel, and had no further contact details for this person, and I certainly had no way at all of getting in contact with him.

So if prior notification is going to become the law, the result will be: I could have run a story about those first three directors who I found and contacted, but not about the fourth director, who was the biggest offender and who ripped off the public for the largest sum of money.

Q. If we accept the principle, for the purposes of argument, that giving fraudsters advance notification is difficult and sometimes impossible, and the better the fraudster, very often the better hidden he is as well, you raise a concern about compulsory prior notification. You then go on to discuss in your statement -- and I'm looking now at paragraph 17 -- the possibility of having some exemption, if there was, against your wishes, compulsory prior notification, and you discuss the sorts of bodies that might need an opt-out: the Advertising Standards Authority, the Office of Fair Trading, district councils, parish councils and so on. We see that it might not be an altogether easy solution.

Can I suggest this to you for your consideration:

There was a director of a fourth company, and this particular company had ripped off the public for around £20 million. That's not my guess; that's the figure given by the liquidator of the company, and the individual, the sole director, had done a bunk. He'd left to a -- last heard of by the liquidator in Cyprus and even the liquidator had no -- the liquidator had met him in Cyprus but in neutral territory, it was a hotel, and had no further contact details for this person, and I certainly had no way at all of getting in contact with him.

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So if prior notification is going to become the law, the result will be: I could have run a story about those first three directors who I found and contacted, but not about the fourth director, who was the biggest offender and who ripped off the public for the largest sum of money.
MR BARR: Good afternoon. Could you give the Inquiry your full name, please?

MR BARR: If we're going to argue, does that mean I'm being reasonable in attempting to contact them? They might say, "Look, we get 8,000 emails a day. How can you expect us --?

A. Indeed. If mine's just one query amongst lots of other complaints, then they could -- reasonably, a lawyer might argue -- they could argue that I didn't fairly try to contact them.

Q. Not argue successfully though, in those circumstances.

A. I don't know. I would never like to say what a court might find.

MR BARR: Good afternoon. Could you give the Inquiry your full name, please?

MR BARR: Thank you very much. I have no more questions.

LORD JUSTICE LEVESON: Thank you.

A. Okay.

LORD JUSTICE LEVESON: Thank you.

A. Thank you.

MR BARR: Sir, the next witness is Mr Embley.

MR LLOYD WILLIAM EMBLEY (sworn) Questions by MR BARR

A. Lloyd William Embley.

Q. You've provided two witness statements. To the best of your knowledge and belief, are the contents true and correct?

A. Yes.

Q. You tell us that you are currently the editor of the People in November 2007?

A. That's correct.

Q. When you were appointed as acting editor of the People in November 2007, were you given any particular training for that role?

A. No.

Q. Were you given any training when your position as editor was confirmed?

A. No.

Q. Were you given any briefings or instructions particular to your role as editor?

A. As both acting and being made editor, confirmed as editor, I had a conversation with the chief executive and when I was made acting editor, I had a conversation with the chairman.

Q. You tell us that you had a production background in your career prior to becoming editor --

A. At the Daily Mirror, yes. Before that, eight years in regional newspapers, but at the Daily Mirror.

Q. And you explained to us what production means, which is, for example, deciding where to place stories in the papers, how to project the story, writing headlines, selecting the pictures, drawing the pages, rewriting the copy to fit the projection, checking facts and details and taking information feeds from a number of different sources; is that right?

A. That's correct.

Q. We've seen some examples of headlines and a lack of fact-checking causing problems. One was the Charlotte Church story, the Marry-oke(!?) headline and the following story, which, I think you would accept, turned out to be completely false?

A. I do accept that and we carried an apology. Proceedings are active as well. I just point that out.

Q. Indeed. Can I ask you this: what was it that went wrong that led to an inaccurate story being printed with the headline "Marry-oke"?

A. Ultimately the decision that having put in a number of calls to Charlotte Church's representatives and not hearing back, at approximately 5 o'clock on a Saturday afternoon I made the decision to go ahead with the story. My mistake.

Q. Was it a single source --
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<td>1 A. Single source. I based my decision on the fact that the reporter, the freelance reporter who had provided the story was someone of extremely good reputation, a former chief reporter of the Daily Mirror who had been a provider of stories in the past but had never posed a problem, I believe from the same source, and on that basis I made the decision to carry on the story. Clearly that was incorrect.</td>
<td>1 Q. Do you ever discuss -- and I use the word &quot;discuss&quot; deliberately; I'm not suggesting anybody's telling you what to do -- the line the paper takes, the editorial line, with the board? 2 A. No. 3 Q. Do you ever discuss it with advertisers? 4 A. No, although I do meet with advertisers. 5 Q. And shareholders? 6 A. No. 7 Q. You explain buying an exclusive story doesn't always guarantee a circulation lift, so a sense of balance is required when considering buying such stories, and you say that in terms of the title's profit and loss account, the biggest impact you have is managing costs? 8 A. Correct. 9 Q. If you have to keep costs down in order to keep profit up, does it mean that you have to be careful about how much you spend and the lengths you go to check a story out? 10 A. I'm not sure I follow the question. 11 Q. So what is it, in your opinion, that keeps circulation high? 12 A. Well, it's a combination of things. You build up loyalty over a period of time. Marketing is the most effective tool for a weekly spike, as we would call it, but a good story can occasionally sell extra copies, of course, yes, and in some cases a lot of extra. Richard Hammond -- for example, when I was at the Mirror, Richard Hammond's near death sold a lot of copies, as did Paul Burrell. 13 Q. Can I ask now about the PCC. Do you have a view about whether or not the PCC or whatever body should regulate the press in the future should have more teeth? 14 A. I believe it should have more teeth, yes.</td>
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<td>11 Q. So the difficulty arose from relying on a single source and not having actually made contact with the subject? 2 A. Made contact; not having heard back. Several answerphone messages were left. 3 Q. So on reflection, presumably the answer would have been to leave it for the next weekend and to get in touch in the meantime? 4 A. That would seem to be the right course of action, especially as Charlotte is obviously after damages of up to £100,000 now, so -- presumably the £100,000 she didn't get from Mr Murdoch's birthday party singing.</td>
<td>12 A. Correct. 13 Q. To leave it for the next weekend and to get in touch in the meantime? 14 A. I believe it should have more teeth, yes. 15 Q. That's correct, yes. 16 Q. Was the timing coincidental or not? 17 A. The timing was based on the fact that the story happened, unfortunately from my perspective, embarrassingly, only a few weeks before the Inquiry started, and the decision was taken by me that it was more important -- we were trying to get agreement with Charlotte Church's lawyers on wording of an apology, et cetera, et cetera. They weren't happy but I took the view that it was better to put something in to correct the facts of the story, at least, and down the line we can decide what needs to happen between us and Charlotte's lawyers. 18 Q. So is it right that the apology that was issued was a unilateral one at the time and not an agreed one? 19 A. Correct. 20 Q. Moving to now, the next section of your statement deals with financial commercial pressure and incentives. 21 A. Yes.</td>
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<td>14 Q. Could you take the view that it's just going to be too expensive to get to the bottom of whether a story is true and accurate and therefore decide not to pursue it? 15 A. I can't think of an occasion where that's happened. 16 Q. Do you get circulation boosts ever from exclusive stories? 17 A. Yes, and not necessarily exclusive stories. Sometimes stories. They may not be exclusive. Jimmy Savile's unfortunate death was not by any means an exclusive story. I put it on the front page; others didn't. 18 Q. So what is it, in your opinion, that keeps circulation high? 19 A. Well, it's a combination of things. You build up loyalty over a period of time. Marketing is the most effective tool for a weekly spike, as we would call it, but a good story can occasionally sell extra copies, of course, yes, and in some cases a lot of extra. Richard Hammond -- for example, when I was at the Mirror, Richard Hammond's near death sold a lot of copies, as did Paul Burrell. 20 Q. Can I ask now about the PCC. Do you have a view about whether or not the PCC or whatever body should regulate the press in the future should have more teeth? 21 A. I believe it should have more teeth, yes.</td>
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Q. What teeth do you have in mind?
A. "Teeth" I think probably means money.
Q. So fines?
A. There needs to be some kind of fines system, I think.
That has to be -- yeah, some kind of contract, possibly, between us -- clearly, all publishers have to be involved. What we have at the moment obviously doesn't stand up to a great deal of scrutiny because we have one publisher who is out of it.
Q. What do you advocate is the best mechanism for ensuring that everyone is included?
A. I think a contractual obligation is probably the solution I have in my mind at the moment. Whether that's the right one or not, I don't know. Of course, if someone says no, I don't quite know -- I haven't, in my mind, got to where we are with someone who says, "No, I don't want to join, I'm not signing the contract."
Q. So you recognise there may be some shortcomings with that?
A. Well, clearly, yes, but the overriding view as far as I'm concerned is that we have to get everybody involved.
Q. How is independence guaranteed? Independence both from government and from being seen as a regulator which is just far too close to the press?
A. Whatever the new body is I think needs to have more than one arm, for sure. It would be dangerous if there were not some current journalists involved in the process. Apart from anything else, particularly when you talk about the popular press, I'm not sure there are necessarily past journalists out there who you would want on the body anyway necessarily because time has passed and the way we operate has changed so much. So I think there needs to be some kind of representation of current editorial. Having said that, that may be a far less important part of the new body and not connected to, possibly, the other arms. The arm that may be responsible for fines, for example.
Q. You say towards the end of paragraph 21 of your witness statement, Mr Embley, page 5 --
A. My first witness statement?
Q. Yes. I'm reading the last two sentences of paragraph 21:
"In my opinion, the regulatory framework has been subjected to recent criticism as a result of a series of events that happened some time ago (and which also led to the establishment of this Inquiry). In my experience there has not been a failure to act on previous warnings about media misconduct."
I'd like to ask you to reflect on that statement for a moment.
Q. What do you have in mind?
A. Yes.
Q. It was rather a long time before I was born, at least, the Royal Commission in the immediate post war years. We then have had Calcutt. Since then we've had the ICO writing about data protection issues and now we've had the hacking scandal.
Q. How is independence guaranteed? Independence both from government and from being seen as a regulator which is just far too close to the press?
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<td>1. A. I think, as we've heard, there was a meeting or two with the chief executive and the then editors, of which obviously I wasn't one, where the zero tolerance policy was made clear. So in my time, certainly, we have not used private investigators.</td>
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<td>2. Q. In terms of the hacking scandal, as that broke, what was done on your newspaper to deal with that as an industry issue?</td>
<td></td>
</tr>
<tr>
<td>3. A. What was done on it?</td>
<td></td>
</tr>
<tr>
<td>4. Q. Yes.</td>
<td></td>
</tr>
<tr>
<td>5. A. In terms of ...?</td>
<td></td>
</tr>
<tr>
<td>6. Q. Can you tell me whether anything was done?</td>
<td></td>
</tr>
<tr>
<td>7. A. No. I do not believe any hacking has occurred on my newspaper. I'm certainly not aware of any. I've never asked anyone to hack a telephone. I've never seen anyone hack a telephone. I've never heard anyone else ask anyone else to hack a telephone.</td>
<td></td>
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<tr>
<td>8. Q. That wasn't quite my question. My question was really directed at whether your newspaper did anything to prevent such occurrences.</td>
<td></td>
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<tr>
<td>9. A. No, because I was reassured in myself that it wasn't occurring.</td>
<td></td>
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<tr>
<td>10. Q. So when you say that there's not been a failure to act on previous warnings, you're really saying nothing's been done, but you don't think anything needed to be done?</td>
<td></td>
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<tr>
<td>11. A. Certainly since I've been editor, that would be my view, yes.</td>
<td></td>
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<tr>
<td>12. Q. You go on to tell us a little bit about the People. You sell 800,000 copies or thereabouts every Sunday. You have a readership of 1.8 million, an average age of reader of 52. Like your sister papers, you run campaigns.</td>
<td></td>
</tr>
<tr>
<td>13. A. Yes.</td>
<td></td>
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<tr>
<td>14. Q. You explain some of those to us, particularly those concerning energy and saving at the great British high street. Unlike your sister papers, you're politically independent in alignment?</td>
<td></td>
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<tr>
<td>15. A. We are now, yes.</td>
<td></td>
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<tr>
<td>16. Q. You tell us that that is the case having historically supported Labour and you tell us that you took that decision personally.</td>
<td></td>
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<tr>
<td>17. A. I did.</td>
<td></td>
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<tr>
<td>18. Q. Can I ask you a bit about how that decision took place?</td>
<td></td>
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<tr>
<td>19. Did you tell any member of the board that you were proposing to change the allegiance of --</td>
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<tr>
<td>20. A. I spoke to the chief executive about it.</td>
<td></td>
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<tr>
<td>21. Q. Did you speak to anybody else on the board?</td>
<td></td>
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<tr>
<td>22. A. No.</td>
<td></td>
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<tr>
<td>23. Q. Did you speak to shareholders?</td>
<td></td>
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<td>24.</td>
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<td>25.</td>
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<th>Page 51</th>
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<tbody>
<tr>
<td>1. A. No.</td>
<td></td>
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<tr>
<td>2. Q. Did you speak to advertisers?</td>
<td></td>
</tr>
<tr>
<td>3. A. Not before. Afterwards I did, as part of my -- because it was part of a wider relaunch of the entire paper. So having relaunched the paper, part of which was to move it to being politically independent, I then went and made presentations to 10 or 12 media buying agencies, at which point it was discussed, yes.</td>
<td></td>
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<tr>
<td>4. Q. I see. So before the decision was made, you're saying that it was your decision, one which you consulted the chief executive about?</td>
<td></td>
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<tr>
<td>5. A. That's correct.</td>
<td></td>
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<tr>
<td>6. Q. Was the chief executive supportive of the decision?</td>
<td></td>
</tr>
<tr>
<td>7. A. Yes.</td>
<td></td>
</tr>
<tr>
<td>8. Q. If the chief executive had not been supportive of the decision, what would have happened?</td>
<td></td>
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<tr>
<td>9. A. I guess I probably would have tried to argue my case more strongly.</td>
<td></td>
</tr>
<tr>
<td>10. Q. And if that had failed?</td>
<td></td>
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<tr>
<td>11. A. I don't know. That's a matter of supposition. She was completely supportive from the start.</td>
<td></td>
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<tr>
<td>12. Q. Really, do you not know? If the chief executive had not wanted the paper to change allegiance, would you really have tried to force it through?</td>
<td></td>
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<tr>
<td>13. A. I wouldn't have done it, no.</td>
<td></td>
</tr>
<tr>
<td>14. LORD JUSTICE LEVESON: Who is responsible for the editorial decisions of your paper?</td>
<td></td>
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<tr>
<td>15. A. Me.</td>
<td></td>
</tr>
<tr>
<td>16. LORD JUSTICE LEVESON: Right, thank you.</td>
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<tr>
<td>17. MR BARR: Contact with politician. You explain that you have had a number of meetings with politicians during your time as editor, including the leaders of the main political parties. Can you give us some idea of frequency with which you've met party leaders?</td>
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<tr>
<td>18. A. Incredibly infrequently.</td>
<td></td>
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<tr>
<td>19. Q. Has it been at your instigation or at theirs?</td>
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<tr>
<td>20. A. Theirs, I would say, and several of them -- one with David Cameron was also with the chief executive and Richard Wallace and Tina Weaver and Mr Coulson, and Nick Clegg I have had lunch with in the boardroom at</td>
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13 (Pages 49 to 52)
Day 26 - PM Leveson Inquiry 16 January 2012

Trinity Mirror along with editors from the regions. We regularly have lunches where regional editors are invited down to speak to politicians, meet with politicians, and because of the political independence of the People, I am often invited to those as well.

Q. So in terms of high level politicians, not necessarily party leaders but ministers and shadow ministers, what sort of frequency do you see them?

A. Very, very infrequently.

Q. When you do meet senior politician, what are you seeking from them in general terms?

A. I am not seeking anything from them. My move to political independence, I think, says quite a lot about where I stand on -- my view is that I represent and my paper represents the views of its readers, and my view on why I moved it to be politically independent is because I think politics has changed so much and the parties are so closely aligned on so many policy issues that it seems wrong to me just to follow one party.

I felt it enabled me to stand up for my readers best. I'm not after anything from meeting with a politician. I felt it enabled me to stand up for my readers best. That's normally -- if I take the lunches in the boardroom, for example, that is always the question thinking. That's normally -- if I take the lunches in the boardroom, for example, that is always the question that they ask, particularly of the regional editors, but that is always what they want to know: "What are your readers thinking about this, that or the other?"

Q. Were you not, as the last witness but one said, looking for stories?

A. Not in those kind of situations, no.

Q. Has the move in alignment to a more neutral stance --

A. Completely neutral.

Q. Completely neutral. I want to draw an analogy between your position as a neutral editor and the floating doors. Have you got a lot more attention from the reader. Have you got a lot more attention from the reader in thinking there's no compliance officer as such?

A. That's correct.

Q. Before that, did you have any way of auditing and keeping a record from the moment a public interest defence is --

A. Yes, correct.

Q. Can we move now, please, to compliance on your paper with both the law and the code of practice. Am I right in thinking there's no compliance officer as such?

A. That's correct.

Q. Do you think a compliance officer would be a good idea?

A. Yes, I think it probably would be.

Q. Does your paper offer ongoing training to its journalists?

A. In some areas, yes. Well, the company rather than the paper.

Q. I see. Does that include ethical training?

A. If training on, for example, changes in relation to the Bribery Act could come under ethical training, which it probably could do, yes.

Q. Do you have any system for recording and auditing ethical or legal problems? Do you keep track of them in any way?

A. I now have a weekly meeting with the paper's lawyer to discuss all legal issues and we have very recently introduced -- with relation to public interest defence, we have introduced a system where we will now start keeping a record from the moment a public interest defence is --

Q. Are these actions arising from the recent review carried out --

A. Yes.

Q. -- at board level?

A. Yes, correct.

Q. Before that, did you have any way of auditing and...
recording legal and ethical problems?

A. Well, the legal department would obviously record the legal issues. But no, that's an improvement in our working.

Q. On the question of prior notice, do you have a view as to where the balance lies?

A. I think I'm with the European Court, that it's so -- that everything -- the nature of stories is so varied that I can't see it working in practice.

Q. As the chairman pointed out earlier, what they found was it wasn't a breach of Article 10 not to give prior notice.

A. Right. I wasn't -- I missed that, sorry.

Q. In practice, do you give prior notice whenever you can?

A. Generally, yes.

Q. For what reasons do you withhold it?

A. I can't actually think of an example where we have withheld it, but that doesn't necessarily mean that it wouldn't occur.

Q. Do you have a corrections column?

A. Yes.

Q. Where is it?

A. It is now on page 2, as is the way with all the Trinity Mirror titles. It was previously -- I did previously have a letters page, which I had very far forward in the paper -- in fact, I say that in my statement, but since then I have actually, through space constraints, actually moved the letters page back. But the corrections and clarifications column has moved onto page 2.

Q. I see. If we move on to editorial decision-making. You give us various examples of the decisions you have made.

A. Yes.

Q. Then you tell us about an example of a 13-year-old alleged father, Mr Patten.

A. Alfie, yes.

Q. At 55, you tell us you followed up the Sun's break of that story --

A. Correct.

Q. Can I just ask you: did you consult Mr Patten before running that headline?

A. Yes.

Q. -- by questioning whether Mr Patten was indeed a father and running a story headlined "I want a DNA test".

A. Yes.

Q. -- by questioning whether Mr Patten was indeed a father and running a story headlined "I want a DNA test".

A. Correct.

Q. Can I just ask you: did you consult Mr Patten before running that headline?

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A. Correct.

Q. Can I just ask you: did you consult Mr Patten before running that headline?

A. Yes.
<p>| | |</p>
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<tbody>
<tr>
<td>A.</td>
<td>My picture editor, as you are aware, has submitted a statement, and goes into quite some -- which I think is probably in here as well -- goes into quite some detail --</td>
</tr>
<tr>
<td>Q.</td>
<td>From your editor's point of view --</td>
</tr>
<tr>
<td>A.</td>
<td>From my point of view, I will be speaking to the picture desk about any pictures that they put up in conference and I would say every week there are two, three, four, five sets of pictures that maybe get shown in conference that are ruled out simply on the grounds of intrusion. Probably more.</td>
</tr>
<tr>
<td>Q.</td>
<td>Is that a phenomenon which is a recent one or has that been the case for a long time?</td>
</tr>
<tr>
<td>A.</td>
<td>No, that's been the case since I've been there. We have a slightly different way of doing it now because we now have a computer mounted on the wall so that in conference we can all see the pictures that are being discussed. Previously I didn't have that and it was printouts that were handed around, but same principle.</td>
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<tr>
<td>Q.</td>
<td>Are you prepared to publish stories without knowing the source?</td>
</tr>
<tr>
<td>A.</td>
<td>I did in the case of Charlotte Church.</td>
</tr>
<tr>
<td>Q.</td>
<td>Again, like the last editor we heard from, in paragraph 62, you say: “The final decision can sometimes be a matter of gut instinct based on years of experience.” Again, can I ask you: are you there saying that you lob it in if it feels right, or are you referring to a more sophisticated exercise of judgment?</td>
</tr>
<tr>
<td>A.</td>
<td>We definitely do not lob it in. We agonise.</td>
</tr>
<tr>
<td>Q.</td>
<td>What you've chosen to do there is you've chosen to expose the private life of the father in order to hold him up to moral censure, haven't you?</td>
</tr>
<tr>
<td>A.</td>
<td>Yes, because his mother and mothers of the children involved I think have every right to freedom of expression, and that's exactly what we did. It hasn't worked, because he's had another one since.</td>
</tr>
<tr>
<td>Q.</td>
<td>Were there any complaints about that story?</td>
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<tr>
<td>A.</td>
<td>No.</td>
</tr>
<tr>
<td>Q.</td>
<td>You tell us that sometimes politicians write in your paper in return for payment.</td>
</tr>
<tr>
<td>A.</td>
<td>Occasionally.</td>
</tr>
<tr>
<td>Q.</td>
<td>Is there any editing or control of the stories which they write in your paper, or do they have completely free reign?</td>
</tr>
<tr>
<td>A.</td>
<td>On the rare occasion that a politician would write, we would have probably -- we probably would have invited them to write on a specific subject.</td>
</tr>
<tr>
<td>Q.</td>
<td>And when they do that --</td>
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<tr>
<td>A.</td>
<td>There are a couple of occasions where a politician, I think -- I think an acting politician has written the political editor's weekly column in his absence, where they would have a little bit more of a free reign, but I can only think of a couple of occasions, and it may be past politicians, actually, not acting ones.</td>
</tr>
<tr>
<td>Q.</td>
<td>When they write on a subject, do you get into a debate about altering what they've written or do you just let them write --</td>
</tr>
<tr>
<td>A.</td>
<td>No, I don't get into any such debate.</td>
</tr>
<tr>
<td>Q.</td>
<td>Can we move now to the detail of the ICO reports. If we turn to tab 13, please, page 10 of 13, which is a table.</td>
</tr>
<tr>
<td>A.</td>
<td>Yes.</td>
</tr>
<tr>
<td>Q.</td>
<td>We see that your paper is listed there.</td>
</tr>
<tr>
<td>A.</td>
<td>Yes.</td>
</tr>
<tr>
<td>Q.</td>
<td>With 37 transactions and 19 journalists. You've already confirmed to me that as far as you're --</td>
</tr>
<tr>
<td>A.</td>
<td>Sorry, page 10 of tab ...?</td>
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<tr>
<td>Q.</td>
<td>Tab 13.</td>
</tr>
<tr>
<td>A.</td>
<td>Yeah.</td>
</tr>
<tr>
<td>Q.</td>
<td>RJT2.</td>
</tr>
<tr>
<td>A.</td>
<td>A. I'm a page behind, I'm sorry.</td>
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<tr>
<td>Q.</td>
<td>There should be a table there. Do you have that?</td>
</tr>
<tr>
<td>A.</td>
<td>I have a table, but I'm not sure the numbers relate to the numbers that you've just told me.</td>
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<tr>
<td>Q.</td>
<td>If you move down the left-hand column and find the did People --</td>
</tr>
<tr>
<td>A.</td>
<td>Yes:</td>
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1. explain to us what your analysis was of where the public interest lay in that case?  
2. A. In terms of going ahead and publishing?  
3. Q. What you've chosen to do there is you've chosen to expose the private life of the father in order to hold him up to moral censure, haven't you?  
4. A. Yes, because his mother and mothers of the children involved I think have every right to freedom of expression, and that's exactly what we did. It hasn't worked, because he's had another one since.  
5. Q. Were there any complaints about that story?  
6. A. No.  
7. Q. You tell us that sometimes politicians write in your paper in return for payment.  
8. A. Occasionally.  
9. Q. Is there any editing or control of the stories which they write in your paper, or do they have completely free reign?  
10. A. On the rare occasion that a politician would write, we would have probably -- we probably would have invited them to write on a specific subject.  
11. Q. And when they do that --  
12. A. There are a couple of occasions where a politician, I think -- I think an acting politician has written the political editor's weekly column in his absence, where they would have a little bit more of a free reign, but I can only think of a couple of occasions, and it may be past politicians, actually, not acting ones.  
13. Q. When they write on a subject, do you get into a debate about altering what they've written or do you just let them write --  
14. A. No, I don't get into any such debate.  
15. Q. Can we move now to the detail of the ICO reports. If we turn to tab 13, please, page 10 of 13, which is a table.  
16. A. Yes.  
17. Q. We see that your paper is listed there.  
18. A. Yes.  
19. Q. With 37 transactions and 19 journalists. You've already confirmed to me that as far as you're --  
20. A. Sorry, page 10 of tab ...?  
22. A. Yeah.  
23. Q. RJT2.  
24. A. A. I'm a page behind, I'm sorry.  
25. Q. There should be a table there. Do you have that?  
26. A. I have a table, but I'm not sure the numbers relate to the numbers that you've just told me.  
27. Q. If you move down the left-hand column and find the did People --  
28. A. Yes:
"Number of transactions positively identified:
802."

<table>
<thead>
<tr>
<th>Q.</th>
<th>A.</th>
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<tbody>
<tr>
<td>LORD JUSTICE LEVESON: Page 336 in the bottom right-hand corner.</td>
<td>Yes.</td>
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<tr>
<td>Q. You're looking, I think, at the Sunday People, aren't you?</td>
<td>I beg your pardon, right. Keep going down, the People.</td>
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<tr>
<td>Q. The Sunday People was 802, 50; the People are 37, 19.</td>
<td>I was on the Mirror and I became, as I said, acting editor November 2007. I have no idea, I'm afraid.</td>
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<tr>
<td>Q. You've already explained to me that this was before your time as editor and to the best of your knowledge no investigation was done. I put to the other editors that given that the question is whether or not there was a public interest defence in these cases, it appears that the Sunday People and the People together having 839 transactions, it seems rather unlikely, doesn't it, that they all had public interest?</td>
<td>Every single day.</td>
</tr>
<tr>
<td>Q. Are the pictures, particularly because they were concerned that the palace had serious concerns about use of the pictures. particularly because they were concerned that the photographer involved had been, in their words, following/stalking William and particularly Kate, and on that basis I didn't use the pictures.</td>
<td>On that occasion but one of my staff did and we received similar advice and we didn't publish the pictures. The Daily Star Sunday did and so did one of the glossy magazines, but I can't remember which one it was. I don't want to get the name wrong.</td>
</tr>
<tr>
<td>Q. You've already explained to me that this was before your time as editor and to the best of your knowledge no investigation was done. I put to the other editors that given that the question is whether or not there was a public interest defence in these cases, it appears that the Sunday People and the People together having 839 transactions, it seems rather unlikely, doesn't it, that they all had public interest?</td>
<td>If they all had public interest, I don't know what the answer is, because obviously we do not have jurisdiction.</td>
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<tr>
<td>LORD JUSTICE LEVESON: Page 67</td>
<td>LORD JUSTICE LEVESON: Page 68</td>
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<p>| Q. Can you help us: from your time on the Mirror, did you know about the use of Mr Whittamore? | Yes. |
| Q. Now, I understand that you might be able to help us with the publication of photographs involving the royals, and that you were recently offered photographs and had to make a judgment about whether to publish them? | The William and Kate was Thursday of last week and I was offered exclusively pictures of them walking along the beach in North Wales. I spoke to St James' Palace myself on Friday and was told that they were -- that the palace had serious concerns about use of the pictures, particularly because they were concerned that the photographer involved had been, in their words, following/stalking William and particularly Kate, and on that basis I didn't use the pictures. |
| Q. Do you know whether anybody else has? | As to the wider issue of the Inquiry and clearly the way we operate going forward, the palace were very keen to make the point that they don't want people stalking Kate, but clearly if these pictures are being used abroad and substantial sums of money are being paid for them and they're available on the Internet, I don't see how that's going to stop that problem. I believe we did the right thing by not publishing them, but a similar thing happened a few weeks before -- a couple of months before with Kate in Tesco in Anglesey, I believe, and again, I was offered the pictures. I didn't personally speak to the palace on that occasion but one of my staff did and we received similar advice and we didn't publish the pictures. The Daily Star Sunday did and so did one of the glossy magazines, but I can't remember which one it was. I don't want to get the name wrong. |
| LORD JUSTICE LEVESON: I understand that, which is why I asked the question I did. | LORD JUSTICE LEVESON: Who are the picture agencies? Are these sole agencies or individual photographers? |
| Q. Can you help us: from your time on the Mirror, did you know about the use of Mr Whittamore? | A. Individual photographers. I believe it was the same photographer or the same photographer and a relation of his who are responsible for both of the pictures involved in those cases. |
| A. Not at all, no. | LORD JUSTICE LEVESON: So what can be done about that? |
| Q. Now, I understand that you might be able to help us with the publication of photographs involving the royals, and that you were recently offered photographs and had to make a judgment about whether to publish them? | A. I think that -- by raising it, I think I'm trying to say that it's possible to do the right thing, which I believe we did, but that may not stop the action that the palace have raised as a concern. |
| Q. Do you know whether anybody else has? | A. I think that -- by raising it, I think I'm trying to say that it's possible to do the right thing, which I believe we did, but that may not stop the action that the palace have raised as a concern. |
| LORD JUSTICE LEVESON: I understand that, which is why I asked the question I did. | LORD JUSTICE LEVESON: Who are the picture agencies? Are these sole agencies or individual photographers? |
| A. Yes. | A. Individual photographers. I believe it was the same photographer or the same photographer and a relation of his who are responsible for both of the pictures involved in those cases. |
| Q. Can you help us: from your time on the Mirror, did you know about the use of Mr Whittamore? | LORD JUSTICE LEVESON: So what can be done about that? |
| A. No. | A. Individual photographers. I believe it was the same photographer or the same photographer and a relation of his who are responsible for both of the pictures involved in those cases. |
| Q. Do you know whether anybody else has? | A. I think that -- by raising it, I think I'm trying to say that it's possible to do the right thing, which I believe we did, but that may not stop the action that the palace have raised as a concern. |</p>
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<th>Page 69</th>
<th>Page 70</th>
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<tr>
<td><strong>Q.</strong> I see. Are you able to help us at all as to whether or not the allegation that he was sent on the story about Ulrika Johnson on the basis of a hacked phone --</td>
<td><strong>Q.</strong> During your time as an editor, was that agency used?</td>
</tr>
<tr>
<td><strong>A.</strong> I'm afraid I'm not, no.</td>
<td><strong>A.</strong> No, that's one of the things I wanted to check to reassure myself.</td>
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<td><strong>Q.</strong> He says that other people's messages were monitored that he names in paragraphs 24 and 25, and various celebrities. Are you able to help us with any of that?</td>
<td><strong>Q.</strong> You, of course, have been able to assist me to only a limited extent, through no fault of your own, because you weren't there at the time. Can I ask you now about your time at the Mirror.</td>
</tr>
<tr>
<td><strong>A.</strong> Insofar as -- this document I have only recently seen as a result of the Inquiry. This is the first time I have</td>
<td><strong>A.</strong> Yes.</td>
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<td>seen it. I was asked to look into a couple of things to reassure myself that what he said was not an issue for us, and that was by the company secretary. There are very few members of staff left. I did speak to some people and -- who do still work for us and I am of the view that what he said is incorrect or unsubstantiated.</td>
<td><strong>Q.</strong> You were the assistant night editor in the late 1990s, weren't you?</td>
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<tr>
<td><strong>A.</strong> Yes.</td>
<td><strong>A.</strong> Yes.</td>
</tr>
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<td><strong>Q.</strong> It's fair to say that you weren't, at this remove in time, able to perform a comprehensive investigation?</td>
<td><strong>A.</strong> Yes.</td>
</tr>
<tr>
<td><strong>A.</strong> No, because the people involved --</td>
<td><strong>Q.</strong> That was when Mr Hipwell was working for the detail Mirror?</td>
</tr>
<tr>
<td><strong>Q.</strong> There's an allegation that an agency was used called SUGARbabes to supply male and female models to pose for real life stories.</td>
<td><strong>A.</strong> That's correct.</td>
</tr>
<tr>
<td><strong>A.</strong> Yes.</td>
<td><strong>Q.</strong> When you were working as the assistant night editor, did you have any contact with the showbusiness team?</td>
</tr>
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<td><strong>Q.</strong> During your time as an editor, was that agency used?</td>
<td><strong>A.</strong> Only if I were ever writing headlines or drawing pages involved in show -- very, very rarely. I sat at the other end of the room. I was on the back bench and the showbiz desk was about as far away from that desk as you could possibly get in our office.</td>
</tr>
<tr>
<td><strong>A.</strong> No.</td>
<td><strong>Q.</strong> Did you see or hear about any phone hacking by the showbusiness team while you were assistant night editor?</td>
</tr>
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<td><strong>Q.</strong> I'm sure you're familiar with what Ms Jellema is recorded as having said about the PCC?</td>
<td><strong>A.</strong> I didn't. I've never seen any phone hacking.</td>
</tr>
<tr>
<td><strong>A.</strong> Yes.</td>
<td><strong>Q.</strong> Am I right that part of your function as assistant night editor, as you set out at the beginning of your statement about the production function, includes checking and sources?</td>
</tr>
<tr>
<td><strong>Q.</strong> Checking of sources?</td>
<td><strong>A.</strong> Not sources, no.</td>
</tr>
<tr>
<td><strong>Q.</strong> So what does it involve?</td>
<td><strong>A.</strong> No.</td>
</tr>
<tr>
<td><strong>A.</strong> It -- production roles, however senior they are -- I think at the time I was probably about number three or number four on the back bench, as we call it. Before I joined the People, I was head of production at the Daily Mirror and as I tried to explain, but perhaps not brilliantly, our main role is prominence and projection, but nothing to do with provenance.</td>
<td><strong>Q.</strong> Does it bother you that one of your reporters appears to have said that about the PCC?</td>
</tr>
<tr>
<td><strong>A.</strong> It is not part of the job.</td>
<td><strong>A.</strong> Yes, and when I saw it, again, as I say in my statement, I was really rather angry. I immediately called in my department heads. I made them watch it. This was, I think, in October, so the first I knew of it. Sarah Jellema had already left the paper by this point. I showed the clip to my department heads and I, in no uncertain terms, told them to go out and make sure that no one else is of that opinion.</td>
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<td><strong>Q.</strong> If it was not obvious what the source of the story was --</td>
<td><strong>A.</strong> Yes.</td>
</tr>
<tr>
<td><strong>A.</strong> No, it's not part of the job.</td>
<td><strong>Q.</strong> Kiss-and-tell stories. I'm looking at tab 4. Page 16 of 29.</td>
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<td><strong>Q.</strong> Can I now ask you, on a fairly limited basis, for the reasons outlined this morning, about your second statement which deals with Ms Jellema's conversations --</td>
<td>&quot;A later scene in the film on this topic looked at how kiss-and-tell stories are often engineered by tabloid news desks. We looked at the case study of Amy, who was encouraged by The People to sleep with certain celebrities in return for payment. This was while Amy was &quot;</td>
</tr>
<tr>
<td><strong>A.</strong> Yes.</td>
<td><strong>Q.</strong> -- with Mr Atkins.</td>
</tr>
<tr>
<td><strong>Q.</strong> -- with Mr Atkins.</td>
<td><strong>Q.</strong> Paragraph 80 says: &quot;A later scene in the film on this topic looked at how kiss-and-tell stories are often engineered by tabloid news desks. We looked at the case study of Amy, who was encouraged by The People to sleep with certain celebrities in return for payment. This was while Amy was &quot;</td>
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London EC4A 2DY
was addicted to cocaine and alcohol and Amy claims that
into sleeping with particular celebrities in return for
money to feed her habits. In an interview used in the
film, Dave Reid, who represented minor celebrities as
well as kiss-and-tell girls, called this side of the
industry 21st century prostitution."

Can I ask you: first of all, would you agree that if
this happened it was unethical?

A. Yes.

Q. Did it happen?

A. Not -- this -- sorry, I'm just trying to familiarise
myself and remember again where we are. It certainly
hasn't happened while I've been there, and I'm unaware
of who Amy is and I'm actually not interested in
kiss-and-tell stories particularly anyway, much. It
certainly hasn't happened.

Q. I see. And you would condemn it if --

A. Completely, 100 per cent.

Q. The film Starsuckers was not covered when it was
launched by your title, was it?

A. Probably not.

Q. Why not?

A. If we did have a film column at the time -- and I'm not
100 per cent sure that we did, but I think we did, at
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most we would only review two films, and I think they
would be mainstream films.

MR BARR: Those were all the questions that I had for you.

Thank you.

LORD JUSTICE LEVESON: You heard the questions that I asked.
Ms Weaver and Mr Wallace. Is there anything that you
want to add on those general topics?

A. No. I think earlier in my testimony I think I probably
covered my thoughts as they are at the moment with
regard to regulation moving forward.

LORD JUSTICE LEVESON: Thank you very much indeed.

A. Thank you.

LORD JUSTICE LEVESON: We'll have a five-minute break.

(3.40 pm)

(A short break)

(3.48 pm)

MR BARR: Our final witness today is Mrs Sly Bailey.

MRS SYL BAILEY (sworn)

Questions by MR BARR

MR BARR: Good afternoon, Mrs Bailey.

A. Good afternoon.

Q. Could you look at your witness statement and confirm
your full name?

A. Sly Bailey.

Q. Are the contents of your witness statement true and
correct to the best of your knowledge and belief?

A. They are, Mr Barr. One amendment I should like to make
is that when I submitted the statement to the Inquiry,
we published 160 regional newspapers. We now publish
140.

Q. I see. Just before we continue, the microphones seem to
be booming quite a lot. Are they working properly?

Your witness statement sets out, Mrs Bailey, that
you're the chief executive of Trinity Mirror, and it
explains that you've been appointed chief executive
in December 2002, joining the group on 3 February 2003.

Are those dates both correct?

A. They are.

Q. So you became chief executive before joining the group?

A. No. It was announced that I would be, but I wasn't
actually appointed to the board until that day
in February 2003.

Q. Now I understand. You explain that you joined Trinity
Mirror from IPC Media. Your witness statement, which
we're going to take as read, sets out your very
successful career at IPC up to the time of your
appointment at Trinity Mirror and you tell us that as
well as being chief executive at Trinity Mirror you're
also the non-executive director, or have been at various
times, of the EMI Group?

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Q. As we know, Mr Morgan did lose his position as editor, that's the one and only call that I ever received.
A. Yes.
Q. You are?
A. Yes.
Q. Forgive me. Insofar as you are the human proprietor of Trinity Mirror group, can you help us then with the level of contact that you have with shareholders?
A. Liaising with the shareholders is one of my primary responsibilities. There are at least four times a year which I would formally see shareholders: after our preliminary interim results twice a year, at our -- and following our trading statement, if shareholders want to see us then. It's customary that as chief executive of a plc, once you've announced your results, you go on something called an investor roadshow, and that I do with my finance director and head of corporate communications. Those are the main meetings that we have with shareholders, where we update them on strategy, the performance of the business and they get the opportunity to raise any issues that they may have with us about the business.
Q. And you meet with major shareholders or talk to major shareholders at other times?
A. From time to time, they may ask for a meeting, either with me or perhaps with the chairman. Good governance certainly would see the Chairman also meeting with shareholders, perhaps on an infrequent but still regular basis. So I'm there to see them whenever they wish to see me.
Q. There's a suggestion in Mr Morgan's book that there might have been attempts by shareholders in 2004, when he lost his position as editor, to pressurise you and the board of Trinity Mirror, particularly from American shareholders, because they didn't like the anti-war stories which were being published by the Daily Mirror at the time. Were there any such attempts to influence --
A. No.
Q. -- the company?
A. No, there weren't. There weren't any at that time from either any UK or indeed American shareholders. It's not anything that I have ever encountered. The only phone call that I ever received, after we'd published those photographs in 2004, was from one shareholder who was interested as to what the advertiser response had been, ie had we lost any advertising as a result of it. But that's the one and only call that I ever received.
Q. Had you lost advertising?
A. No, we hadn't.
Q. As we know, Mr Morgan did lose his position as editor following the publication of those photographs, and that was your decision, was it?
A. It was a board decision, but it was certainly something that I talked to the board about that they supported me in.
Q. And if fell to you to communicate the decision?
A. It certainly did.
Q. Since you've had the experience of having to terminate the employment of the editor of a national newspaper, can I ask you: what are the reasons for terminating Mr Morgan's employment?
A. You can imagine it was an awful time for the business after we had published those photographs. We were literally in a maelstrom of interest in the business and media interest and frankly, it wasn't so much the publishing of the photographs themselves, which I do believe that Mr Morgan did in good faith at the time, but what happened was that in the intervening period the board lost confidence in him as editor, and that was why we fired him and that is exactly what I said to him when I did so.
Q. Because of things that he said and did in that intervening period or was it because of the maelstrom, as you've described it, and the reaction of external bodies?
that itself tells its own story.

A. Indeed it does, sir. The pressures on the business over about the last five years have been intense, and the businesses face two challenges. One, which is structural, as we see the growth of new devices -- you know, first of all we saw the Internet and now we're seeing new tablet device and smart phones and the proliferation of news and information on those sources, and at the same time the business has been under the most intense cyclical pressure as a result of the poor economy.

My view is that the cycle has been much worse for us than the structural issues. I think we've coped pretty well with that and were coping pretty well with that. You can see in my statement that we publish more than 500 websites so we have a similar publishing strategy online in our local markets that we traditionally had in print, that what we seek to do is to have the products and services that our readers and advertisers would want to find, whether that's in print or whether that's in digital, and indeed our strategy is to build a growing multi-platform media business.

But the important thing to understand are the differences in the business model between nationals and regionals. A national newspaper is predominantly driven by the mass of -- the frequency and the number of copies that we sell at the price that we sell them at. And the advertising is display advertising driven, so large corporates that you would know the names of that traditionally reside on the high street, with very little classified advertising.

Regional newspapers -- and this is the big issue -- have an inverse business model, where 70 from advertising, only 30 per cent comes from cover price. They're smaller, they're often weekly, so you just don't get the economic effect of the cover price in the same way, and perhaps most instructively in terms of advertising, it traditionally hasn't been display advertising-led; it's traditionally been classified, so the key elements of that being recruitment, property, motors and then community services like births, marriages and deaths.

Clearly, as we've seen a worsening of the economy pretty much since 2007, the category that's been hit hardest, which is our highest yielding category which really supports our news-gathering activities, in terms of that's the revenue that we generate to support the business that we're in, is recruitment advertising. So at the peak, we had around £150 million recruitment advertising supporting our titles, and last year we had less than 20. And when you're facing that happening to a business, then you have to reduce your costs effectively and quickly to ensure that you have a business and that you can come out the other side of that.

LORD JUSTICE LEVESON: And property advertising?

A. Property advertising has less of an impact because it's traditionally been a much lower yielding category. So yes, the same thing has happened in broad terms in terms of the decline, but the real problems for us have been with recruitment advertising. It is an interesting area because I think there's a received wisdom that it's all gone online. Now, clearly some of it has gone online. Indeed, we've been launching and buying businesses in the area of classified recruitment over the last five years, but the majority of the sorts of jobs that you'd have seen if you'd opened the pages of the Liverpool Echo or Newcastle Chronicle would be what we call everyday jobs for everyday people. They're not legal directors or finance directors; they would be jobs in the public and private sector, lower level.

a circulation-driven business -- certainly tabloid national newspapers, I should qualify that as -- with circulation from cover price, and that, of course, is driven by the mass of -- the frequency and the number of copies that we sell at the price that we sell them at.

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<th>Page 86</th>
<th>Page 87</th>
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<td><strong>economy. But clearly the longer the economy is as</strong></td>
<td><strong>that despite an enormous amount of work that we've done</strong></td>
<td><strong>LORD JUSTICE LEVESON: Thank you. Sorry for that diversion</strong></td>
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<td><strong>challenged as it is, and structural change continues to</strong></td>
<td><strong>over the last few years, that's still not well</strong></td>
<td><strong>MR BARR: Not at all. I've been asked to ask you to slow</strong></td>
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<td><strong>happen, then the less likely that we'll see 100 per cent</strong></td>
<td><strong>enough and properly understood. And that's the biggest</strong></td>
<td><strong>down a little so that the transcript shorthand writer</strong></td>
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<td><strong>of that. I believe we'll see some come back but it</strong></td>
<td><strong>thing that could hamper that should -- for us, should</strong></td>
<td><strong>can keep up.</strong></td>
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<td><strong>won't come back in the way it was.</strong></td>
<td><strong>consolidation be in the interests of our shareholders,</strong></td>
<td><strong>A. I'll do my best.</strong></td>
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<td><strong>That has been the primary issue, is the -- it's</strong></td>
<td><strong>the concern would be that that wouldn't be allowed to</strong></td>
<td><strong>Q. Thank you. You go on in your statement to tell us about</strong></td>
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<td><strong>almost like a falling knife that's been getting sharper</strong></td>
<td><strong>happen. I can't say that it wouldn't but it's a concern</strong></td>
<td><strong>the activities of Trinity Mirror under the heading</strong></td>
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<td><strong>on the way down as we have gone through the cycle and</strong></td>
<td><strong>and we saw --</strong></td>
<td><strong>&quot;Corporate responsibility&quot;. You refer to the Pride of</strong></td>
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<td><strong>we're bumping along the bottom but it's yet to improve.</strong></td>
<td><strong>LORD JUSTICE LEVESON: It's a plurality problem.</strong></td>
<td><strong>Britain awards which we've heard about from another</strong></td>
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<td><strong>LORD JUSTICE LEVESON: This might be a little bit away from</strong></td>
<td><strong>A. It is a plurality problem and we saw it demonstrated</strong></td>
<td><strong>witness, how Trinity Mirror has won six successive gold</strong></td>
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<td><strong>the core concerns that I have in this Inquiry, but I am</strong></td>
<td><strong>only a couple of months ago with the Kent Messenger</strong></td>
<td><strong>awards from RoSPA and about the group's environmental</strong></td>
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<td><strong>concerned to know whether there is any structural change</strong></td>
<td><strong>Group unable to purchase the titles from Northcliffe</strong></td>
<td><strong>and health safety credentials more generally, and</strong></td>
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<td><strong>that would assist what I believe is a vital part of</strong></td>
<td><strong>that they wished to, and after that we saw a number of</strong></td>
<td><strong>also about its charity work.</strong></td>
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<td><strong>local democracy which is provided by local newspapers.</strong></td>
<td><strong>title closures, which to your point, sir, cannot be</strong></td>
<td><strong>You then move on to the culture of ethics. Can</strong></td>
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<td><strong>A. The best thing that we can do is to remain profitable so</strong></td>
<td><strong>a good thing, where regulation is having almost the</strong></td>
<td><strong>I ask you: it's conspicuous in your disclosure that</strong></td>
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<td><strong>that we can come out the other side of that.</strong></td>
<td><strong>inverse or the wrong impact on the market. So that</strong></td>
<td><strong>Trinity Mirror has a large number of paper systems as</strong></td>
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<td><strong>LORD JUSTICE LEVESON: Yes, I don't think I can make</strong></td>
<td><strong>remains a concern in the background.</strong></td>
<td><strong>part of its system of corporate governance. To what</strong></td>
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<td><strong>a recommendation to that effect.</strong></td>
<td><strong>LORD JUSTICE LEVESON: There's a real problem about trying</strong></td>
<td><strong>extent do you think that in addition to those extensive</strong></td>
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<td><strong>A. No, but clearly in good times what happens is in terms</strong></td>
<td><strong>to find the way to create a regulatory framework which</strong></td>
<td><strong>paper systems and processes it is incumbent upon the</strong></td>
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<td><strong>of portfolio management, where you're looking for</strong></td>
<td><strong>covers all these diverse activities.</strong></td>
<td><strong>chief executive of the organisation to provide an</strong></td>
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<td><strong>maximum economic return in any market, then you will</strong></td>
<td><strong>A. Yes, I mean, this clearly is one for the competition</strong></td>
<td><strong>ethical and professional lead?</strong></td>
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<td><strong>push out in geographies and you will launch new titles,</strong></td>
<td><strong>authorities, but in your asking me of concerns, that</strong></td>
<td><strong>22. A. I think it's terribly -- I think it's terribly</strong></td>
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<td><strong>new websites, and you will add to your portfolio. When</strong></td>
<td><strong>would be one of the biggest concerns that actually</strong></td>
<td><strong>important, Mr Barr. You know, I would see ethics as</strong></td>
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<td><strong>the revenue shrinks in the way that it does then you</strong></td>
<td><strong>touches on plurality and the hugely important role that</strong></td>
<td><strong>being a set of principles by which you live your life,</strong></td>
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<td><strong>have to pull the portfolio back.</strong></td>
<td><strong>we fulfil in our communities, yes.</strong></td>
<td><strong>both your personal and your business life, that drives</strong></td>
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22 (Pages 85 to 88)
the highest standards of integrity and personal conduct, and I hope -- your know, I think that the reinforcement of that through the chief executive in everything that you do, in the way you conduct your business affairs as well as documenting it at every opportunity, the importance of it in your policies and procedures, and I think you can see in the bundle that we do take the opportunity to reinforce, you know, how high the standards of conduct are important to the company at every opportunity we can.

Q. How do you personally spread that message in addition to the paper systems?

A. One way that I do it is that I have a call with my top 200 managers every month. In that call, I update them on the performance of the business, challenges that we're facing, good things that we have done, performance and progress around the group which is, you know, reinforcing all the things that we're about that we're working towards, that -- a part of our strategy in a way that it takes the form of our operational performance. When those 200 managers get back to their desks, there is a briefing document of all of the things that I have said. The job of those managers is then to cascade that through the organisation, and the way the system works is we think it's important that everybody should hear that. Some people don't have computers, and if you're a van driver, for instance, or you're at the print site, that those messages are communicated to you and you have a personal briefing. I think that's just an example of one of the things that we do. I spend a lot of time out in the businesses, talking to people, and again, I do believe that a lot of the culture of the business is indeed vested in the chief executive, yes.

Q. Do you keep track of chief executive level of, for example, the number of libel actions which your titles are facing?

A. Keep track, but once a year we would have, you know, a legal report to the audit committee and I have ongoing discussions with my group legal director. So in that way -- I couldn't say I would be aware of all of them as they're happening.

Q. So for you, it's an annual --

A. No, it would be more frequent than that. The formality is the fact that all legal cases pending not just libel would be captured formally at one point, but that I would be updated through the year -- not on everything.

Q. But that seems to me, if it's all types of legal action, to be just a facet of the running a business and looking at the legal risk. What I'm interested in is trying to filter out the ethical dimension. So do you promulgate any instructions about ethics personally in addition to the systems that we've seen?

A. Yes, I think I do it in the sort of general source of business and the conversations that I have and the -- if you like, enforcing the policies and procedures that we have and the way that we go about doing our business, whether it's our relationship with suppliers or advertisers or readers, yes.

Q. One of the things that I haven't seen in your documents is the incorporation of a conscience clause. The Editors' Code is incorporated into the contracts of employment, but there isn't a specific conscience clause. Have you considered whether or not that would be a good idea for employees and that within the group?

A. I haven't, but I think I might.

Q. You explain to us that corporate governance is rated by proxy voting agencies and that Trinity Mirror has done very well in such ratings. Are those assessments of your systems of corporate government or the actual performance and delivery at the coalface?

A. No, they're an assessment of our systems. We, as a plc, comply with the UK code of corporate governance and that's quite prescriptive, of course, as well as the listing rules, and that is what we are being benchmarked against, and that would be done very much in the annual report and accounts, and the corporate governance report in that. It would be the way the board is functioning, the board evaluation, the board committees and the way that the structure works and shareholders' confidence.

Q. High level stuff?

A. Yes, but I think that -- corporate governance, I think, frankly, aren't two words that are often used outside of the boardroom. I think that what happens is that when corporate governance leaves the boardroom in the form of systems and controls and policies and procedures, it really becomes, for the rest of the business, good management practice. That's not something I'm concerned about but I'm just saying to you that I think that's something -- they're words that the very high level team would use, rather than lower down in the business. It doesn't mean to say they're not doing them because it's not the way that they would normally think about referring to them.

LORD JUSTICE LEVESON: That good management practice incorporates a mechanism of oversight, which presumably works?

A. I believe that it does. I think that no system of corporate governance can be completely bomb-proof, but what it does is it minimises the risk of error, it minimises the risk of wrongdoing, it makes people think...
very hard about judgment in the way it lives in the
culture, and it helps you to catch things quickly if
they are going wrong. But I do believe that we have
a robust system.

MR BARR: Your statement goes on to tell us about the
expertise and the experience of the trinity board
members. I'm looking at page 11 of your witness
statement onwards. Having looked at this, it does
appear that there isn't a single person on the board --
do please correct me if I'm wrong -- who has
journalistic experience on a newspaper, a person with
experience of being a legal manager on a newspaper, not
anyone who is a dyed in the wool journalist. Is that
fair?

A. It's factually correct to say that, yes.

Q. Since the businesses is in publishing of newspapers and
magazine, do you think that is a weakness of the Trinity
Mirror board, that it doesn't have a journalist on the
board?

A. No, I don't think that it does, and I think in a plc,
you are looking for directors with a broad range of
experience. You're looking for diversity in terms of
experience and most certainly gender, and I think -- you
know, the primary functions -- not exclusively, but the
primary functions of the board are the strategy of the
business -- is that the right one? Will it determine
the best results for shareholders? The performance of
the business. Is it performing in the way that it can
and should be? Governance, as we've talked about
earlier, and risk management. It tends to spend most of
its time not necessarily at a high level, but -- the
board can go wherever it wants to go, but broadly it --
where it focuses would fall into those categories, and
it would not be usual for the detail of editorial
matters, which is a matter for editors as you've heard
today, to be discussed at the board.

I provide the board every month with a fairly
lengthy chief executive's report that gives them my
views on the business and performance and not just the
numbers. We're trying to give greater clarity and
understanding, but that's so that they can keep pace
with the business as we're developing it. It's
a fast-moving business now with lots of changes and that
is the way that that is covered. But, no, I do not
believe that Trinity Mirror has a gap that needs to be
filled by not having that.

Q. But wouldn't a director with journalistic experience,
when touring around various publications, be much better
placed to understand what's going on, particularly
ethical nuances and to get a finger on the ethical
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<td><strong>Q.</strong> What I want to know is: is there a system for looking at the ground truth, for looking at, since we're to their attention. The point about the CEO's report is to keep the board updated, so those sorts of things would regularly be a feature of my report.</td>
<td>A. The board would leave that very much for me to do, but then there would very well be things that I would draw to your attention.</td>
<td>A. It would depend what it was. I, for instance, do know that we've had, across the group, 12 PCC adjudications against us in the last five years.</td>
<td>Q. Do you collect data for that sort of indicator systematically or do you just ask for it when you feel that you need it?</td>
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<td><strong>Q.</strong> So auditing the systems themselves but doing so in detail?</td>
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<td>A. If I asked for it, I could certainly have it.</td>
<td>Q. If you don't have it to hand now, is that data collected or not?</td>
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<td>A. Yes, we have -- exactly. We have -- and those will change. You know, I mean, as an example, there was a very real issue with the supply of news print because of what was happening in the global market last year, when we had very real concerns about our ability to source the amount of news print that we had. So that risk was put further up the agenda and we looked at what we could do to ensure that that didn't happen and indeed it didn't. So it's very much a living document, in that it does need to be constantly analysed because the business is changing. The macro-environment is changing and it needs to be kept under constant review.</td>
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<td><strong>Q.</strong> Do you know how many libel actions and that sort of hand?</td>
<td>A. I don't have that to hand, no.</td>
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<td><strong>Q.</strong> Could you explain to us what you mean by &quot;the control environment&quot;?</td>
<td>A. So what are the policies and procedures and the management actions that are taken. So what would be the authority levels, for instance, what would be the expense levels, what are the protocols that are built into IT systems to ensure that things either happen or can't happen. So those are the sorts of things that they would be looking at.</td>
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<td><strong>Q.</strong> So auditing the systems themselves but doing so in detail?</td>
<td><strong>Q.</strong> I'm not criticising the systems you have in place; what I'm trying to identify is whether there's a gap. If you have the systems in place, you still need to measure the output, don't you?</td>
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<td>A. Not just the systems.</td>
<td>A. Yes, you do, but I think that the areas that, if I'm right, perhaps you're talking about are matters of judgment where perhaps systems and controls -- tightening or changing of systems and controls would not necessarily change the output of that. In some instances, they would. I think that -- you know, following the closure of the News of the World, I instigated a review of our editorial controls and procedures. The last one we had done post -- the last full one that we had done in that form was post the death of David Kelly in 2004 and with what had happened at the BBC. So that's something that I put --</td>
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<td>A. Yes. And that the control environment is in place.</td>
<td>A. So what are the policies and procedures and the management actions that are taken. So what would be the authority levels, for instance, what would be the expense levels, what are the protocols that are built into IT systems to ensure that things either happen or can't happen. So those are the sorts of things that they would be looking at.</td>
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<td>A. I don't have that to hand, no.</td>
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A. Not in a way that we would wave it away as an
unavoidable fact, most certainly not, but I do think
that there is a point where risk management stops and
judgment starts and that we understand -- the board
understand that the business that we're in does rely on
the good and sound judgment of our editors. We're not
producing products that, you know, roll off all looking
the same off a production line. We literally reinvent
our business every day, and that is not without risk and
it does rely on an enormous amount of judgment.

Q. So what is the view of the chief executive to the
evidence which you've patiently listened to all day?

A. I think sometimes clearly our editors do get it wrong
and that's very regrettable. I think you can see from
Richard's evidence today how very seriously and how very
sorry he is, you know, regarding the articles published
about Mr Jefferies, and indeed he called it himself
a black mark on his record. He has assured me, as he
did I think to you today, that in the future he will be
more cautious. So I think that he has learned from that
and taken it extremely, extremely seriously, as we all
have.

LORD JUSTICE LEVESON: I'm sure that's right. I'm sure
that's right. The concern I have -- and maybe there's
nothing to say about it -- is that that's what everybody
says when there's been some disaster, until the next
fabulous story comes up and suddenly one sees
a tremendous story and then things go wrong again.
Sometimes. Not always, obviously.

A. No. I would say that in the case of Richard, since 2004
he has made thousands and thousands of
judgments, and usually he gets them right. This one he
got wrong.

LORD JUSTICE LEVESON: I wasn't actually personalising it.

A. Sorry, but I think what I'm saying is: ours is
a business that, despite all of those things I talked
about, does also rely on judgment and therefore is not
without risk.

LORD JUSTICE LEVESON: Not least because if all the other
papers are doing it, then there's a bit of a herd
mentality about them.

A. Well, I would hope that we -- I think ours is a very
competitive industry, but I would hope that we didn't
have a herd mentality. It's certainly not something
that's encouraged.

MR BARR: Very much not being personal now but looking at
the wider picture, at the start of this Inquiry there
was a good deal of evidence from a large number of
people who had fallen victim to reporting which should
never have been made. Are you accepting that there is
a problem which needs to be fixed?

A. A problem that needs to be fixed?

Q. This Inquiry is dealing with the culture, the practices
and the ethics of the press. Is it your view, having
heard the evidence today, knowing about evidence
generally to this Inquiry, that the present system for
the regulation of the press needs to be changed?

A. I do think we need to make changes and I think we've all
reflected very hard to what's happened over the summer
and can see that changes need to and should be made.

You know, I run a company which depends on the -- as
much as they possibly can be, the confidence of
investors and the certainty that they feel about the
business. From a chief executive's perspective, having
uncertainty around our industry and future regulation
and what it might mean is not good for -- is not good
for the business. So yes, it is something that needs to
be looked at.

Q. We'll come back to the details of that later, but for
the moment, if I pick up in your witness statement, you
tell us about the risk management certification system
and your editors have done so too. You'll have heard
the questions I put to them. Can I ask you: from the
chief executive's perspective, what's the purpose of
those certificates?

A. Executives know that they have to fill them in at the
end of every year. We feel it's important in terms of
reminding them of their responsibilities that they have
to take those responsibilities very seriously and
I think when people have to sign something, it makes
them think very hard about it. Again, it's part of the
control environment in a plc.

Q. Can I ask you now about the Information Commissioner's
reports in 2006. You, of course, were the chief
executive at the time. Did the reports, "What price
privacy?" and "What price privacy now?" hit your desk
when they were published?

A. In 2006?

Q. Yes.

A. Yes, they did.

Q. You've explained in your witness statement that
a meeting was called to reiterate to very senior figures
in the group editors and so on, what the corporate
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<tr>
<td>1</td>
<td>position was and that you weren't declaring an amnesty but people had to comply with the law.</td>
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<td>2</td>
<td>Can I ask if anything further was done, and specifically would I be right in thinking there was no internal investigation commissioned by Trinity Mirror to ascertain whether or not Trinity Mirror journalists had acted illegally?</td>
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<td>3</td>
<td>We took our cue very much from the Information Commissioner who was, we saw, taking a forward-looking stance across a number of industries, not just our own. We made it very, very, very clear what was acceptable and what was completely and absolutely unacceptable, but we were told that he wouldn't be providing us with the details, it would have been difficult to hold an investigation, but that wasn't the reason we didn't hold an investigation; it was really about taking a forward-looking approach and taking our cue from the Information Commissioner, also informed by the fact that three of our journalists were interviewed under caution in 2004, and no further action was taken against them.</td>
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<td>4</td>
<td>Because, of course, if you'd wanted to initiate an internal investigation you would have your own documents to show what had been sought from Mr Whittamore and with what result, wouldn't you, so you say it could have been done but wasn't?</td>
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<td>5</td>
<td>A. But as I said, we took a forward-looking approach.</td>
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<td>6</td>
<td>Q. When you saw the table in the second report, it's a feature of that table that a number of your titles are pretty high up in that list, aren't they? Did you not think, given that what the Information Commissioner was talking about was activity which, unless the subject of a public interest defence, was illegal, that there was a need, in order to manage corporate risk, to look into and investigate what had been happening?</td>
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<td>7</td>
<td>A. I had been very clear that this sort of behaviour would not be tolerated and I felt very much that that was being complied with. The editors gave me their assurances that it was.</td>
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<td>8</td>
<td>Q. That's the forward-looking part, but in essence, are you -- doesn't it amount to this: by not investigating, you do not know whether or not your journalists have acted illegally in the past or not?</td>
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<td>9</td>
<td>A. I don't know that they did or what was in the public interest or wasn't, because we didn't have the data to do that.</td>
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<td>10</td>
<td>Q. But as your editors have said rather frankly, given the sheer number of transactions, it would be very surprising -- A. They may have been, but I don't know that. As I said, we took the decision at the time in 2006 to take a forward-looking approach.</td>
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<td>11</td>
<td>Q. That amount -- even if in terms you'd said there would be no amnesty, doesn't it mean that de facto there was an amnesty because nobody looked back to see what wrongdoing there was or was not historically?</td>
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<td>A. That's not how I saw it.</td>
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<td>Q. The ICO recommended amendments to the Data Protection Act legislation. Do you have a view on whether or not the amendments he proposed are a good idea or not?</td>
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<td>A. Sorry, which specific amendment --</td>
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<td>Q. It's the section (overspeaking) --</td>
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<td>MR BARR: Thank you. You then deal in paragraph 72 of your witness statement with events when Mr Goodman and Mr Mulcaire were convicted and again essentially you gather around the same group of editors and executives and give a message that this sort of behaviour is not going to be tolerated in the Trinity Mirror Group.</td>
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<td>2</td>
<td>A. It was.</td>
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<td>3</td>
<td>Q. Why was such a serious and solemn meeting needed if, what News International were saying, Mr Goodman was a lone rogue reporter?</td>
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<td>4</td>
<td>A. I simply thought it was an appropriate point to reinforce our policies, procedures and the criminal law.</td>
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<td>5</td>
<td>Q. Had you heard by that stage that Mr Morgan was saying that you'd listened to a message left for Heather Mills by Sir Paul McCartney?</td>
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<td>6</td>
<td>A. I don't believe that I was, I can't be sure but I don't believe that I was.</td>
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<td>7</td>
<td>Q. Were you aware of Mr Hipwell's allegations that hacking on the showbiz desk at the Daily Mirror had been rife in the late 1990s?</td>
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<td>8</td>
<td>A. I did listen to his evidence last week, yes.</td>
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<td>9</td>
<td>Q. Were you aware of those allegations in 2007?</td>
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<tr>
<td>10</td>
<td>A. I might have been. I'm not sure.</td>
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<tr>
<td>11</td>
<td>Q. Were you aware generally that there were rumours flying around that hacking might be more extensive than had actually been proved beyond reasonable doubt in the criminal court?</td>
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<td>12</td>
<td>A. I think lots of journalists were speculating on that in media pieces, but certainly without any evidence.</td>
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<th>Day 26 - PM Leveson Inquiry 16 January 2012</th>
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<td>1 Q.</td>
<td>As the News of the World found out, to its cost, illegal phone hacking is a potentially terminal business risk.</td>
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<tr>
<td>2 A.</td>
<td>Indeed.</td>
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<td>3 Q.</td>
<td>It would be right that in 2007, after the convictions, Trinity Mirror didn't investigate whether or not there had been phone hacking within Trinity Mirror?</td>
</tr>
<tr>
<td>4 A.</td>
<td>No, we didn't.</td>
</tr>
<tr>
<td>5 Q.</td>
<td>Why didn't you try and investigate to see whether there was any truth in the allegations that were flying around?</td>
</tr>
<tr>
<td>6 A.</td>
<td>I can't remember the specific, as you put it, allegations that were flying around, but there was certainly no evidence and we simply therefore didn't see a need to do that.</td>
</tr>
<tr>
<td>7 Q.</td>
<td>Because it's right, isn't it, that people move around within tabloid newspapers, and indeed people who are now under arrest and are being questioned about events, one presumes, at the News of the World, have also in the past worked for Trinity Mirror titles?</td>
</tr>
<tr>
<td>8 A.</td>
<td>I think that was one of the reasons for reinforcing what we said in 2007 to make sure that our editors were being very clear in reminding their people what was acceptable and, you know, our absolute adherence to the code and the criminal law.</td>
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<tr>
<td>9 Q.</td>
<td>And two of the editors I asked this morning confirmed that the culture of the different tabloid titles is not discernibly different. All of that suggests, doesn't it, that if there was a widespread practice, you needed to nip it in the bud, or at least look to see whether it was there and infecting your titles?</td>
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<tr>
<td>10 A.</td>
<td>There was no evidence and we saw no reason to investigate.</td>
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<tr>
<td>11 Q.</td>
<td>Is it right that you've still not investigated? I know you've told us that there's been a review of systems and processes, but it's right that you've not actually sought to investigate whether the allegations of phone hacking in your group are true or false?</td>
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<tr>
<td>12 A.</td>
<td>We have only seen unsubstantiated allegations and I have seen no evidence to show me that phone hacking has ever taken place at Trinity Mirror.</td>
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<td>13 Q.</td>
<td>I understand what you're saying, but my question is rather different. You haven't looked, have you --</td>
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<td>14 A.</td>
<td>We haven't --</td>
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<tr>
<td>15 Q.</td>
<td>-- for that evidence?</td>
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<tr>
<td>16 A.</td>
<td>You're correct, Mr Barr, we have not conducted an investigation.</td>
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<tr>
<td>17 Q.</td>
<td>Do you think on reflection that it would be a good idea to have a look to satisfy yourself whether or not there has been phone hacking?</td>
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<tr>
<td>18 A.</td>
<td>No, I don't.</td>
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<tr>
<td>19 Q.</td>
<td>Why is that?</td>
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<tr>
<td>20 A.</td>
<td>I don't think it's the way to run a healthy organisation is to go around conducting investigations when there is no evidence to say that our journalists have hacked phones.</td>
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<tr>
<td>21 Q.</td>
<td>Even in the extraordinary circumstances that the media now finds itself?</td>
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<tr>
<td>22 A.</td>
<td>I think what we have done is send a letter to our --</td>
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<tr>
<td>23 Q.</td>
<td>I can't remember whether it's 43 or 44 senior editorial personnel across the group asking three very specific questions of them, which clearly shows the company's position and how we would never condone such activity, and I take comfort from the fact that they all signed it.</td>
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<tr>
<td>24 Q.</td>
<td>Even though the BBC is publishing allegations of phone hacking, which don't seem to have met with anything other than an informal protest?</td>
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<td>25 A.</td>
<td>The BBC in July -- are you referring to the Newsnight piece? I think that's a terrible piece of journalism, as we pointed out to them at the time, and they have no evidence and have not come back to us with any evidence. They were running unsubstantiated allegations as if they were fact, and I think that's terrible journalism.</td>
</tr>
<tr>
<td>26 Q.</td>
<td>Can I take it then that your personal knowledge is you've no personal knowledge of phone hacking at the Daily Mirror or any other Trinity Mirror title --</td>
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<tr>
<td>27 A.</td>
<td>I have not, Mr Barr.</td>
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<tr>
<td>28 Q.</td>
<td>The review that you did carry out, we have in the bundle. What progress has been made with implementing the recommendations?</td>
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<tr>
<td>29 A.</td>
<td>Good progress. I'm chairing a compliance committee and reporting back to the board. I last chaired -- well, I chaired the last compliance committee on Thursday of last week and we are meeting monthly and I'm satisfied that we're making very good progress with the recommendations.</td>
</tr>
<tr>
<td>30 Q.</td>
<td>One of those recommendations is a training plan should be developed to ensure all journalistic staff are fully aware of the need to verify sources and of the relevant legal and regulatory compliance issues which may affect the approach to obtaining a story. What was behind the training need that was identified?</td>
</tr>
<tr>
<td>31 A.</td>
<td>I think that we saw that across the group there were examples of very good practice and there were examples of some not such good practice, perhaps in terms of frequency of training, so we thought that it would be a good idea to introduce more standard practice across the group, and we are -- we have contracted the Press Association to do that and we are putting the finishing touches to that training programme now.</td>
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| Q. Another recommendation was that there should be a formal guidance note issued to all editorial staff dealing with workings practices when considering the public interest, in particular establishing a protocol for the editor signing off in advance of any actions that might be taken when a public interest defence would later be relied upon, and we've heard from the last witness that that's in place, at least at the People now. Is that now in place across --
| A. Yes, it was a very key part of the review. It is in place. That guidance note has been issued and it also resides on our internal intranet.

| Q. Is that a practice which you would commend to your competitors?
| A. Yes.

| Q. Is there any reason why that step wasn't taken before now? Because it seems to be a fairly, if I may say so, obvious, commonsense way to protect and justify --
| A. Indeed. I think on lots of our titles it would indeed have been happening and would have been standard practice. I think what we've done is add an additional control by saying, "This is our expectation, this is our process, this is how things must happen."

| Q. Were you aware of the Starsuckers programme and the allegations that were made against journalists from the People?
| A. Yes.

| Q. Is there anything you were aware of in relation to the Starsuckers programme before now? Because it seems to be a fairly, if I may say so, obvious, commonsense way to protect and justify --
| A. Indeed. I think on lots of our titles it would indeed have been happening and would have been standard practice. I think what we've done is add an additional control by saying, "This is our expectation, this is our process, this is how things must happen."

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| A. Yes.

| Q. The question now about the relationship between the chief executive and the editor. I understand that the editor has the last say on editorial matters, it's his or her responsibility, but I'm interested in exploring how in practice things work, and I asked Mr Embley about the People's shift in political allegiance to a neutral stance and he described having discussed it with you and you agreed, as it happened. Can I ask, have you ever disagreed with one of the editors about any significant decision on the line, the editorial line that a newspaper in your group should be taking?
| A. No, I don't believe that I have, and I think that there are some important key differences in our portfolio. For a start, all of our regional newspapers are apolitical. That's enshrined in their articles and they're very much champions of local issues and local causes.

| Q. If you hadn't seen the film, were you aware of the allegations?
| A. I really can't be sure. I'm not sure that I've ever seen the film myself.

| Q. If you hadn't seen the film, were you aware of the allegations?
| A. I'm certainly aware of them now. For the record, I think that some of the things that our journalists said were regrettable and my preference would have been that they wouldn't have said them. I do take comfort from the fact that we didn't pay for anything, we didn't publish anything, but I would still prefer journalists not to talk in those terms.

| Q. You tell us also about the weekly review of legal issues and so has one of your editorial witnesses. Do you think there's any further room for tightening practices with third parties? I'm thinking here of picture agencies. There seem to have been more an a fair share of regrettable instances involving pictures. What's your view of that?
| A. We've also, as part of the review, written to third parties and made it very clear to them as to what our expectations are and the fact that we expect them to comply with those. Certainly what we discussed last week was making them part of any future contracts, should any contracts be in place, next time we negotiate them, so making it even more explicit than it is now.

| Q. Again, would you commend those proposed improvements to your competitors?
| A. Yes.

| Q. The question now about the relationship between the chief executive and the editor. I understand that the editor has the last say on editorial matters, it's his or her responsibility, but I'm interested in exploring how in practice things work, and I asked Mr Embley about the People's shift in political allegiance to a neutral stance and he described having discussed it with you and you agreed, as it happened. Can I ask, have you ever disagreed with one of the editors about any significant decision on the line, the editorial line that a newspaper in your group should be taking?
| A. No, I don't believe that I have, and I think that there are some important key differences in our portfolio. For a start, all of our regional newspapers are apolitical. That's enshrined in their articles and they're very much champions of local issues and local causes.

| Insofar as The People, I thought it was a terrific idea. As Lord Justice Leveson has pointed out, The People and The Sunday Mirror actually do compete with each other on the newsstands, so there are a number of points of differentiation in their total packages but having another point of differentiation and that being a political one I thought was a terribly good and inspired idea from Lloyd.

| My job is to -- is certainly to hire editors and to put them in post and then allow them to do their jobs and to edit and to ensure that they have the resources and the support to be able to do that, and so I assure myself that that is so by having regular conversations with them. But they will really be directionally about the paper and I need our editors to be on top of their game. It's a tough business that they work in, it's pretty relentless, and in my conversations with them, "What do you think about this, how are you thinking about that?", part of my job is to ensure that they can discharge those responsibilities and they are on top of the agenda and what's going on.

| But I think also if you look if the Mirrors, they are very sure-footed in terms of their political positioning and it would just simply be unthinkable that
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1. that would change or I would attempt to change that or
2. influence it. I mean, I'll give them points of
3. feedback. I can remember, if you want an example,
4. during the last American elections, when I felt that
5. Richard's coverage was assuming a level of understanding
6. that our readers would have about American politics that
7. certainly I didn't have and I doubted whether they would
8. have, and I gave him that feedback and said that more
9. break-out boxes and explanation as to the system --
10. because we want to take our readers with us and make
11. them feel good about what's going on and give them the
12. currency to be able to discuss those things with
13. friends, family, over the dinner table, and generally
14. inform them. So I simply said to him: "I'm having
15. difficulty with this, I think we could do a bit more
16. explaining", and left it with him to think about that.
17. The biggest area that I've ever given any feedback
18. on is the area of TV listings. I'm an ex-TV listings
19. publisher, as you heard from --
20. Q. Slow down a little bit, please.
21. A. As you heard from Richard, listings are a key driver of
22. the paper and as an ex-listings publisher, there are
23. very technical ways of presenting listings that make
24. more or less appealing to readers, so that would be,
25. frankly, the biggest area that I have ever given

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1. feedback on.
2. But I think it would be extraordinary for me to be
3. totally disinterested, as chief executive in our
4. content, but I've been in the business for a very long
5. time and I know how to discharge those responsibilities.
6. Q. Okay. Can I move on now to ask you about political
7. influence. Do you meet politicians regularly?
8. A. I wouldn't say regularly. From time to time. What
9. I tend to do is host regular lunches for senior
10. politicians, cabinet ministers, predominantly for our
11. regionals editors. If you're an editor of a national
12. newspaper, you can pretty much get to see whomsoever you
13. want to. It's not quite the same if you're the editor
14. of a regional newspaper. A politician may want to see
15. you when they want to come to your city or town because
16. they have a particular reason for doing that, but it's
17. very important that our regionals editors are aware of
18. the broader political agenda and it's good use of
19. everybody's time. So I would invite a cabinet minister
20. to lunch at Canary Wharf, I would host the lunch and
21. they would agree to come on the basis that it will be
22. a very good use of their time because they will get the
23. editors from Coventry, Liverpool, Newcastle, Birmingham,
24. Cardiff all in the same room at the same time, so it
25. would be a very productive lunch. Some of those issues

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1. that would be discussed would be local issues of
2. concern. Others would be national issues, whether it be
3. defence, education, health, whatever the editors wanted
4. to raise with that minister.
5. Q. What about the police? Do you have any contact with
6. senior police officers?
7. A. I don't have any. I never have.
8. Q. Moving to the question of external providers of
9. information, first of all private investigators. You
10. tell us there's been a ban on these investigators
11. implemented this year at group level. Do you know when
12. Trinity Mirror titles stopped using Steve Whittamore or
13. is that at a level of detail that doesn't cross your
14. desk?
15. A. No, I can't be sure. I think it was around 2005,
16. I think, but I can't be sure.
17. Q. Expenses. We've heard evidence of a culture, in certain
18. quarters at certain times, of abusing expenses. Is that
19. a real risk in your business that needs to be tightly
20. controlled, the abuse of expenses?
21. A. I'm fanatical about expenses. I would fire people if
22. they abused expenses without -- immediately.
23. Q. Is that because it is a real moral hazard in this
24. business?
25. A. I think that whatever business you're in, expenses need

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1. to be claimed as part of business. We have a very tight
2. system in which expenses can be claimed, so I think it's
3. just -- I see it less as a moral hazard and more about
4. the fact that it's just the way one should do business.
5. MR BARR: Sir, I want to explore two related topics to do
6. with the PCC and to deal with the future, but before
7. I do so --
8. LORD JUSTICE LEVESON: I'm conscious of the time. How long
did you think this will take?
9. MR BARR: About 10 or 15 minutes, sir.
10. LORD JUSTICE LEVESON: I'm sure you would rather conclude,
11. but I'm just a bit concerned.
12. Okay, carry on, but a lot of the material we have
13. covered, and it may be sufficient to investigate the
14. extent to which Ms Bailey agrees or wishes to adumbrate
15. upon what the three editors from MGN that we've heard
16. from have to say.
17. Q. For the future, that's what I'll do and for the present
18. state of play, there are just two matters I want very
19. quickly to put to you. The first is at tab 32 of your
20. bundle. This is a letter from Sir Christopher Meyer at
21. the Press Complaints Commission to you, dated 10 October
22. 2007. In the second paragraph, it refers to the
23. Commission's recent report into undercover
24. news-gathering methods. Do you see that?
25. Page 120

30 (Pages 117 to 120)
A. Sorry, this is 10 October?

Q. Yes. The second paragraph --

A. Yes, yes, I do.

Q. Later on in that paragraph, it says:

"Nonetheless, the board of PressBoF has asked me to write to the industry to find out what its response is to the report. I am pleased to say that the Commission's inquiry was welcomed by the government and our recommendations endorsed by the Culture, Media and Sport Select Committee, and has been credited with diminishing the appetite of Westminster for taking things any further. It seems likely that sooner or later we may be asked about their implementation across the industry."

A. I don't tend to have a lot of personal correspondence with the PCC, but you will -- I mean, you can see how I responded to it. They would tend to write to me or have done on more specific matters if they felt they really need drawing to my attention, like the Aldershot case, for instance.

Q. Yes, that's what I'm coming to, the Aldershot case.

You're familiar with the documents. This is a case

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where one of your regional titles, the Aldershot News and Mail, printed a story in August 2010 which identified victims of sexual assault, and that was a plain breach of clause 11 of the code.

I think it is clear from the correspondence that what appears to have happened is that there was failure at multiple levels within that title. The reporter himself and then three layers of editing above all failed to spot this glaring howler, which was regrettably printed.

What we have in the bundle is a course of correspondence between Trinity Mirror and the PCC in which the Trinity Mirror lawyer takes issue with the approach of the PCC. The PCC regarded it as a very serious matter which should be drawn to your attention personally and publicly, didn't it?

A. Yes.

Q. In the light of a breach, which is a clear breach and a serious breach, and one which has involved failure at multiple levels, serious systems failures, what is wrong with a sanction which simply means that the chief executive has the breach publicly drawn to her attention so that the PCC can be assured that something is being done about it?

A. Mr Barr, I don't think there is, really. I think we

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perhaps got caught up at that point on -- I would hate to diminish it by calling it a technicality but caught up in process.

I think the concern was that there wasn't malice aforethought -- from our legal team, that there wasn't malice aforethought here, so what could a greater sanction be, but I'm not disagreeing with you in terms of the import of --

LORD JUSTICE LEVESON: The criticism was one of proportionality.

A. Yes.

LORD JUSTICE LEVESON: "What worse penalty can be imposed than bringing it to my attention publicly when it wasn't a case of deliberate misconduct?"

A. Yes.

LORD JUSTICE LEVESON: That raises a question of the proportionality of sanctions and what sanctioning should be available generally.

A. Yes, but I think that we never queried the points that you made.

MR BARR: Thank you for that answer. It brings me on nicely to the final area of questioning, which is about future regulation. First of all, do you think that regulation in the future, there should be more teeth to the regulator? Fines, for example?

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MR BARR: Thank you. Those were all my questions.

LORD JUSTICE LEVESON: Thank you. Let me say that allowing the process to be iterative, and by throwing out ideas for people to think about was specifically in order that editors and those concerned could contemplate them and see what good could come from them. So that's exactly --
A. I think that's working, sir.

LORD JUSTICE LEVESON: -- the purpose that I intended.

A. Yes.

LORD JUSTICE LEVESON: Thank you very much indeed for coming

and for being here throughout the day when all your

editors have been present. Thank you. 10 o'clock

tomorrow.

(5.03 pm)

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