

James Murdoch compared to “mafia boss” in British phone hacking inquiry

Julie Hyland**11 November 2011**

James Murdoch’s second appearance before the parliamentary committee investigating the phone hacking scandal at Rupert Murdoch’s now defunct *News of the World* continued efforts to cover over widespread corporate criminality, in collusion with the highest echelons of the British state.

So far 5,800 potential victims have been identified. Among the targets are members of the royal family, leading politicians, lawyers acting for hacking claimants and even members of the Culture Select Committee itself.

James Murdoch, head of News Corporation’s British subsidiary News International (NI), appeared before the committee in July alongside his father.

At that session, Murdoch senior stayed virtually mute save his farcical declaration that it was “the most humble day of my life,” and with good reason. Despite kid gloves treatment from the committee, it is virtually impossible for anyone involved with NI to say anything that will not incriminate them—the Murdochs above all.

James was recalled to explain “discrepancies” in his own testimony—that he was unaware phone hacking went beyond the tabloid’s royal reporter, Clive Goodman, jailed in January 2007, that there was no evidence of more widespread abuse, and that he only became aware of the scale of the problem in 2010.

Documents that have come to light flatly contradict his statements. Notes, bills and emails indicate that not only were hacking and other illegal activities widespread at the *News of the World* and beyond—including bribery of police officers and attempts to blackmail public figures—but that this was authorised and then concealed at senior levels.

James took over as NI chief executive in late 2007. This was at the time that Gordon Taylor, chief executive of the Professional Footballers’ Association (FA), had begun legal proceedings against the *News of the World* over Goodman’s admission that he had hacked his mobile. In May 2008, a letter from Taylor’s lawyers to the newspaper’s legal officer, Tom Crone, detailed material recovered by police from the home of Glen Mulcaire, the private detective jailed

along with Goodman. This revealed that in 2005, *News of the World* journalist Ross Hindley had received the transcript of 35 voicemails from Taylor’s phone, allegedly intended “for Neville”—Neville Thurlbeck the newspaper’s chief reporter.

Thurlbeck was sacked from NI in September 2011 when details of the hacking scandal resurfaced. He is one of only a few NI personnel arrested and bailed for alleged involvement in hacking. He is currently suing NI for unfair dismissal.

At his last appearance, James denied he had seen the email. But a letter shows that in 2008, Crone briefed newly appointed editor Colin Myler on its contents in preparation for his “chat” with Murdoch. The transcripts were “fatal to our case … Our position is very perilous. The damning email is genuine.” Crone wrote.

Myler and Crone have made a formal statement that they did inform James Murdoch about the email.

In addition, there is the counsel’s opinion written for NI regarding the hacking allegations. Writing in June 2008, Michael Silverleaf QC, advised NI to settle Taylor’s case. “To have this paraded at a public trial would, I imagine, be extremely damaging to [NI’s] public reputation” he wrote. “There is a powerful case that there is (or was) a culture of illegal information access.”

Julian Pike, for NI solicitors Farrer & Co dealing with Taylor, has also testified that he believed James Murdoch personally authorised a payoff to the FA chief for his silence, which was settled at £750,000.

James Murdoch simply denied he knew about any of the above while accusing Crone and Myler of misleading the committee. They had withheld the “for Neville” email from him, and their evidence to the contrary was “inconsistent and not right.”

Asked why the *News of the World* had decided to raise its initial offer to Taylor, James claimed that it was Crone’s decision alone, and that he had acted without his authority. He had “looked quite hard” to find evidence of who else may have authorised Crone to make such a payout, but

nothing had been found.

He also did not know why the publicist Max Clifford had received a reported £1 million settlement, or why Mulcaire and Goodman's legal costs continued to be paid even after they were jailed.

Even when Labour MP Tom Watson revealed he had met Thurlbeck in advance of the committee hearing, who had confirmed James Murdoch had been informed, the NI chief dismissed it.

Like his father in July, Murdoch argued that the *News of the World* was only a small part of NI's operations, and that any responsibility for events belonged to those beneath him. "Senior management rely on executives to behave in a certain way," he argued. "Otherwise it's impossible to manage every single detail in a company of this scale."

At any rate, in 2009 the Metropolitan Police had said no new evidence of hacking had come to light and had "shut down the investigation," he said.

All Murdoch would concede, after reflection, was that "the whole company is humbled by this and [we must] learn why we couldn't get to grips with it as fast as we would have liked."

In the last weeks it has been alleged that the newspaper employed a private investigator with the aim of smearing or blackmailing two lawyers, Mark Lewis and Charlotte Harris. Lewis and Harris represented a number of hacking claimants, including Taylor, Clifford and the family of the murdered schoolgirl Milly Dowler.

Derek Webb, a former police officer, says that he worked for the *News of the World* from 2003 until its closure and that he was commissioned to run covert surveillance on Lewis and Harris. The aim was to gather incriminating material that could be used either to pressure them to stop their work or smear them.

Crone confirmed to the committee that he had seen information relating to the two lawyers while at the newspaper. It involved "their private lives" he said, but he would not name those responsible for commissioning the operation as it would interfere with the police investigation.

Among others spied upon were John Prescott, then deputy prime minister; Charles Clarke, former home secretary; and Lord Goldsmith, former attorney general.

Last week, *Sun* newspaper reporter Jamie Pyatt was arrested in connection to bribing police. It is the first time that charges of criminality have gone beyond the *News of the World* to another of Murdoch's UK titles.

The committee barely scratched any of this damning information. Murdoch claimed ignorance of the involvement of private detectives, claiming their use was something "I would never condone."

Questioned as to whether the *Sun* newspaper would also be

shut down if further evidence of illegal activity came to light, he responded piously that it would be wrong to "prejudge the outcome" of any investigation.

The one moment of truth came when Watson questioned Murdoch whether he was familiar with the mafia term "omerta"—the code of silence. Its purpose was to enable a group's collective objective "to proceed without any regard for the law, using intimidation, corruption and general criminality."

"You must be the first mafia boss in history who didn't know he was running a criminal enterprise," Watson said. As an uncomfortable hush fell on the proceedings, James Murdoch replied that the statement was "inappropriate" and "offensive."

The mafia comparison is apt. Only last week it was revealed that former *News of the World* editor and NI executive Rebekah Brooks had received a £1.7 million payoff, a company limousine and use of a central London office.

Having made the association, however, the fundamental question is why someone accused of overseeing a mafia-style operation has still not been charged with any offence. It is certainly not the first time in history that a mafia boss has gone scot free. And it is not simply because of the "code of silence" identified by Watson. More importantly, it is because they are protected by police, politicians and the judiciary—a security purchased with cash, favours and/or intimidation.

Such is the case with NI and Rupert Murdoch. It was Metropolitan Police Chief Andy Hayman who took the decision to close down the 2009 hacking inquiry cited by James Murdoch. After leaving the police in 2010 he went to work for NI as a columnist.

In January this year, Andy Coulson was forced to resign as Prime Minister David Cameron's communications director. He had been employed even though the first evidence of phone hacking had come to light under his editorship of the *News of the World*.

These figures are just the tip of the iceberg. For years the multi-billionaire arch reactionary has acted with impunity sheltered by police officers, lawyers and politicians from every political party who have competed to do his bidding.



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