

Murdoch's News Group accused of £1 million payout to conceal phone-hacking

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On July 9, the *Guardian* published allegations that Rupert Murdoch's News Group Newspapers paid out over £1 million to settle legal cases that threatened to reveal the repeated use by its journalists of covert and criminal methods to obtain information and personal details about high-profile public figures.

Alleged targets included the former deputy leader of the Labour Party, John Prescott, government minister Tessa Jowell, Liberal Democrat MP Simon Hughes, model Elle MacPherson, football agent Sky Andrew, London Mayor Boris Johnson, actress Gwyneth Paltrow, and chef Nigella Lawson. Private prosecutions are expected involving millions in damages.

The *Guardian* reported that "the payments secured secrecy over out-of-court settlements in three cases that threatened to expose evidence of Murdoch journalists using private investigators who illegally hacked into the mobile phone messages of numerous public figures to gain unlawful access to confidential personal data, including tax records, social security files, bank statements and itemised phone bills. Cabinet ministers, MPs, actors and sports stars were all targets of the private investigators."

The evidence could "open the door to hundreds more legal actions by victims of News Group," the *Guardian* stated, as well as instigating police inquiries into reporters who were involved and the senior executives technically responsible for them.

Within hours, the Metropolitan Police's Assistant Commissioner John Yates announced that Scotland Yard would not be reopening its files. No new evidence had come to light, he said, and the original inquiry had concluded that phone-tapping occurred in only a minority of cases.

John Prescott expressed his surprise at Yates's announcement. He told BBC's *Newsnight* that "serious

questions had to be answered...he has defined in a very narrow way what he is going to look at, and then gives a report that everything is OK."

The *Guardian* pointed out that amongst the questions posed by the revelations was why the Metropolitan Police did not alert all those whose phones were targeted by the News Group. It also questioned why the Crown Prosecution Service did not pursue all possible charges against News Group personnel.

The spotlight has also fallen on Andy Coulson, former deputy editor and later editor of the *News of the World*, who is now the Conservative Party's director of communications.

The suppressed legal cases are linked to the jailing in January of 2007 of a *News of the World* reporter, Clive Goodman, for hacking into the mobile phones of three royal staff, an offence under the Regulation of Investigatory Powers Act. At the time, News Group Newspapers management said it knew of no other journalist who was involved, and that Goodman had acted without their knowledge.

Contradicting the claims of the Metropolitan Police, one senior police source told the *Guardian* that during the Goodman inquiry officers found evidence of News Group Newspapers staff using private investigators who hacked into "thousands" of mobile phones. Another source, with direct knowledge of the police findings, put the figure at "two or three thousand" phones.

The sources also suggested that members of Parliament (MPs) from the three main parliamentary parties, and cabinet ministers, including Prescott and Jowell, the former culture secretary, were among those targeted.

A private investigator who had worked for News Group Newspapers, Glenn Mulcaire, was also jailed in 2007 after admitting to hacking into the phones of five targets, including the chief executive of the Professional Footballers' Association, Gordon Taylor.

NGN denied all knowledge of the hacking.

Coulson said he took responsibility for what had happened and resigned from News Group Newspapers. Last year, Gordon Taylor sued the company on the basis that their denial of knowledge was not credible.

Initially, News Group Newspapers executives told the High Court that the company had not been involved in any way in Mulcaire's hacking into Taylor's phone, denying keeping any recordings or notes of intercepted messages. At the request of Taylor's lawyers, the court ordered the production of detailed evidence from Scotland Yard's inquiry into the Goodman case and an inquiry by the information commissioner into journalists who dishonestly obtain confidential personal records.

The Scotland Yard files included paperwork that revealed that, contrary to News Group's denial, Mulcaire had passed on a recording of the messages on Taylor's phone to a *News of the World* journalist. The journalist had then transcribed them and emailed them to a senior reporter. A *News of the World* executive had reportedly offered Mulcaire a "substantial bonus" for a story specifically related to the intercepted messages.

The paperwork from the Information Commission revealed the names of 31 journalists working for NGN tabloids the *Sun* and *News of the World*, together with the details of government agencies, banks, phone companies and others who were swindled into passing on confidential information. This is an offence in UK law under the Data Protection Act, unless it is justified by the "public interest."

This was occurring while Coulson was deputy editor of the *Sun*, and the editor was Rebekah Wade, now due to become chief executive of News International.

Faced with this evidence, the *Guardian* continued, "News International changed their position, started offering huge cash payments to settle the case out of court, and finally paid out £700,000 in legal costs and damages on the condition that Taylor signed a gagging clause to prevent him speaking about the case. The payment is believed to have included more than £400,000 in damages. News Group then persuaded the court to seal the file on Taylor's case to prevent all public access, even though it contained prima facie evidence of criminal activity."

The Scotland Yard papers also provided evidence that *News of the World* had worked with Mulcaire in his hacking of the mobile phones of at least two other football figures, who had subsequently filed complaints. These were settled this year when News International paid more

than £300,000 in damages and costs on condition that they signed gagging clauses.

Three fresh inquiries into the conduct of News International have now been announced.

Director of Public Prosecutions Keir Starmer is to launch a review of the evidence relating to phone hacking. "In the light of the fresh allegations...I have ordered an urgent examination of the material supplied to the CPS (Crown Prosecution Service) by the police," he said.

A House of Commons select committee will be calling senior managers from News International to clarify what they knew about malpractice by journalists at *News of the World*. Those expected to be called include Rebekah Wade, *News of the World's* outgoing managing editor Stuart Kuttner, current editor Colin Myler, and former chairman of News International Les Hinton. Hinton told a previous hearing that Goodman had been acting alone. Coulson is also expected to be asked to appear.

The Press Complaints Commission is also to conduct an inquiry.

News Group Newspapers has made no response to the allegations, other than to cite "confidentiality obligations" preventing it "from discussing certain allegations made in the *Guardian* newspaper."

The editor in chief of the *Guardian*, Alan Rusbridger, noted that "News International has not contested any part of the *Guardian* coverage—including the central assertion that the company had paid a record £1m to ensure secrecy over damages paid to victims of illegal phone-hacking."

Conservative Party leader David Cameron and other top Tories have defended Coulson amidst Labour demands for his resignation, citing his earlier resignation from Murdoch's media empire as proof of his personal integrity. "I believe in giving people a second chance," Cameron declared.



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