

*Murdered Girl,  
Hacked Phone,  
Eyes on Tabloid*

COLLECTIONS

# Hacked

The Tabloid Scandal That  
Rocked Britain



is bearing the burden on Rebekah  
Brooks, a top executive of the  
News Corporation in Britain, fol-  
lowing allegations that one of the  
company's newspapers hacked  
the cellphone of a 13-year-old  
who was a victim

HACKED: THE TABLOID SCANDAL THAT ROCKED BRITAIN

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FROM THE NEW YORK TIMES ARCHIVES:

# HACKED: THE TABLOID SCANDAL THAT ROCKED BRITAIN

# TBook Collections

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# British Police Arrest 3 Over Taps on Phones in Royal Residence

By **ALAN COWELL**

*August 9, 2006*

LONDON — Long before they were wed, in the murky days of deceit and divorce, Prince Charles and his mistress Camilla Parker-Bowles were no strangers to telephone taps that transformed risqué, private murmurs into oh-so-public newspaper headlines.

Now, the specter may have returned to haunt the royal household again not just, this time, in telephone intercepts of the prince's entourage, but across a wider range of celebrities and politicians whose telephones may have been bugged by a tabloid.

The British police announced late Tuesday that three men had been arrested on suspicion of intercepting telephone calls, reportedly on cellphones, after complaints by staff members at Clarence House, Charles' official residence in central London.

The News of the World, a mass-circulation tabloid with a penchant for disclosures, often about the royals, acknowledged that Clive Goodman, its reporter covering the royal family, was one of those under arrest.

The news bumped the war in Lebanon off the top of some television news bulletins. Not only did it have everything a tabloid might want — titillation, celebrity and royal embarrassment to start with — it also had the tabloid itself.

By late Tuesday, few details of what had been intercepted — and who had said what to whom — had emerged.

“Police launched an investigation after concerns were reported to the Met's Royalty Protection Department by members of the royal



household at Clarence House,” London’s Metropolitan Police, the Met, said in a statement. The investigation has been going on for about seven months.

The inquiry “is focused on alleged repeated security breaches within telephone networks over a significant period of time and the potential impact this may have on protective security around a number of individuals,” the statement said.

Apart from the prince, the heir to the throne, and Camilla, the Duchess of Cornwall, since she and Charles were married in April 2005, those most likely to have had their phone calls intercepted could well have included the royal princes, William and Harry — the sons of Charles and Diana, Princess of Wales.

Somewhat coyly, the statement said the police had concluded that “public figures beyond the royal household” may have had their calls intercepted, kindling speculation that politicians and other members of the royal household might have been caught up in the eavesdropping web.

“The investigation initially focused on complaints from three people within the royal household,” the police statement said, without naming them.

“As a result of their inquiries police now believe that public figures beyond the royal household have had their telephones intercepted which may have potential security implications,” the statement said.

“Police continue to work with the telephone companies concerned and continue to have their full support in attempting to identify any other person whose telephone may have been intercepted,” it said.

The news stirred memories of 1993 — before Charles and Diana were divorced in 1996 and her death in a car crash in Paris in 1997 — when the so-called “Camillagate” tapes recorded sexually explicit remarks by the prince in a late-night conversation with Camilla. Famously, the conversation included Prince Charles expressing a wish to be a tampon. One year earlier, Diana was recorded talking to a man,

subsequently identified by newspapers as a long-time friend, James Gilbey, who said he loved her and called her “Squidgy.”

That became known as the “Squidgygate” affair.

In both cases, though, the recordings were apparently made by people using radio scanners.

This time, the Press Association news agency reported, quoting unidentified sources, “the allegations did not relate to the tapping of live telephone calls, but another method of telephone interception or alleged hacking of phones.”

Some people took that to mean that cellphone messaging systems had been compromised.

# Editor Says a Murdoch Paid to Settle on Phone Tap

By **TIM ARANGO**

*July 22, 2009*

The editor of News of the World, a London tabloid, told a parliamentary committee on Tuesday that James Murdoch, the son of the media baron Rupert Murdoch, had approved a \$1.1 million payment to settle phone-tapping allegations against the paper.

The case — in which the payment was made to Gordon Taylor, the head of the Professional Footballers' Association — was settled at a 2008 meeting among James Murdoch; Colin Myler, the editor of News of the World; and Tom Crone, a company lawyer, Mr. Myler told a committee of the House of Commons, Bloomberg News reported.

"It was an agreed collective decision," Mr. Myler told the committee, according to Bloomberg. "It's how newspapers work."

The testimony on Tuesday followed a report in The Guardian newspaper two weeks ago that suggested two tabloid newspapers owned by the News Corporation, the media conglomerate controlled by Rupert Murdoch, had engaged in the widespread use of private investigators to illegally hack into the cellphone messages of public officials and celebrities in Britain. News Corporation has denied the allegations.

Shortly after The Guardian article was published, Rupert Murdoch told Bloomberg News that he was unaware of any such payment. "If that had happened," he said, "I would know about it."

A News Corporation spokesman declined to comment on Tuesday.

The case involving Mr. Taylor emerged after the 2007 conviction of Clive Goodman, then the editor responsible for News of the World's

coverage of the royal family, on charges that he had hacked into the cellphones of three of its members. Mr. Goodman received a four-month prison sentence. Glenn Mulcaire, a private investigator hired by News of the World, received a six-month sentence. Andy Coulson, who was editor of the paper during the hacking, resigned.

When The Guardian article was published, it caused an uproar in Britain and shined a light on the practices often used by British tabloid journalists. For example, a 2006 report published by the British information commissioner concluded that newspapers commonly hired private investigators. After The Guardian article, Scotland Yard said it would not reopen the matter, adding that it conducted a thorough inquiry three years earlier.

Many editors in London say that newspapers have largely ended the practice. Since the Goodman case, News of the World has enforced a code of conduct that prohibits reporters from hiring private investigators.

# British Panel Condemns Media Group in Phone Hacking Case

By **SARAH LYALL**

*February 24, 2010*

LONDON — A parliamentary committee on Wednesday accused News International of having exhibited “collective amnesia” in an inquiry about how its News of the World tabloid hacked into the telephones of members of the royal family, celebrities and other public figures.

“We have repeatedly encountered an unwillingness to provide the detailed information that we sought, claims of ignorance or lack of recall, and deliberate obfuscation,” the panel, known as the Culture, Media and Sport Committee, said in a report.

News International, the main British subsidiary of Rupert Murdoch’s News Corporation, which also publishes The Times of London and the tabloid The Sun, condemned the report as biased and said the committee was following a “party-political agenda.”

The report, “Press Standards, Privacy and Libel,” is a broad examination of issues relating to the way the British news media operate. But it reserves a large chunk of opprobrium for executives from The News of the World and News International, many of whom gave evidence as the committee sought to investigate the hacking charges.

The inquiry stemmed from an episode in 2007 in which Glenn Mulcaire, a private investigator, and Clive Goodman, the royal correspondent for The News of the World, were convicted of unlawfully intercepting messages from a number of people’s telephones. Victims included aides to the royal family, the model Elle MacPherson, the publicist Max Clifford and the Liberal Democratic politician Simon Hughes.

In July, the liberal-leaning newspaper The Guardian, an avowed enemy of News International, published an article asserting that the phone hacking had gone far beyond what The News of the World had admitted to and could have extended to thousands of other people.

The Guardian also disclosed that News International had paid \$1.6 million to three people, including Gordon Taylor, chief executive of the Professional Footballers' Association, who had sued after their phones were hacked into.

Testifying before the committee, News International officials said that the hacking operation had not been approved by the paper's management, was the fault of a rogue reporter — Mr. Goodman — and was limited in scope. But the committee's report said it was "inconceivable" that Mr. Goodman had acted alone and expressed frustration at being unable to get straight answers from the paper's executives.

"It is likely that the number of victims of illegal phone-hacking by Glenn Mulcaire will never be known," the report said. "Nevertheless, there is no doubt that there were a significant number of people whose voice messages were intercepted, most of whom would appear to have been of little interest to the royal correspondent of The News of the World."

The episode reflects badly on the methods of the British news media, the report said. "We strongly condemn this behavior, which reinforces the widely held impression that the press generally regard themselves as unaccountable and that News International in particular has sought to conceal the truth," it said.

News International condemned the report as the work of lawmakers who were "resorting to innuendo, unwarranted inference and exaggeration."

# Tabloid Hack Attack on Royals, and Beyond

By **DON VAN NATTA JR., JO BECKER** and **GRAHAM BOWLEY**

*September 1, 2010*

IN NOVEMBER 2005, three senior aides to Britain's royal family noticed odd things happening on their mobile phones. Messages they had never listened to were somehow appearing in their mailboxes as if heard and saved. Equally peculiar were stories that began appearing about Prince William in one of the country's biggest tabloids, News of the World.

The stories were banal enough (Prince William pulled a tendon in his knee, one revealed). But the royal aides were puzzled as to how News of the World had gotten the information, which was known among only a small, discreet circle. They began to suspect that someone was eavesdropping on their private conversations.

By early January 2006, Scotland Yard had confirmed their suspicions. An unambiguous trail led to Clive Goodman, the News of the World reporter who covered the royal family, and to a private investigator, Glenn Mulcaire, who also worked for the paper. The two men had somehow obtained the PIN codes needed to access the voice mail of the royal aides.

Scotland Yard told the aides to continue operating as usual while it pursued the investigation, which included surveillance of the suspects' phones. A few months later, the inquiry took a remarkable turn as the reporter and the private investigator chased a story about Prince William's younger brother, Harry, visiting a strip club. Another tabloid, The Sun, had trumpeted its scoop on the episode with the immortal: "Harry Buried Face in Margo's Mega-Boobs. Stripper Jiggled . . . Prince Giggled."

As Scotland Yard tracked Goodman and Mulcaire, the two men hacked into Prince Harry's mobile-phone messages. On April 9, 2006, Goodman produced a follow-up article in News of the World about the apparent distress of Prince Harry's girlfriend over the matter. Headlined "Chelsy Tears Strip Off Harry!" the piece quoted, verbatim, a voice mail Prince Harry had received from his brother teasing him about his predicament.

The palace was in an uproar, especially when it suspected that the two men were also listening to the voice mail of Prince William, the second in line to the throne. The eavesdropping could not have gone higher inside the royal family, since Prince Charles and the queen were hardly regular mobile-phone users. But it seemingly went everywhere else in British society. Scotland Yard collected evidence indicating that reporters at News of the World might have hacked the phone messages of hundreds of celebrities, government officials, soccer stars — anyone whose personal secrets could be tabloid fodder. Only now, more than four years later, are most of them beginning to find out.

AS OF THIS SUMMER, five people have filed lawsuits accusing News Group Newspapers, a division of Rupert Murdoch's publishing empire that includes News of the World, of breaking into their voice mail. Additional cases are being prepared, including one seeking a judicial review of Scotland Yard's handling of the investigation. The litigation is beginning to expose just how far the hacking went, something that Scotland Yard did not do. In fact, an examination based on police records, court documents and interviews with investigators and reporters shows that Britain's revered police agency failed to pursue leads suggesting that one of the country's most powerful newspapers was routinely listening in on its citizens.

The police had seized files from Mulcaire's home in 2006 that contained several thousand mobile phone numbers of potential hacking victims and 91 mobile phone PIN codes. Scotland Yard even had a recording of Mulcaire walking one journalist — who may have worked at



yet another tabloid — step by step through the hacking of a soccer official's voice mail, according to a copy of the tape. But Scotland Yard focused almost exclusively on the royals case, which culminated with the imprisonment of Mulcaire and Goodman. When police officials presented evidence to prosecutors, they didn't discuss crucial clues that the two men may not have been alone in hacking the voice mail messages of story targets.

"There was simply no enthusiasm among Scotland Yard to go beyond the cases involving Mulcaire and Goodman," said John Whittingdale, the chairman of a parliamentary committee that has twice investigated the phone hacking. "To start exposing widespread tawdry practices in that newsroom was a heavy stone that they didn't want to try to lift." Several investigators said in interviews that Scotland Yard was reluctant to conduct a wider inquiry in part because of its close relationship with News of the World. Police officials have defended their investigation, noting that their duties did not extend to monitoring the media. In a statement, the police said they followed the lines of inquiry "likely to produce the best evidence" and that the charges that were brought "appropriately represented the criminality uncovered." The statement added, "This was a complex inquiry and led to one of the first prosecutions of its kind." Officials also have noted that the department had more pressing priorities at the time, including several terrorism cases.

Scotland Yard's narrow focus has allowed News of the World and its parent company, News International, to continue to assert that the hacking was limited to one reporter. During testimony before the parliamentary committee in September 2009, Les Hinton, the former executive chairman of News International who now heads Dow Jones, said, "There was never any evidence delivered to me suggesting that the conduct of Clive Goodman spread beyond him."

But interviews with more than a dozen former reporters and editors at News of the World present a different picture of the newsroom. They

described a frantic, sometimes degrading atmosphere in which some reporters openly pursued hacking or other improper tactics to satisfy demanding editors. Andy Coulson, the top editor at the time, had imposed a hypercompetitive ethos, even by tabloid standards. One former reporter called it a “do whatever it takes” mentality. The reporter was one of two people who said Coulson was present during discussions about phone hacking. Coulson ultimately resigned but denied any knowledge of hacking.

News of the World was hardly alone in accessing messages to obtain salacious gossip. “It was an industrywide thing,” said Sharon Marshall, who witnessed hacking while working at News of the World and other tabloids. “Talk to any tabloid journalist in the United Kingdom, and they can tell you each phone company’s four-digit codes. Every hack on every newspaper knew this was done.”

Bill Akass, the managing editor of News of the World, dismissed “unsubstantiated claims” that misconduct at the paper was widespread and said that rigorous safeguards had been adopted to prevent unethical reporting tactics. “We reject absolutely any suggestion or assertion that the activities of Clive Goodman and Glenn Mulcaire, at the time of their arrest, were part of a ‘culture’ of wrongdoing at the News of the World and were specifically sanctioned or accepted at senior level in the newspaper,” Akass wrote in an e-mail.

He accused The New York Times of writing about the case because of a rivalry with a competing media company.

In February, the parliamentary committee issued a scathing report that accused News of the World executives of “deliberate obfuscation.” The report created a stir yet did not lead to a judicial inquiry. And Scotland Yard had chosen to notify only a fraction of the hundreds of people whose messages may have been illegally accessed — effectively shielding News of the World from a barrage of civil lawsuits. The scandal appeared to be over, especially for Coulson, who had been hired by the Conservative Party to help shape its message in the run-up to the

general election. In May, when David Cameron became prime minister, he rewarded Coulson with the top communications post at 10 Downing Street.

But the hacking case wouldn't go away. Two victims notified by Scotland Yard sued the paper and negotiated agreements, one for a million pounds. Emboldened, lawyers began rounding up clients and forcing the Metropolitan Police (known as Scotland Yard) to reveal whether their names were in Mulcaire's files. Cases are being brought by a member of Parliament, a woman who was sexually assaulted when she was 19 and a prominent soccer commentator who happens to work for one of Murdoch's companies. "Getting a letter from Scotland Yard that your phone has been hacked is rather like getting a Willy Wonka golden ticket," declared Mark Lewis, a lawyer who won the first settlement. "Time to queue up at Murdoch Towers to get paid."

FOR DECADES, London tabloids have merrily delivered stories about politicians having affairs, celebrities taking drugs and royals shaming themselves. Gossip could end careers, giving the tabloids enormous power. There seemed to be an inverse relationship between Britain's strict privacy laws and the public's desire to peer into every corner of other people's lives. To feed this appetite, papers hired private investigators and others who helped obtain confidential information, whether by legal or illegal means. The illicit methods became known as "the dark arts." One subspecialty involved "blagging" — getting information by conning phone companies, government agencies and hospitals, among others. "What was shocking to me was that they used these tactics for celebrity tittle-tattle," said Brendan Montague, a freelance journalist. "It wasn't finding out wrongdoing. It was finding out a bit of gossip."

Steve Whittamore, a private investigator who worked for numerous tabloids, himself became the subject of headlines in 2005, after the authorities seized records from his home that revealed requests by hundreds of journalists for private information. "There was never an

instance of me doing anything other than what I was asked,” said Whittamore, who now runs a Web site that tracks local crime. He eventually pleaded guilty, though no journalists were ever charged. Among Whittamore’s clients was News of the World, where he worked for 19 reporters and editors.

Rupert Murdoch purchased the once-sleepy Sunday tabloid in 1969. Although the paper was not immune to the industry’s decline — its circulation is now 2.9 million, down from 4 million a decade ago — it remains a powerful presence. Sex scandals aside, the paper has exposed wrongdoing resulting in dozens of criminal convictions.

Murdoch unabashedly uses his London papers — which also include The Sun, The Times of London and The Sunday Times — to advance a generally conservative, pro-business line. Beginning in the late 1970s, his papers supported Margaret Thatcher and the Conservative Party, attacking her Labour Party rivals in editorials and news articles. Years later, Labour’s Tony Blair assiduously courted and won Murdoch’s backing for his more-centrist politics. “You had huge influence as editor,” said Phil Hall, who ran News of the World from 1995 to 2000.

One standout at News International was Andy Coulson, who made his name as a young reporter in the early 1990s writing for The Sun’s showbiz column. A native of blue-collar Essex in southern England, Coulson had a sharp instinct for what readers wanted. He famously once asked Prime Minister Tony Blair and his wife, Cherie, whether they were members of the mile-high club. In 2000, Coulson moved to News of the World as second in command under the editor, Rebekah Brooks. When she left three years later, Coulson, only 34 at the time, was the obvious choice to succeed her.

WHEN A BOTTLENOSE whale became stranded in the Thames River in January 2006, the London tabloids raced to put reporters and photographers on boats. One News of the World reporter watched in horror as a wet-suit-clad rival from The Sunday Mirror jumped into the

freezing water while a colleague snapped pictures. Back at News of the World, editors were not happy.

“If he doesn’t get into that river and get a picture of us saving the whale by pushing it out to sea,” one journalist recalled Coulson saying of his reporter, “he doesn’t need to bother coming back.” Not to be outdone, Coulson dispatched another reporter to the North Sea to “find the whale’s family.”

The episode was vintage Coulson, who ruled the newsroom with single-minded imperiousness: get the story, no matter what. Reporters donned lingerie to infiltrate suburban swinger parties. Others were deployed within the paper’s headquarters, on the sprawling News International campus in East London, seemingly for the amusement of editors. One reporter was ordered to spend 24 hours inside a plastic box, in the newsroom, to emulate a stunt by the magician David Blaine.

Despite the earlier arrest of the private investigator Steve Whittamore, the dark arts were still widely in use. Former reporters said both the news and features desks employed their own investigators to uncover medical records, unlisted addresses, phone bills and so on. Matt Driscoll, a former sports reporter, recalled chasing a story about the soccer star Rio Ferdinand. Ferdinand claimed he had inadvertently turned off his phone and missed a message alerting him to a drug test. Driscoll had hit a dead end, he said, when an editor showed up at his desk with the player’s private phone records. They showed Ferdinand had made numerous calls during the time his phone was supposedly off. Driscoll was disciplined for supposed inaccuracies and later dismissed; he proceeded to win 800,000 pounds in court, which found he had been bullied by Coulson and other editors.

Around the newsroom, some reporters were getting stories by surreptitiously accessing phone messages, according to former editors and reporters. Often, all it took was a standard four-digit security code, like 1111 or 4444, which many users did not bother to change after buying their mobile phones. If they did, the paper’s private investigators

found ways to trick phone companies into revealing personal codes. Reporters called one method of hacking “double screwing” because it required two simultaneous calls to the same number. The first would engage the phone line, forcing the second call into voice mail. A reporter then punched in the code to hear messages, often deleting them to prevent access by rival papers. A dozen former reporters said in interviews that hacking was pervasive at News of the World. “Everyone knew,” one longtime reporter said. “The office cat knew.”

One former editor said Coulson talked freely with colleagues about the dark arts, including hacking. “I’ve been to dozens if not hundreds of meetings with Andy” when the subject came up, said the former editor, who spoke on condition of anonymity. The editor added that when Coulson would ask where a story came from, editors would reply, “We’ve pulled the phone records” or “I’ve listened to the phone messages.”

Sean Hoare, a former reporter and onetime close friend of Coulson’s, also recalled discussing hacking. The two men first worked together at The Sun, where, Hoare said, he played tape recordings of hacked messages for Coulson. At News of the World, Hoare said he continued to inform Coulson of his pursuits. Coulson “actively encouraged me to do it,” Hoare said.

Hoare said he was fired during a period when he was struggling with drugs and alcohol. He said he was now revealing his own use of the dark arts — which included breaking into the messages of celebrities like David and Victoria Beckham — because it was unfair for the paper to pin the blame solely on Goodman. Coulson declined to comment for this article but has maintained that he was unaware of the hacking.

Reporters knew they would be rewarded or ostracized based on their ability to beat the competition. It made for an unusual pecking order. On top was Neville Thurlbeck, whose fervor for scoops was legend. He was acquitted of bribing a police officer for information. But in another case, the paper was found to have violated the privacy of the subject of his front-page story headlined “Sick Nazi Orgy.” The paper’s parent

company paid a 60,000 pound settlement, and Thurlbeck retained his title as chief reporter.

Clive Goodman, the veteran royals reporter, seemed to be on the opposite trajectory. In the 1990s, Goodman crushed competitors with exclusives on Princess Diana. Now, clad in a waistcoat and wearing a pocket watch, he cut the figure of an old-school Fleet Street character whose best stories were behind him. If Glenn Mulcaire, the paper's top investigator, could help him break stories by hacking into the messages of the royal household, Goodman could revive his career.

ON THE MORNING of Aug. 8, 2006, Scotland Yard detectives arrived with a search warrant at News of the World. For six months, officials had tracked Clive Goodman and Glenn Mulcaire as they hacked into the voice mail of the royal household, according to people with knowledge of the investigation. One royal aide's voice mail was called 433 times, records show. In the newspaper's lobby, detectives faced resistance from executives and lawyers for the paper over searching the newsroom, former police officials said. As word of the detectives' arrival ricocheted around the office, two veteran reporters stuffed reams of documents into trash bags, one reporter recalled, and hauled them away. The precaution proved unnecessary. Detectives limited their search to Goodman's desk. "We only had authority to do that desk," a senior Metropolitan Police official said. "We were nervous about doing any extra search."

At the same time, other detectives descended on Mulcaire's modest home in Cheam, a southwestern suburb of London. Inside, the police found what one investigator called "a massive amount of evidence" — dozens of notebooks and two computers containing 2,978 complete or partial mobile phone numbers and 91 PIN codes; at least three names of other News of the World journalists; and 30 tape recordings made by Mulcaire. Both Mulcaire and Goodman were arrested that day, charged with conspiracy to intercept communications without lawful authority.

News of the World editors said they were stunned by the arrests and vowed to conduct an internal investigation.

At Scotland Yard, the task of investigating the case fell to the counterterrorism branch, which was responsible for the security of the royal family. It was an extraordinarily busy time for the unit, which was dealing with the aftermath of the 2005 London transit bombings and was now involved in a complex surveillance operation of two dozen men believed to be plotting to bomb transoceanic airliners. Several former senior investigators said the department was dubious about diverting resources. “We were distracted, obviously,” one former senior Scotland Yard investigator said. Scotland Yard also had a symbiotic relationship with News of the World. The police sometimes built high-profile cases out of the paper’s exclusives, and News of the World reciprocated with fawning stories of arrests.

Within days of the raids, several senior detectives said they began feeling internal pressure. One senior investigator said he was approached by Chris Webb, from the department’s press office, who was “waving his arms up in the air, saying, ‘Wait a minute — let’s talk about this.’ ” The investigator, who has since left Scotland Yard, added that Webb stressed the department’s “long-term relationship with News International.” The investigator recalled becoming furious at the suggestion, responding, “There’s illegality here, and we’ll pursue it like we do any other case.” In a statement, Webb said: “I cannot recall these events. Police officers make operational decisions, not press officers. That is the policy of the Metropolitan Police Service and the policy that I and all police press officers follow.”

That fall, Andy Hayman, the head of the counterterrorism branch, was in his office when a senior investigator brought him 8 to 10 pages of a single-spaced “target list” of names and mobile phone numbers taken from Mulcaire’s home. It read like a British society directory. Scotland Yard officials consulted with the Crown Prosecution Service on how broadly to investigate. But the officials didn’t discuss certain evidence



with senior prosecutors, including the notes suggesting the involvement of other reporters, according to a senior prosecutor on the case. The prosecutor was stunned to discover later that the police had not shared everything. “I would have said we need to see how far this goes” and “whether we have a serious problem of criminality on this news desk,” said the former prosecutor, who declined to speak on the record.

Scotland Yard officials ultimately decided the inquiry would stop with Mulcaire and Goodman. “We were not going to set off on a cleanup of the British media,” a senior investigator said. In fact, investigators never questioned any other reporters or editors at News of the World about the hacking, interviews and records show. A police spokesman rejected assertions that officials failed to fully investigate. He said the department had worked closely with prosecutors, who had “full access to all the evidence.” A former senior Scotland Yard official also denied that the department was influenced by any alliance with News of the World. “I don’t think there was any love lost between people inside the investigation and people in the press,” the former official said.

In addition to the royal household, Scotland Yard alerted five other victims whose names would appear in the indictment of Mulcaire. Of the remaining hundreds who potentially had their phones broken into, the police said they notified only select individuals with national-security concerns: members of the government, the police and the military.

On Aug. 24, 2006, George Galloway, a member of Parliament, was alerted by a detective that his messages had been hacked. Galloway said the detective urged him to change his PIN code. But when Galloway asked who had accessed his phone, the man from Scotland Yard “refused to tell me anything.”

WITH THEIR HEADS bowed, the private investigator Glenn Mulcaire and the reporter Clive Goodman stood in a London courtroom on Jan. 26, 2007, and apologized to the princes and their aides for the “gross invasion of privacy.” The men were awaiting sentencing after having each pleaded guilty to one count of conspiracy to intercept communications of

the royal aides. But there was no pretense that the abuse was confined to that single count. Mulcaire admitted to hacking the messages of the five other victims: Gordon Taylor, chief executive of the Professional Footballers' Association; Simon Hughes, a member of Parliament; the model Elle Macpherson; Max Clifford, a powerful public-relations agent; and Sky Andrew, who represented some of England's biggest soccer stars.

The judge concluded from this that Mulcaire had not just worked with Goodman, who wrote exclusively about the royal family, but also with "others at News International." In Mulcaire's defense, his lawyer told the judge that his client thought others were hacking, "which for him was one of the reasons why he did not believe it was illegal." Goodman's lawyer noted that his client, too, "lived his life in a world where ethical lines are not always so clearly defined or at least observed." Both men were sentenced to several months in prison and were dismissed by News of the World. Andy Coulson resigned, accepting "ultimate responsibility" for the hacking during his watch.

Not long after, the parliamentary committee opened hearings on the matter. On March 6, Les Hinton, then the executive chairman of News International, told members that as far as he was aware, Goodman was "the only person" at the paper who knew about the hacking. "I believe absolutely that Andy did not have knowledge of what was going on," Hinton said. Goodman and Mulcaire proceeded to sue the paper for wrongful dismissal. Court records show that News International paid 80,000 pounds to Mulcaire. Goodman received an undisclosed amount. Both men, who signed confidentiality agreements, declined to be interviewed for this article.

That May, Coulson was hired to head the communications team of the Conservative Party. The position was colloquially known as chief spin doctor, and filling it with a tabloid editor was not without precedent. Years before, Tony Blair had chosen a former political editor at The Mirror to perform the job for the Labour Party. In Coulson, the Tories also got

someone with inside connections to Rupert Murdoch's influential media empire, whose support the Tories were trying to wrest from Labour and Prime Minister Gordon Brown.

FOR NEWS OF THE WORLD, the events that summer seemed auspicious. Goodman and Mulcaire were no longer at the paper, evidence remained filed away at Scotland Yard and countless people had no idea their phone messages might have been hacked. But like the many secrets News of the World famously exposed, the paper's own would not stay hidden. Less than six months later, in early 2008, trouble was reignited by a lawyer for Gordon Taylor, the soccer association executive whose phone Mulcaire had admitted to hacking. The lawyer, Mark Lewis, said he believed that he could explicitly link the eavesdropping to an article the paper had prepared a year earlier alleging an affair between Taylor and his assistant. Both Taylor and the woman had adamantly denied the affair, but News of the World claimed it obtained the story through "proper journalistic inquiry." Lewis ultimately persuaded the paper to kill the story, but the phrase stuck with him. He now suspected "improper" was a more fitting description.

In the spring, Lewis met with Tom Crone, the chief legal counsel for News International, to try to settle the matter without going to court. "We thought it had all gone away," Crone said, according to three people with knowledge of the meeting.

"I want 250,000 pounds," Lewis told Crone.

Crone laughed and walked out. (Crone declined to discuss details of the meeting but disputed that Lewis asked for that amount.)

Lewis, who is 45, hardly fit the profile of a high-powered London lawyer with the resources and gumption to take on News International. He worked in the more proletarian city of Manchester, where he sometimes showed up at the office wearing black jeans and a punk T-shirt, his hair a spiky peroxide blond. Nonetheless, shortly after the meeting, he filed a lawsuit on Taylor's behalf against News International and Mulcaire. Lewis's suspicions on the eavesdropping were confirmed

later that year, when Scotland Yard was compelled to produce the relevant evidence it had collected at Mulcaire's home. A draft of the paper's unpublished article about Taylor's alleged affair indicated it was based on a voice mail message he had received from his assistant. Lewis said the message went: "Thank you for yesterday. You were great." The paper assumed "she was talking about shagging," Lewis explained. In reality, she was referring to a speech Taylor gave at her father's funeral. "The story had been made up," Lewis said.

Other items turned over by Scotland Yard pointed to additional journalists at News of the World. One was an e-mail containing the transcript of hacked messages that had been sent by a reporter at the paper. The e-mail opened, "This is the transcript for Neville." There was only one Neville on staff: Neville Thurlbeck, the paper's chief reporter, who helped write the original story on Prince Harry's strip-club escapades. (The paper has said Thurlbeck had no knowledge of the e-mail.) Another item was a contract signed by an editor for Mulcaire to work on a story about Taylor. Also turned over was the audiotape that Mulcaire made instructing a journalist on how to access Taylor's voice mail. (It's unclear whether investigators tried to figure out his identity. Dialing the phone number deduced by listening to the tape led The Times to a reporter, but one who may not have worked at News of the World.)

On June 27, 2008, the judge in the case ordered Mulcaire to identify the journalist and release other information. Within 24 hours, the paper's lawyers called Lewis to settle. Taylor received a 700,000-pound settlement, which included legal expenses. Two of Taylor's associates whose phones were also hacked received additional money. The package approached one million pounds. The settlement remained under wraps until July 9, 2009, when The Guardian broke the story. Within the week, Max Clifford, the public-relations chief who had also been named as a victim in the Mulcaire indictment, announced on the BBC that he was going to sue.

WHILE OCCASIONAL articles appeared about the various goings-on at News of the World, the scandal was somewhat of a nonscandal in the other tabloids. But The Guardian, a Labour-oriented paper with an undisguised disdain for Murdoch's publications, aggressively pursued the hacking episode. Its exclusive on the Taylor settlement prompted the parliamentary committee to convene new hearings. John Whittingdale, the committee's chairman and a Tory, said he felt misled by News International executives who testified two years before that Goodman and Mulcaire acted alone. At the new hearings that July, Coulson maintained he had been unaware of the illegal activities. "I have never condoned the use of phone hacking, and nor do I have any recollection of incidences where phone hacking took place," he said.

As television cameras rolled, Adam Price, a committee member, pointed to the paper's story about the lap-dancing message Prince William had left on his brother's phone. As editor, Price asked Coulson, you "would not have checked the provenance of that story?"

"Not necessarily, no," Coulson replied, "and I do not remember the story."

Two months later, his former boss, Les Hinton, who was now running Dow Jones, testified by video-conference from New York. Hinton rejected suggestions by committee members that the payments made to Goodman and Mulcaire after their dismissals were intended to buy their silence. "I cannot actually see what silence there was left" after months of police investigation, said Hinton, who declined to comment for this article.

During a recent interview, the committee chairman reread portions of that testimony, pausing to laugh at Hinton's repeated "I do not recall" or "I do not know" responses. "This was just a masterful performance by Les Hinton," Whittingdale said. "We all sat in awe."

When the committee released its findings this past February, it criticized the police, saying Scotland Yard officials had evidence that merited a wider investigation. The committee reserved its harshest words for News International executives, whom it assailed for "collective

amnesia.” Tom Watson, a committee member, later said that the eavesdropping “went to the heart of the British establishment, in which police, military, royals and government ministers were hacked on a near industrial scale.”

THAT SAME MONTH, a judge hearing the lawsuit by the public-relations executive Max Clifford ordered Mulcaire to name any journalist for whom he hacked into Clifford’s phone. The names discovered in Mulcaire’s files had been redacted by the police. The lawsuit was something of a professional twist for Clifford, who often brokered stories between the tabloids and people looking to capitalize on their exploits with celebrities, earning him a reputation as the master of the “kiss and tell.” He had a particularly productive relationship with News of the World until 2005, he said, when he had a falling out with Coulson over a story about a client using cocaine. Not long after, Clifford’s phone was hacked by Mulcaire. “I was the source of many of their biggest stories, and suddenly that source was gone,” Clifford said. “So I was a prime candidate. It’s common sense. Night follows day.” But before Mulcaire could obey the order to testify, Clifford dropped his lawsuit. Clifford declined to comment on details of his decision, except to say that his feelings changed after a meeting with Rebekah Brooks, the former News of the World editor who became chief executive of News International. “We sat down and we had lunch,” Clifford said, “and it took us no time to sort it all out.”

News International agreed to pay Clifford one million pounds in exchange for feeding the paper exclusive stories over the next several years.

The company had been able to prevent Mulcaire’s testimony. But when The Guardian published details of Clifford’s lucrative deal, the litigation floodgates opened. More than three years after Scotland Yard closed the official investigation, solicitors and barristers now scrambled to bring new cases against News International and the police. Charlotte Harris, who represented Clifford, said that because of the way Scotland

Yard handled the cases, “it has fallen upon the potential victims to make their own inquiries.” As a first step, potential plaintiffs needed to get confirmation from Scotland Yard on whether their names or phone numbers were found among the evidence. Scotland Yard initially promised prosecutors it would alert everyone named in the files, but it didn’t. One of Harris’s other clients, the victim in a high-profile sexual-assault investigation seven years ago, wrote to the police in January to see if her name was in the files. The woman suspected her phone may have been hacked because details about her life appeared in News of the World and other tabloids during coverage of her ordeal. She had been convinced the police or her friends were selling the information. Two months after writing to the police, she received a letter confirming that her number had been found among Mulcaire’s records. The letter said the evidence did not necessarily mean her messages had been accessed and suggested she contact her phone-service provider, “who may be able to assist further.” The woman and other potential hacking victims said that by sitting on the evidence for so long, the police have made it impossible to get information from phone companies, which do not permanently keep records. “It was disingenuous, to say the least, for Scotland Yard to say that,” the woman said. The police recently confirmed that the phone numbers of two friends were also found in Mulcaire’s records, she added. “I think I could have been spared a lot of angst about who I could trust and who I couldn’t trust had they told me,” she said.

Three plaintiffs are jointly seeking a judicial inquiry into Scotland Yard’s handling of the hacking case. The plaintiffs, who include a former deputy assistant commissioner of the Metropolitan Police, say their rights were violated when the police failed to inform them that their names were found in Mulcaire’s documents. The former official, Brian Paddick, scoffed at Scotland Yard’s explanation that the appearance of his name didn’t necessarily mean that he was hacked. “It’s a mealy-mouthed way of saying, ‘We’re not telling you any more, that maybe something

happened but we can't be bothered to investigate,' ” he said. A police spokesman said the department has been “as open as possible whilst maintaining and protecting individuals’ personal information and respecting privacy.” Andy Hayman, who ran the case for Scotland Yard, has since retired. He declined to comment for this article. He is currently a columnist for The Times of London, where he has written in defense of the police investigation and maintained there were “perhaps a handful” of hacking victims. The paper is owned by News International.

BY THE SPRING of this year, News International's papers had firmly switched their support from Labour to the Tories. An avalanche of unforgiving coverage culminated on April 8, one month before the general election, in a Sun story headlined “Brown's a Clown.” Brown's strategists assumed that Murdoch's motives were not purely ideological. They drew up a campaign document conjuring Murdoch's wish list should David Cameron become prime minister. Among the top items they identified was the weakening of the government-financed BBC, one of Murdoch's biggest competitors and long a target of criticism from News International executives. On May 11, David Cameron officially assumed the position and elevated Coulson to the head of communications. Within the week, Rupert Murdoch arrived at 10 Downing Street for a private meeting with the new prime minister. Cameron's administration criticized the BBC in July for “extraordinary and outrageous waste” during difficult financial times and proposed cutting its budget.

At News of the World, editors said they had imposed a policy of zero tolerance of hacking. Whittingdale, the head of the select committee, said he was also assured by News International executives that hacking would not be permitted. “We have seen no evidence to suggest that it is still continuing,” he said. But in recent months, News of the World executives were notified of another suspicious episode. A phone company had alerted a television personality that someone called her mobile phone in a possible unauthorized attempt to access her voice mail, according to two people with knowledge of the incident. A court



order ensued, compelling the phone company to divulge the source of the call. The number was traced to a reporter at News of the World. The paper said the journalist “has been suspended from reporting duties” while it conducts an investigation.

*Don Van Natta Jr., Jo Becker and Graham Bowley are reporters at The New York Times.*

# In Britain, Labour Politicians Call for New Look at Scandal

By **SARAH LYALL** and **DON VAN NATTA Jr.**

*September 5, 2010*

LONDON — Senior opposition politicians are calling on the government to respond to renewed accusations that Downing Street's chief communications officer, Andy Coulson, encouraged reporters to illegally intercept messages from the cellphones of public figures when he was editor of The News of the World.

At the same time, a number of people whose phone messages may have been intercepted by The News of the World during Mr. Coulson's tenure are accusing the Metropolitan Police of failing to fully examine all the evidence in its criminal investigation in 2006 and 2007.

Lord Prescott, a Labour politician who was the deputy prime minister under Tony Blair and who has been named as one of hundreds of people whose phones may have been hacked, said the police had never provided him with a sufficient explanation of what happened.

"I have been far from satisfied with the Metropolitan Police's procedure in dealing with my requests to uncover the truth about this case," Lord Prescott told The Observer newspaper. It was only after "repeated requests," he said, that he learned that he might have been a victim of phone hacking. If the police continued to fail to be forthcoming, he said, he would seek a judicial inquiry into their handling of the matter.

Alan Johnson, a Labour member of Parliament and a former home secretary, announced that he would review the Home Office papers relating to the case to see whether the matter should be brought to the Inspectorate of Constabulary, which monitors the police. His

recommendation would then go to the current home secretary, Theresa May.

Lord Prescott was responding to an article published by The New York Times Magazine online Wednesday and in print Sunday about the scandal. In 2007, The News of the World's royal editor, Clive Goodman, and an investigator employed by The News of the World, Glenn Mulcaire, were jailed after pleading guilty to having illegally intercepted voice mail messages of Prince William and Prince Harry and their chief royal aides.

Mr. Coulson, who was appointed editor of The News of the World in 2003, said that he had no knowledge of the hacking and that it was an isolated case, but resigned from the paper in January 2007 nonetheless.

Last year, The Guardian newspaper printed an article saying that hundreds of people might have been singled out by The News of the World and providing details about some of them, including Gordon Taylor, former chief executive of the Professional Footballers' Association, who reached a settlement of £700,000 with The News of the World over the hacking of his cellphone.

The Times Magazine article provided new details, quoting a former reporter, Sean Hoare, and a unnamed former editor at The News of the World as saying that Mr. Coulson was fully aware of the hacking. In an interview with BBC Radio 4 last week, Mr. Hoare called Mr. Coulson's statement to a parliamentary committee denying that he knew about the phone hacking in his newsroom "a lie."

More than a dozen reporters and editors formerly with The News of the World, interviewed for The Times article said their employer had fostered a culture of recklessness in which reporters were encouraged to use any means to get exclusive stories. The article also quoted senior Metropolitan Police officials saying that the police had failed to fully investigate The News of the World's phone hacking in part because of Scotland Yard's close ties to editors at the paper and executives at its parent company, News International.

Over the weekend, Tessa Jowell, a former Labour cabinet minister who is still a Parliament member, said that the police had told her that her phone messages had been intercepted at least 28 times while she was in the government. And The Independent on Sunday reported that Lord Mandelson, another senior Labour politician, also had his messages intercepted.

John Yates, the assistant commissioner of the Met, said in a statement Sunday that the police would consider reopening the criminal inquiry if fresh evidence of wrongdoing emerges and would consult prosecutors about whether further inquiry was appropriate. Mr. Yates said the police had asked The Times for material it collected during its reporting of the magazine story, including notes from its interviews with Mr. Hoare.

Bill Keller, the executive editor of The Times, said, "Scotland Yard has declined our repeated requests for interviews and refused to release information we requested months ago under the British freedom of information law. After our story was published, Scotland Yard expressed renewed interest in the case and asked us to provide interview materials and notes; we declined, as we would with any such request from police. Our story speaks for itself and makes clear that the police already have evidence that they have chosen not to pursue."

Tom Watson, a Labour member of Parliament and a member of the parliamentary committee that investigated the phone hacking, wrote a letter to the Met Commissioner Sir Paul Stephenson, saying "the historic continued and mishandling of this affair is beginning to bring your force, and hence our democracy, into disrepute."

For its part, the British government said it considers the matter closed and will not investigate Mr. Coulson, who was hired as the Conservative Party's chief spokesman in May 2007 after his resignation from The News of the World. A spokesman at 10 Downing Street said last week that Mr. Coulson "totally and utterly" denied knowing about phone hacking while he served as editor. Alan Duncan, the international

development minister, appeared on television on Saturday night on behalf of the government, accusing the Labour Party of acting for purely political reasons.

Speaking of senior Labour leaders who have called for a new investigation, Mr. Duncan said: “The Labour Party — in a concerted campaign through Ed Miliband, Lord Prescott and Alan Johnson — have piled in to attack Andy Coulson about something that happened years ago in order to try to attack the government.”

Meanwhile, The News of the World denied the Times’s allegations and accused it of publishing the magazine article in an effort to discredit a newspaper belonging to a “rival group” — that is, the media empire of Rupert Murdoch. Mr. Murdoch is the chairman of News Corporation, whose many media holdings include The News of the World, The Times of London and The Wall Street Journal.

Five people whose phones were hacked have filed lawsuits this summer against News of the World’s parent company and Mr. Mulcaire. And a growing number of public figures who believe their phone messages may have also been intercepted but who feel the police did not do enough to investigate say they intend to sue The News of the World. Others, including Brian Paddick, a former deputy assistant commissioner with the Metropolitan Police, say they intend to seek a judicial review of the police’s handling of the criminal investigation. An application for that review is expected to be filed later this week.

Senior Labour leaders also said they intended this week to seek a new inquiry by the standards and privileges committee in the House of Commons.

The publication of the Times Magazine article has starkly exposed the fault lines in the media and political landscape in Britain. Papers supporting the government — including The Times of London and The Sun, both Murdoch-owned — have devoted little space to the new accusations. But media outlets critical of the government, including The Guardian, The Independent and the BBC — which itself is in a bitter feud

with Mr. Murdoch's company, which has extensive television holdings in Britain — have covered The Times's article, and the subsequent calls for new investigations, extensively.

In an editorial, The Financial Times said that there should be an independent review of The New York Times's accusation that "the police may have dropped a valid investigation."

The Financial Times also called on Prime Minister David Cameron to investigate the matter. "Was he not reckless to have employed Mr. Coulson, given the murkiness of the allegations surrounding The News of the World?" the paper asked.

# Top Cameron Aide Quits Over Phone-Hacking Scandal

By **SARAH LYALL**

*January 21, 2011*

LONDON — In an embarrassing blow to Prime Minister David Cameron's coalition government, Downing Street's communications director, Andy Coulson, resigned on Friday amid continued questions about his possible involvement in the illegal hacking of celebrity telephone messages when he was editor of the tabloid newspaper *The News of the World*.

Mr. Coulson left the paper in 2007 after one of its reporters, Clive Goodman, and a private investigator were jailed for intercepting messages left on the cellphones of members of the royal household. Mr. Coulson said he knew nothing about the messages and was hired by Mr. Cameron, then leader of the Conservative opposition.

But the issue has continued to dog Mr. Coulson and the newspaper. Several prominent figures, including the actress Sienna Miller, have filed suit accusing *The News of the World's* reporters of hacking into their voice mail when Mr. Coulson was the paper's editor. Others have received large settlements from the paper and agreed not to discuss the matter.

Last week, following new revelations, British prosecutors said they would conduct a comprehensive reassessment of the material that had been collected by the police.

In his resignation statement, Mr. Coulson reiterated that he had been unaware of the hacking, but said that the scandal had proved too distracting for him to do his job.

"I stand by what I've said about those events, but when the spokesman needs a spokesman, it's time to move on," he said.

Executives at News International, which owns The News of the World and is a subsidiary of Rupert Murdoch's News Corporation, have maintained that Mr. Goodman was a "rogue reporter" who hired the investigator, Glenn Mulcaire, to hack into telephone messages without the approval of his editors. But recent information made public in two court cases connected to the affair have cast doubt on that claim.

In December, Ian Edmondson, the paper's news editor, was suspended when it emerged that the name "Ian" had been scribbled across notes written by Mr. Mulcaire that were contained in court papers related to Ms. Miller's lawsuit. Mr. Edmondson has denied doing anything wrong.

Earlier this week, lawyers for Andy Gray, a television commentator who has filed his own suit, said that notebooks belonging to Mr. Mulcaire showed that he had written "Greg" in one that had been seized by the police — next to a record of Mr. Gray's PIN, password and cellphone number. Mr. Gray's lawyers said the name was a reference to Greg Miskiw, The News of the World's former assistant editor for news.

Mr. Miskiw has also denied any wrongdoing.

The lawyers said that Mr. Mulcaire had a habit of noting the names of editors involved in hacking jobs.

Mr. Gray and the actor Steve Coogan are suing in an effort to force Mr. Mulcaire to reveal who ordered him to hack into their phones. Mr. Gray, who works for Sky Sports, has been the subject of a number of embarrassing News of the World stories about his sex life, including one titled "Randy Andy's Teeny Weeny Tartan Hanky Spanky With Me."

The Guardian newspaper, which has written extensively about the scandal, was the first to reveal that the hacking operation was more widespread than had originally been thought and that News International had secretly paid large sums to several of the victims in exchange for their silence.

An article in The New York Times Magazine last year quoted a former reporter, Sean Hoare, and an unnamed former editor as saying



that Mr. Coulson had known about and encouraged the hacking. The article described a newsroom in which reporters used any means possible to get stories, and said the Metropolitan Police had failed to interview editors and reporters at the paper after Mr. Goodman's arrest, limiting the investigation to his and Mr. Mulcaire's behavior.

Britain's sharp-elbowed tabloids seem to have abandoned some of their more outlandish practices since Mr. Coulson worked at The News of the World. But politicians and many British reporters and editors say that few standards apply in a world where reporters think nothing of concealing their identities when pursuing stories and tabloids routinely pay thousands of dollars to sources willing to provide evidence of celebrities' extramarital affairs.

Tabloid editors are also known to keep close watch over their reporters.

"No one who knows how a newspaper works, let alone a well-run British newspaper, has ever been able to understand for one second why a very effective editor wouldn't have at least asked his royal reporter where a stream of very strong scoops had come from," said an editor at another tabloid who asked not to be quoted by name because he was not authorized to speak publicly to the press.

Mr. Coulson had talked about quitting Downing Street for some time, according to people familiar with his thinking, but he may have decided to act after the scandal's return to the news.

"Clearly, the drip-drip-drip of new information has caused Andy Coulson to resign, because it's been growing stronger by the day," said Paul Farrelly, a Labour member of Parliament who serves on the Culture, Media and Sport Committee.

Mr. Farrelly called for an independent review of the matter, saying that both the Crown Prosecution Service and the Metropolitan Police had failed to investigate properly.

A close and trusted adviser to Mr. Cameron, Mr. Coulson has been especially effective in helping smooth Downing Street's relationship with

London's tabloids and with Mr. Murdoch, whose media holdings here include The News of the World, The Sun and The Times of London. Mr. Murdoch's endorsement of the Conservative Party was an important factor in its defeat of the Labour Party and its formation, with the Liberal Democrats, of the coalition government.

Mr. Cameron went out of his way on Friday to praise Mr. Coulson, calling him "a brilliant member of my team."

Tom Watson, another Labour member of the culture committee and a persistent critic of Mr. Murdoch's media empire and of Mr. Coulson, said it was "not the end" of the scandal. "It's just the end of the beginning," he said.

*Alan Cowell contributed reporting from Paris, and Don Van Natta Jr. from Florida.*

# Scotland Yard Expands Its Hacking Inquiry

By **GRAHAM BOWLEY**

*February 9, 2011*

After reopening its investigation into telephone hacking by the News of the World, Scotland Yard said Wednesday that it was going to contact more people who may have had their voicemail messages illegally intercepted by reporters at the London newspaper.

This included some people who had previously been told by the police that their personal details were not among a trove of evidence seized by the police in 2006 from a reporter and private investigator for the newspaper who were eventually imprisoned for illegally intercepting phone messages of members of the royal household.

The police found evidence then that hundreds of other celebrities, government officials and sports stars may have had their telephone messages intercepted. But Scotland Yard chose to limit its investigation and informed only a small number of potential targets about the hacking.

Since then, a number of other people who suspected that their phones had been hacked — including the actress Sienna Miller — have sued the tabloid's parent company, News International, leading to more information from the investigation being made public in court documents.

Last month, The News of the World, which had maintained that the hacking was solely the work of the reporter and private investigator, dismissed its assistant editor for news, Ian Edmondson, after finding "material evidence" linking him to the accusations of phone hacking. Mr. Edmondson has denied any wrongdoing. News International handed over the new material to the police.

On the same day, Scotland Yard, facing criticism for what some people called a lax investigation, said it was reopening its inquiry to consider the new material and to review the evidence seized in 2006 and some of the decisions taken then.

It is that review which led to Scotland Yard's announcement Wednesday that it would now contact everyone whose names or other personal details were among the evidence. The statement said there was no immediate proof that these individuals' phone messages had been intercepted, but that this possibility would be investigated.

In a statement, deputy assistant commissioner Sue Akers, who is leading the reopened investigation, said anyone whose name was mentioned in the cache of material would get to see all of the relevant information.

"We are determined to ensure that we conduct a robust and thorough investigation which will follow the evidence trail to its conclusion," she said.

She would not say how many people would be contacted. But, according to an article in The New York Times published in September 2010, the police in 2006 seized what one police investigator called a massive amount of evidence — dozens of notebooks and two computers containing 2,978 complete or partial cell phone numbers and 91 telephone PIN codes.

Last month, Andy Coulson, the editor of The News of the World between 2003 and 2007, resigned as Prime Minister David Cameron's director of communications. Mr. Coulson said that he had known nothing about the hacking, but that continued speculation about whether he had a role in the affair made it impossible for him to do his job.

# Third British Journalist Is Arrested in Phone-Hacking Case

By **RAVI SOMAIYA** and **J. DAVID GOODMAN**

*April 14, 2011*

LONDON — Police officials said Thursday that they had arrested a third journalist in connection with an expanding case of phone-hacking by reporters at The News of the World, a British tabloid.

The Metropolitan Police issued a statement announcing the arrest of a man early Thursday morning “on suspicion of unlawfully intercepting mobile phone voice mail messages” but did not identify the suspect, who was questioned at a London police station and then released on bail without any charges being filed.

A person with knowledge of the investigation, who spoke on the condition of anonymity because of the delicate nature of the inquiry, said the suspect was James Weatherup, an assistant editor at The News of the World who has also worked as a reporter and news editor there. British news media also identified Mr. Weatherup as the suspect.

A biographical entry on the professional social networking site LinkedIn lists “crisis management” as one of Mr. Weatherup’s areas of expertise.

Last week, Scotland Yard arrested two journalists from the tabloid, which is one of Britain’s most widely circulated newspapers. The men — Ian Edmondson, who was fired as the tabloid’s news editor this year, and Neville Thurlbeck, the newspaper’s chief reporter — were questioned, like Mr. Weatherup, on suspicion of illegally intercepting voice mail messages. Mr. Edmondson and Mr. Thurlbeck were released on bail.

Many of the voice mail accounts said to have been hacked by reporters at the newspaper, which is owned by Rupert Murdoch,

belonged to British royalty and international celebrities, including Prince William and Prince Harry.

The arrests this month signaled a potentially decisive turning point in the investigation, which has been under way for five years. Only two men have been jailed in the case, both in 2007: Clive Goodman, formerly the tabloid's royalty reporter, and Glenn Mulcaire, a private investigator. The newspaper had previously said that the two had acted alone in hacking the accounts of celebrities, some of whom are now suing the newspaper.

But the newspaper later acknowledged the involvement of others. A statement by the newspaper last week said that it was cooperating fully with the inquiry. A spokesman for the newspaper declined to comment on Mr. Weatherup's arrest.

The case has major political repercussions. Critics have said that the original police inquiry, which continued for five years without any arrests other than those of Mr. Goodman and Mr. Mulcaire, was inhibited by concern at Scotland Yard and in the previous Labour Party government over the political influence wielded by the media empire controlled by Mr. Murdoch. His News International subsidiary owns The News of the World and several other major titles.

Before the general election in Britain last May, Mr. Murdoch switched his newspapers' support from Labour to David Cameron and the Conservatives, who had recruited Andy Coulson, the former editor of The News of the World, as the Conservatives' communications director.

*Ravi Somaiya reported from London, and J. David Goodman from New York.*

# British Tabloid Apologizes to Actress for Hacking

By **SARAH LYALL**

*June 7, 2011*

LONDON — The News of the World formally apologized to the actress Sienna Miller on Tuesday for systematically, and illegally, intercepting her cellphone messages in the mid-2000s and using the information to publish articles about her private life.

The apology comes as part of a settlement between Ms. Miller and the newspaper, which also agreed to pay her £100,000 in legal fees and damages, about \$164,000. It is the latest development in a long-running drama in which the newspaper has had to contend with growing evidence that its practice of hacking into the cellphones of public figures, politicians and celebrities was widespread and pervasive.

At least four other people who say their phones were hacked into have reached out-of-court settlements with the newspaper; numerous lawsuits against it are still pending. The newspaper has offered to settle with at least seven other possible victims of its phone-hacking practices.

For several years, News of the World said that its phone hacking had been limited to a single case — that involving its former royals editor, Clive Goodman, and a private investigator hired by the paper, Glenn Mulcaire, both jailed in 2007 for illegally intercepting voice mail messages of members of the royal household. But that claim began to lose credibility as more evidence came to light, and this year the company admitted that it had hacked the phones of eight public figures, including Ms. Miller, in the mid-2000s.

Meanwhile, the police are conducting a criminal investigation. Two News of the World editors and a reporter have been arrested in

connection with the case.

The apology, read aloud in London's High Court by a lawyer for News Group Newspapers, the subsidiary of Rupert Murdoch's News International that publishes the News of the World, was notable for how thorough, and how abject, it was.

The company, said the lawyer, Michael Silverleaf, "acknowledges that the information should never have been obtained in the manner it was" and that "the private information should never have been published." The paper, he added, "has accepted responsibility for misuse of private information, breach of confidence and harassment."

Ms. Miller was not in court and did not make a statement. But her lawyer, David Sherborne, said that in 2005 and 2006, the News of the World published articles containing "intrusive and private information" about her.

She did not know "whether someone close to her was leaking information or whether her mobile telephone was somehow being hacked into," Mr. Sherborne said. "Both possibilities were extremely distressing."

He said that she had become suspicious about the security of her cellphone when she missed a number of voice mail messages and received calls from people who hung up.

The information was used for at least 11 articles about Ms. Miller's private life, including details about her relationships with the actors Daniel Craig and Jude Law. One article drew on discussions between Mr. Law and Ms. Miller about the possibility of their having children together. The two have since split up.

News Group said that it would lay out the full extent of its phone-hacking operation to Ms. Miller privately.

Her case relied on notes, seized from Mr. Mulcaire after his arrest, with details about Ms. Miller's cellphones, including phone numbers, PINs and passwords, as well as similar details about the phones of her mother, her publicist and Mr. Law.



# Scandal Grows in Hacking of Girl's Cell

By **SARAH LYALL** and **ERIC PFANNER**

*July 5, 2011*

LONDON — Political pressure is bearing down on Rebekah Brooks, a top executive of the News Corporation in Britain, following allegations that one of the company's newspapers hacked the cellphone of a 13-year-old girl who was abducted and murdered in 2002, when Ms. Brooks was its editor.

Prominent politicians chastised the company and Ms. Brooks, and Ford Motor Company suspended advertising in *The News of the World*, the tabloid that has faced a long-running scandal over the widespread interception of voice mail messages of celebrities and other public figures.

Ed Miliband, leader of the opposition Labour Party, said Tuesday that Ms. Brooks should “consider her conscience and consider her position” after the disclosures.

“It wasn't a rogue reporter,” Mr. Miliband said. “It wasn't just one individual. This was a systematic series of things that happened, and what I want from executives at News International is people to start taking responsibility for this.” News International is the News Corporation's British newspaper division, and Ms. Brooks is now its chief executive.

Prime Minister David Cameron took time out from a visit to British troops in Afghanistan to lament what he called a truly dreadful situation. The police, he added, “should investigate this without any fear, without any favor, without any worry about where the evidence should lead them.”

Adding to the pressure, Ford Motor Company said it was suspending advertising until the newspaper concluded its investigation into the episode. “We are awaiting an outcome from The News of the World investigation and expect a speedy and decisive response,” Ford said in a statement released to news agencies. Under an onslaught of Twitter messages demanding a boycott of the paper, several other companies said they were reviewing their advertising policies.

Late Tuesday, The Guardian reported that the police would review every highly publicized murder, kidnapping or assault involving a child since 2001 for evidence of phone hacking. That would include the notorious case of Madeleine McCann, the 3-year-old who disappeared while her family was on vacation in Portugal in 2007.

In another development, Channel 4 reported on Tuesday that Ms. Brooks met with the police in 2002 over accusations that the tabloid had placed a senior Metropolitan police detective under surveillance.

The detective was investigating the murder of a private investigator who had been found dead with an ax buried in the back of his head. The chief suspect at the time was the dead man’s business partner, a private investigator who earned a six-figure salary supplying The News of the World with confidential information. Nothing apparently came of the inquiry into The News of the World’s surveillance.

Scotland Yard detectives were also investigating whether the phones of some families of victims of the bombings of three London subway trains and a double-decker bus in July 2005 had also been hacked, The Telegraph reported.

In his remarks, Mr. Cameron did not mention Ms. Brooks, but his comments were notable because, like other British politicians, he has cultivated social connections with News Corporation executives like Ms. Brooks and Rupert Murdoch, the chief executive of the company. Mr. Cameron, along with Gordon Brown, the Labour prime minister at the time, was a guest at the reception following Ms. Brooks’s marriage to her second husband, Charlie Brooks, in 2009.

Ms. Brooks vowed to “pursue the facts with vigor and integrity,” saying she had no intention of quitting.

“I am aware of the speculation about my position,” she said in a memo to News International employees. “Therefore it is important you all know that as chief executive, I am determined to lead the company to ensure we do the right thing and resolve these serious issues.”

The allegations center on one of the most sensational Fleet Street stories of the last decade, the disappearance of Milly Dowler in 2002. The case was the subject of many tabloid front pages over the last decade, culminating last month in the conviction of Levi Bellfield, a former nightclub doorman, on charges of kidnapping and murder.

The allegation that investigators working for The News of the World may have had ordinary people like the Dowlers, not just celebrities, in their sights has raised the level of alarm in Britain over tabloid newspaper excesses.

“The Milly Dowler story has taken this from an issue for people who are concerned about media ethics to one that is of broader concern to the general public,” said Tim Luckhurst, a journalism professor at the University of Kent. “News Corporation thought they could put a lid on this, and this has blown the lid right off.”

According to Mark Lewis, a lawyer for the Dowler family, The News of the World not only intercepted messages left on Milly Dowler’s phone by her increasingly frantic family, but also deleted some of those messages when her voice mailbox became full — thus making room for new ones and listening to those in turn. This confused investigators and gave false hope to Milly’s relatives, who believed it showed she was still alive and deleting the messages herself, Mr. Lewis said.

In a statement, Mr. Lewis called the newspaper’s actions “heinous” and “despicable,” and said the Dowler family had suffered “distress heaped upon tragedy” upon learning that The News of the World “had no humanity at such a terrible time.”

Public revulsion over the affair has been so intense that a private investigator at the center of the phone hacking, Glenn Mulcaire, felt compelled to provide a statement to The Guardian on Tuesday evening, his first public comment in the five years since the scandal broke. In it he apologized “to anybody who was hurt or upset,” and said he was speaking out because of the “vilification” he and his family had been subjected to in the past 24 hours.

Mr. Mulcaire, who worked for The News of the World and served prison time for his role in hacking the phones of members of the royal family, blamed “relentless pressure” at the paper for his mistakes, saying “there was a constant demand for results.”

He added: “I knew what we did pushed the limits ethically. But, at the time, I didn’t understand that I had broken the law at all. A lot of information I obtained was simply tittle-tattle, of no great importance to anyone, but sometimes what I did was for what I thought was the greater good, to carry out investigative journalism.”

If Mr. Lewis’s accusations about hacking during the Dowler case prove accurate, it would mean either that Ms. Brooks had no idea how the paper she edited was obtaining information about the Dowler family for its articles, or that she knew about the hacking and allowed it.

Ms. Brooks, in her memo, did not deny the allegations, but said she had had no knowledge of phone hacking on her watch. “I hope that you all realize it is inconceivable that I knew or worse, sanctioned these appalling allegations,” she said.

The scandal has already claimed the job of one former high-ranking News Corporation official, Andy Coulson, who was Ms. Brooks’s deputy at The News of the World in 2002 and who later moved into the top editor’s role.

The allegations in the Dowler case appeared as the British government weighs an important business matter affecting News Corporation: its proposed acquisition of British Sky Broadcasting, a pay-TV company in which it is already the largest shareholder. Government

officials have indicated that they intend to approve the plan, and say the Dowler case allegations should have no bearing on the matter.

“It really doesn’t have anything to do with the hacking inquiry,” Vince Cable, the business secretary, said on BBC television.

There has long been speculation that other British papers may have engaged in similar tactics. So widespread was the practice that even Ms. Brooks, in a surprising twist, is apparently among the victims of phone hacking.

News International said last month that Ms. Brooks had been informed by the police that her voice mail messages had been intercepted by Mr. Mulcaire.

The hacking apparently took place around 2005, when Ms. Brooks was editor of another News Corporation tabloid, The Sun, and when there was considerable interest in her personal life. In November 2005, she was detained by the police in a domestic dispute with a British actor named Ross Kemp, her husband at the time. Ms. Brooks, then known under her maiden name, Rebekah Wade, was not charged, and the two later divorced.

*Sarah Lyall reported from London, and Eric Pfanner from Paris.*

# Murdoch Facing Parliament's Ire in Hacking Case

By SARAH LYALL

*July 6, 2011*

LONDON —Britain's Parliament on Wednesday collectively turned on Rupert Murdoch, the head of the News Corporation, and the tabloid culture he represents, using a debate about a widening phone hacking scandal to denounce reporting tactics by newspapers once seen as too politically influential to challenge.

But though he joined in the chorus of outrage, Prime Minister David Cameron, whose Conservative Party benefits from Mr. Murdoch's support, stopped short of calling for an immediate investigation into behavior by the Murdoch-owned News of the World and other tabloids. Such an inquiry would have to wait, he said, until the police had concluded their own criminal investigation.

From all sides of the House of Commons the disgust came thick and fast, as the legislators recited the most recent allegations against The News of the World: that its executives had paid police officers, lied to Parliament and hired investigators to intercept voice mail messages left on the cellphones of murdered children and terrorism victims. Legislators also attacked the news media in general for employing many of the same tactics.

The scandal posed new hurdles for Mr. Murdoch's proposed \$12 billion takeover of the pay-television company British Sky Broadcasting, as many legislators criticized the deal, and Britain's media regulatory agency, Ofcom, said it was "closely monitoring the situation."

"We have let one man have far too great a sway over our national life," said Chris Bryant, a Labour member of Parliament. In addition to

The News of the World, Mr. Murdoch's media holdings include The Times of London; The Sun; and a large stake in BSkyB, as it is called, as well as several other international newspapers and television networks.

Meanwhile, John Whittingdale, the Conservative chairman of the House of Commons culture and media committee, rehearsed in tones of high indignation how executives from The News of the World and its parent company, News International, had thwarted legislators' efforts to get to the bottom of the phone hacking affair by stonewalling, refusing to testify and even lying outright during parliamentary hearings.

Zac Goldsmith, another Conservative legislator, said that Mr. Murdoch was guilty of "systemic abuse of almost unprecedented power" and had run roughshod over Parliament.

"There is nothing noble in what these newspapers have been doing," he said. "Rupert Murdoch is clearly a very, very talented businessman — he's possibly even a genius — but his organization has grown too powerful and has abused that power. It has systematically corrupted the police and in my view has gelded this Parliament, to our shame."

A number of legislators, including Nicholas Soames, a Conservative, said Wednesday that in light of the recent developments, the government should intervene to delay or even stop Mr. Murdoch's plan to acquire all the shares of BSkyB.

"I urge the government to look at whether we should pause things given what has come to light," said Anna Soubry, a Conservative member of Parliament.

Before this week, the deal had passed virtually every government hurdle. But Ofcom, the media regulator, said in a statement that it was watching developments in the case, "and in particular the investigations by the relevant authorities into the alleged unlawful activities."

Many legislators also focused their outrage on Rebekah Brooks, a former News of the World editor who is now News International's chief executive and a protégé of Mr. Murdoch. She is a close friend of Mr.

Cameron's — the two have country houses near each other and have often socialized — and has been a strong champion of his premiership.

Ed Miliband, the Labour leader, said flatly that Ms. Brooks should resign.

But Ms. Brooks said she would stay put, and on Wednesday her boss, Mr. Murdoch, took the unusual step of issuing a statement on the matter.

Calling the recent allegations involving phone hacking and paying off the police “deplorable and unacceptable,” Mr. Murdoch pledged that the company would “fully and proactively cooperate with the police in all investigations.” He added: “That is exactly what News International has been doing and will continue to do under Rebekah Brooks’s leadership.”

He said that Joel I. Klein, the former New York City schools chancellor and current head of the News Corporation’s education unit, would “provide important oversight and guidance” in the company’s response to the investigations.

New allegations swirled around Ms. Brooks’s old paper, The News of the World, including reports that it might have hacked into the voice mail messages of murdered children and victims of the 2005 London subway bombings.

On Tuesday, The Guardian reported that the phone of Milly Dowler, a 13-year-old girl murdered in 2002, was hacked by The News of the World after she disappeared but before her body was found, hampering the police investigation and adding to the distress of her parents.

On Wednesday, the father of a man who was killed in the 2005 terrorist attacks on the London subways said that he had been contacted by the police as a possible hacking victim. The man, Graham Foulkes, said he had been informed that numerous personal details, including his phone number, had been found in notes seized from Glenn Mulcaire, the private investigator who was jailed in 2007 for hacking into the phones of aides to the royal family on behalf of The News of the World.



It was not clear whether his own phone was actually hacked after the 2005 attacks, Mr. Foulkes told the BBC, but the idea filled him with revulsion.

After the explosions, he said, it was some time before he knew that his son, David, had indeed been killed. “We were in a very dark place, and we were using the phone frantically trying to get information about David and where he may have been,” he told the BBC. “We were talking a lot to family and friends and talking very personally, about very intimate issues. The thought that these guys may have been listening is just horrendous. It fills me with horror.”

In a separate development, news reports this week indicated that Andy Coulson, editor of The News of the World in the mid-2000s, appeared to have authorized illegal payments to police officers during his time at the paper. News International has confirmed that the information is contained in e-mails it has disclosed to the police.

A person with knowledge of the matter said that it appeared that other senior News of the World journalists were also involved, but that Ms. Brooks was not among them.

The disclosure is relevant because of Mr. Coulson’s close ties to the Conservative Party. After resigning from The News of the World in 2007 after an earlier phone hacking investigation, Mr. Coulson was quickly hired by Mr. Cameron as the Conservative Party’s chief spokesman. The move gave Mr. Cameron an in with Britain’s tabloids, and cemented his ties to Mr. Murdoch’s empire.

Mr. Coulson’s canny approach helped Mr. Cameron get elected last year, and he was installed as the government’s chief spokesman. But in January he resigned from that job, too, when it became clear that phone hacking had been routine when he was The News of the World’s editor. Mr. Coulson has always denied knowing about hacking; these new disclosures are the first to link him directly to any wrongdoing. In Parliament, Mr. Miliband, the Labour leader, assailed Mr. Cameron for a

“catastrophic error of judgment by bringing Andy Coulson into the heart of his Downing Street machine.”

It is unclear how the recent developments will affect The News of the World financially, but numerous advertisers, including Ford, the Halifax bank, Vauxhall, Mitsubishi and Virgin Holidays, have announced plans to suspend advertising in the paper. Thousands of people took to Facebook and Twitter not only to express their outrage over the hacking allegations but also to put pressure on companies to withdraw their advertising dollars from The News of the World.

In a statement, the Cooperative Group, a food retailer and financial services provider, said that it, too, had decided to suspend its advertising. The company said that it “adheres to strong ethical standards,” and that the allegations had been “met with revulsion by the vast majority” of people who have contacted it.

*Alan Cowell and Eric Pfanner contributed reporting from Paris.*

# Scandal Shifts Britain's Media and Political Landscape

By SARAH LYALL

*July 7, 2011*

LONDON — Britain's media and political landscape shifted Thursday as the powerful Murdoch family summarily announced plans to shut down the disgraced mass-circulation tabloid at the center of a deepening scandal over journalistic malfeasance, and arrest seemed imminent for the paper's once politically influential former editor.

The decision by Rupert Murdoch's media conglomerate, the News Corporation, to close the paper, *The News of the World*, seemed to be a calculated move to help protect Mr. Murdoch's proposed \$12 billion takeover of the pay-television company British Sky Broadcasting. But it hardly put an end to the uproar, or to Mr. Murdoch's connection to it.

The scandal exposes a web of relationships between the Murdochs' empire on the one hand and the police and politicians on the other. And it poses new challenges for Mr. Murdoch, a media tycoon who has at times seemed to hold much of Britain's political establishment in thrall, cultivating connections to both Labour and Conservative governments and using the prospect of his support — or its withdrawal — to help drive his political agenda.

In a statement of strikingly self-critical apology, Mr. Murdoch's son and heir apparent, James Murdoch, admitted that News International, the company's British subsidiary, had "failed to get to the bottom of repeated wrongdoings that occurred without conscience or legitimate purpose." The company's repeated assertions that the scandal was "confined to one reporter," had proven untrue, he said, "and those who acted wrongly will have to face the consequences."

According to several people who have been briefed on the matter, it appeared increasingly likely that Andy Coulson, a former News of the World editor who most recently worked as the chief spokesman for Prime Minister David Cameron's government, would be arrested Friday on suspicion of illegally paying the police for information during his editorship. His arrest, if it does take place, would be a huge blow not just to Mr. Murdoch, but to the government and to Mr. Cameron's Conservative Party.

The prime minister has always vouched for Mr. Coulson's integrity and said he believed Mr. Coulson's assurances that he had done nothing wrong.

By closing the weekly News of the World, which is 168 years old and its circulation is the largest for a Sunday newspaper in Britain, Mr. Murdoch seems determined to try to limit damage from the scandal and remove a possible obstacle to the takeover of British Sky Broadcasting, known as BSkyB.

According to a person close to Mr. Murdoch, the move also gives him an excuse to do something he had planned to do anyway: turn his flagship Sun tabloid into a seven-day operation, preserving his lucrative share in the Sunday newspaper market while decontaminating the brand by removing its association with The News of the World.

Critics of Mr. Murdoch said the move was more expedient than remorseful. "This seems like a cynical rebranding exercise," said Jeremy Reed, a lawyer for several public figures who have sued The News of the World over allegations that the paper had hacked into, or intercepted, their cellphone messages.

The unfolding scandal also raises new questions about the close relationship between the police and the tabloid news media in Britain.

According to another person familiar with the possible charges, e-mails recently turned over to the police from The News of the World linked Mr. Coulson and half a dozen other people, including high-ranking editors, to payments to the police "in the six figures."

The payments were said to be not just for news tips, a standard tabloid practice despite its illegality, but also for substantial information, including confidential documents held by the police. Not only would any arrests be a blow to News International, the News Corporation's British subsidiary, but the company also faces the awkward prospect that any current or former News of the World employee facing prison might be tempted to argue, with specific examples, that wrongdoing was widespread at the paper.

Accusations of illegal behavior at The News of the World have swirled for some time at no obvious cost to the newspaper, whose salacious focus on frothy sex scandals and show-business gossip helps it sell some 2.7 million copies every Sunday. But public revulsion spilled over this week at new allegations — separate from those linked to Mr. Coulson — that the paper hacked into the phones of a 13-year-old murder victim, Milly Dowler, the families of slain soldiers and victims of the 2005 subway bombings.

The wave of indignation, expressed also by members of Parliament in an extraordinary session in the House of Commons on Wednesday, in turn helped scare off advertisers, who began hastily pulling their business, and cast a cloud over the bid to take over BSkyB. Mr. Murdoch already owns a controlling 39.1 percent stake in it; the deal would allow him to own it outright.

The British government was set to approve the BSkyB takeover this week and will most likely still allow it to go ahead on the ground that it does not hamper media competition in Britain. But in the meantime, so many people have written to the government to express their objections to the deal that the final decision looks likely to be delayed until the end of the summer.

“They are sacrificing News of the World in order to get the BSkyB deal through,” said George Brock, the head of the journalism department at City University in London. “It’s, in a way, symbolic of the demise of newspapers in print.”

The leader of the opposition Labour Party, Ed Miliband, told the BBC that only the resignation of Rebekah Brooks, chief executive of News International, would show that the organization was taking responsibility for its actions. “Some people are losing their jobs, but one person who is keeping her job is the person who was editor of The News of the World at the time of the Milly Dowler episode,” Mr. Miliband said.

He was referring to the hacking of the murder victim’s phone after she was abducted but before her body was found, adding to the distress of her family and confusing the police investigation by deleting some messages to make room for more.

Ms. Brooks was the paper’s editor at the time, though she has said she knew nothing about the matter. Despite repeated calls for her resignation, she has retained the confidence of the Murdoch family and of Rupert Murdoch, to whom she is particularly close. Speaking to the BBC on Thursday, James Murdoch said he was convinced that Ms. Brooks’s leadership was “the right thing” for the company and “absolutely crucial right now.”

Rupert Murdoch, who began his media career when he took over his father’s business, has long been partial to his stable of newspapers and is said to have particular affection for The News of the World, a constant irritant to the British establishment whose foibles — especially sexual ones — it has delighted in exposing. But newspapers are a dwindling asset in an increasingly digital world, and James Murdoch is said not to share his father’s attachment to print.

According to Hoovers, a company that tracks business information, the annual revenues for News Group Newspapers amount to \$985 million a year, roughly a ninth the size of BSkyB’s \$8.9 billion in revenues. And, analysts say, advertisers’ rush from the newspaper, as well as calls of a boycott by readers on Twitter and on Facebook, would probably have done irreparable damage to an already tarnished brand.

“It’s almost impossible to see how The News of the World would have regained favor with advertisers, implying growing irreversible

losses,” said Steve Malcolm, an analyst at Evolution Securities in London. “Without significant funding from News International, it would very probably have been forced to close anyway.”

A person close to Mr. Murdoch said that would fit into his plans, anyway. Company executives had discussed earlier this year whether to merge some of the two papers’ operations to save money, and on Tuesday someone registered the Web domain name thesunonsunday.co.uk.

A spokeswoman for News International said she could not comment on the possibility that The Sun would move to a seven-day operation. “There is no comment beyond the statement today, which does not mention any future plans,” she said.

The person close to Mr. Murdoch predicted that after six months or so, News International would reopen The News of the World as the Sunday edition of its daily Sun tabloid. Some of the 200 people who lost their jobs as a result of The News of the World’s tabloid could then be rehired at the new Sunday paper. It would be a “rebadging exercise, rather than a shutting down,” the person said, meaning that the company could put a new badge, or nametag, on the old product.

But that provided little solace to the staff of The News of the World. Many said they had no idea that their paper was being closed and indeed had assumed Ms. Brooks was announcing her own resignation when she addressed their newsroom. Instead, she announced that she was to stay and they were to go.

*Reporting was contributed by Jo Becker, Julia Werdigier and Ravi Somaiya from London, Jeremy Peters and Brian Stelter from New York, and Tim Arango from Baghdad.*

# Move to Close Newspaper Is Greeted With Suspicion

By **JENNIFER PRESTON** and **JEREMY W. PETERS**

*July 7, 2011*

The News Corporation's decision to shut down the British tabloid *The News of the World* on Thursday did little to silence the growing uproar over revelations that the newspaper had hacked into the voice mails of private citizens.

In fact, it may have only fueled the outrage.

An outpouring of suspicion and condemnation came from all directions on Thursday, and was directed chiefly at the News Corporation's chairman, Rupert Murdoch, a figure as powerful as he is polarizing.

The British media establishment, Facebook and Twitter users and even Mr. Murdoch's own employees questioned his move. Some said it was a ploy to salvage government approval of the News Corporation's potentially lucrative controlling stake in the satellite company British Sky Broadcasting, or BSkyB. Others saw it as merely a rebranding.

There are already indications that *The News of the World* may be reconstituted in some form. People with ties to the company said Thursday that the News Corporation had for some time been examining whether to start a Sunday edition for its other British tabloid, *The Sun*.

The demise of *The News of the World*, which publishes only on Sundays, would seem to create the opportunity for that, these people said, speaking anonymously because they were not authorized to discuss the matter publicly.

Mr. Murdoch's News International is the largest national newspaper publisher in Britain, a status that affords him tremendous economic and



political influence. In addition to publishing The News of the World and The Sun, News International owns The Times of London, a smaller but more prestigious paper.

The News of the World has a circulation of 2.7 million, a size that gives News International scale with advertisers and a dominance in the market that analysts say Mr. Murdoch is unlikely to want to see diminished.

“Their significant share of the newspaper market is a very important part of their power base in this country — it is essential to their force and clout,” said Claire Enders of Enders Analysis, a media research firm.

The News Corporation is unlikely to walk away from that much power, Ms. Enders added, and it would be wise to examine whether to start a publication similar to The News of the World under a different brand. Not to do so, she said, “would be a very severe business issue in terms of the existing economics of their newspapers, their revenues.”

But others questioned whether The News of the World’s success could be replicated so easily.

“I think they would be very hard pressed to get the Sunday Sun circulation to that level,” said George Brock, head of journalism at City University in London.

A Sunday Sun, he said, “is not likely to be a complete offset.”

Closing The News of the World is likely to benefit the News Corporation in one major way, Mr. Brock noted: It could help tame any threat to the company’s pending purchase of BSkyB.

The News Corporation is also dealing with a flight of advertisers, something that users of social media hoped they could accelerate by creating an online campaign to encourage a boycott of the company.

One Twitter user, Paul Friend, generated a Google document with e-mail addresses of the chief executives of the companies that advertise in the paper. The document was used by hundreds of people who then sent e-mails to executives with their complaints.

By Thursday morning, more than 20 companies said that they would be suspending or re-evaluating their advertising spending with The News of the World.

As the scandal widened this week, social media became an important vehicle for people to voice their discontent.

“The goal was not to shut down the paper,” said Melissa Harrison, a freelance magazine editor whose efforts on Twitter on Monday helped prompt thousands of people to demand that companies withdraw advertising dollars from The News of the World.

“No one wants people to lose their jobs,” Ms. Harrison said. “I think our goal was to voice public outrage. What really happened is that people have found that they have a voice. And News Corp. heard that people have a voice.”

“There is quite a lot of cynicism about what is really happening here,” she said. “It is looking like The Sun will go seven days a week and that everything stays the same.”

Ms. Harrison and a growing chorus of users on Facebook and Twitter are demanding a full accounting of the allegations that executives from The News of the World paid police officers, lied to members of Parliament and hired investigators to listen to voice mail messages left on the cellphones of a murdered girl and the victims of terrorist attacks.

“The idea that he can close the paper and it will all be forgotten is not going to work,” she said. “What we wanted was someone taking responsibility for this behavior, which means a criminal investigation.”

David Babbs, executive director of 38 Degrees, a grass-roots online advocacy group, said that more than 110,000 signatures had been gathered in recent days demanding a full inquiry and that they would be presented to government officials on Friday as a British regulatory agency formally ended its public comment period on the BSkyB deal.

The group is demanding that the government decline Mr. Murdoch’s request for a controlling stake in the satellite company.

“This latest scandal has generated such an outpouring of disgust because it reflects the sheer scale of power that the Murdoch presses have over us, not just our media but our democratic process,” Mr. Babbs said. “The phone hacking is disgusting and disgraceful, but it also reflects the broader way that he has hacked our democratic process.”

The outrage was not limited to people who see Mr. Murdoch as a political threat. Even people on his payroll objected. Employees of The Sun walked out in protest on Thursday evening.

# Former Aide to Cameron Is Arrested in Tabloid Scandal

By **JOHN F. BURNS** and **ALAN COWELL**

*July 7, 2011*

LONDON — The phone hacking scandal that has enmeshed the Murdoch media empire, British politicians and the police accelerated Friday with the arrest of a former aide to Prime Minister David Cameron and new accusations of obstruction of justice against executives of News International, the parent of the disgraced News of the World newspaper.

For Mr. Cameron, the day's events took an ominous turn that suggested he may be embroiled in the scandal for months, or even years, as he struggles on a broader front to make historic cuts in public spending, his government's primary goal.

He announced plans for two public inquiries, one to be led by a judge that will investigate the phone hacking and what the prime minister called the "abysmal failure" of the police to effectively investigate it over the past five years, and another into the "culture, practices and ethics" of British newspapers.

But as he did so, his former media chief at 10 Downing Street, Andy Coulson, previously the editor of The News of the World, the Murdoch paper at the heart of the scandal, was arrested for police questioning on suspicion of conspiracy in the phone hacking and of corruption in approving payments of tens of thousands of dollars that the paper is alleged to have made to a small group of midlevel police officers who traded in confidential information.

The day brought further bad news for the Murdoch empire, with the head of the government agency that regulates broadcast media, Ofcom, writing to John Whittingdale, chairman of the parliamentary committee

that monitors broadcast issues, to say that the agency intended to conduct a rigorous review of Rupert Murdoch's proposed \$12 billion bid for outright ownership of British Sky Broadcasting, Britain's most lucrative cable network.

The deal requires the agency's approval, including whether the company's executives are judged "fit and proper," ethically as well as financially, to own one of the country's most powerful media companies. Reflecting criticism that the Cameron government, and Ofcom, have taken too accommodating a view of the Murdoch bid, the agency signaled that it might be prepared, after reviewing the phone hacking scandal, to veto the bid.

The letter cited the "fit and proper" rule and said that Ofcom was "very conscious of the level of concern" in the country about the News of the World misdeeds.

The 43-year-old prime minister, in office just a year, appeared to time his remarks at a morning news conference on Friday in an effort to steal the headlines from the arrest of Mr. Coulson and a former News of the World reporter, Clive Goodman, who has already served a jail term for his role in the paper's hacking of the royal family's cellphones. But he struggled to overcome a series of shocking disclosures, including a report in The Guardian that police were investigating reports that an executive with News International, the British arm of Mr. Murdoch's News Corporation, had tried to delete millions of e-mails from a News of the World archive "in an attempt to obstruct Scotland Yard's inquiry into the affair." The report was strongly denied by a Murdoch spokesman.

Rebekah Brooks, the chief executive of News International, hinted at still more damaging disclosures to come when she told reporters and editors at The News of the World's headquarters on Friday that the criminal investigation would lead to "a very dark day for this company" and help explain why Murdoch executives decided Thursday to shut the paper down after 168 years.

Ms. Brooks, editor of the paper when its employees hacked the cellphone of Milly Dowler, a 13-year-old who was abducted and murdered — something she has said she knew nothing about — again rejected demands that she resign, a step that Mr. Cameron, reticent on the matter until Friday, had urged at his new conference. Ms. Brooks, a friend of Mr. Cameron's, enraged many of those attending The News of the World meeting, according to some of those who attended, by appearing to equate her plight — still employed, but an object of withering public censure — with those of the paper's 600 employees who will lose their jobs after it publishes its last issue on Sunday. "This is not exactly the best of times in my life," she said. "I feel exactly the same as you."

Ms. Brooks's discomfort paralleled that of Mr. Cameron. For the second time in three days, after a raucous melee in the House of Commons on Wednesday, he sought to cast himself at his news conference as the man to rescue Britain from a scandal that he described as "simply disgusting" — allegations that The News of the World, Britain's most widely read Sunday paper, hacked into the voice mail messages not just of Milly Dowler, but of relatives who lost family members in the wars in Afghanistan and Iraq and others who lost loved ones in the July 2005 terrorist bombings on London's transit system.

Facing the biggest crisis to hit a British leader since Tony Blair defied public opinion and carried Britain into the Iraq war, Mr. Cameron answered critics — in his own Conservative Party, as well as the Labour opposition — who have questioned his judgment, and even his honesty, in hiring Mr. Coulson to work on his personal staff only months after the former media chief had been forced to resign in the first round of scandal over phone hacking at The News of the World, in 2007. His principal defense was that he acted in the belief that the former editor deserved "a second chance" after his demise at the tabloid, when he told police that he had no knowledge of the tabloid's phone hacking.

To that, the prime minister added the argument that The News of the World scandal was the product of a wider malaise in the relations between Britain's newspapers, police and politicians, which he said had ill served the public for years by creating a "cozy" compact in which all of those involved collaborated to serve their personal interests while tolerating a pattern of press abuses.

"As we're considering the devastating revelations of the past few days, it is no good just pointing the finger at this individual journalist, or that individual newspaper," he said. "It's no good, actually, just criticizing the police. The truth is, we've all been in this together — the press, politicians and leaders of all parties — and yes, that includes me."

Party leaders, Mr. Cameron said, had been "so keen to win the support of newspapers, we turned a blind eye to this sort of issue, to get on top of the bad practices, to change the way our newspapers are regulated." He added: "The people in power knew things weren't right. But they didn't do enough, quickly enough, until the full mess of the situation was revealed."

"It's on my watch that the music has stopped," he said.

But the one specific reform that Mr. Cameron said he favored — the scrapping of the newspaper industry's self-regulatory body, the largely toothless Press Complaints Commission, and its replacement by a much tougher, independent body with statutory powers to punish abuses — won him no respite from his harshest critics, including the Labour leader, Ed Miliband, a 41-year-old in his first year at the party's helm.

After a lackluster start as Labour chief that prompted murmurings in his party about dumping him, Mr. Miliband has ridden the scandal to a new level of approbation among many of Britain's most influential political commentators. He has staked out ground — demands for a judge-led public inquiry into the scandal and the resignation of Ms. Brooks, as well as an excoriating rebuke of Mr. Cameron for taking Mr. Coulson "into the heart of Downing Street" — that has left Mr. Cameron scrambling to catch up. On Friday, he dismissed Mr. Cameron's latest moves. "We

have a prime minister today who still doesn't seem to get it," he said. "He couldn't even bring himself to admit that he made a mistake in hiring Andy Coulson."

When Mr. Coulson left the Lewisham police station in London at dusk, pushing his way through reporters shouting questions like "Are you the fall guy?" he offered no comment on his day's questioning, beyond a remark that suggested that he may be nursing revelations about Ms. Brooks and the circle of News of the World executives who knew about the phone hacking, about other secrets of the Murdoch empire, or about his years as an intimate of Mr. Cameron's. "There's an awful lot that I'd like to say, but I can't," he said.

*John F. Burns reported from London, and Alan Cowell from Paris. Reporting was contributed by Sarah Lyall, Jo Becker, Julia Werdigier and Ravi Somaiya from London; Tim Arango from Baghdad; and Jeremy Peters and Brian Stelter from New York.*



# 2 Top Deputies Resign as Crisis Isolates Murdoch

By **JOHN F. BURNS** and **JEREMY W. PETERS**

*July 15, 2011*

LONDON — The crisis rattling Rupert Murdoch's global media empire claimed the two highest-level executives yet on Friday after days of mounting pressure from politicians and investors on two continents.

Les Hinton, the publisher of The Wall Street Journal since 2007, who oversaw Mr. Murdoch's British newspaper subsidiary when voice mail hacking by journalists was rampant, and Rebekah Brooks, who has run the British papers since 2009 and become the target of unrelenting public outrage, both resigned in the latest blow to the News Corporation and its besieged chairman.

At first incensed by the assault on his company's reputation, Mr. Murdoch insisted as late as Thursday that the executives had performed "excellently" in dealing with the crisis since it erupted two weeks ago. He was said to be loath to lose either of them, and became convinced that they had to leave only over the last several days, as executives and outside advisers flew in to help manage the crisis from the company's gleaming granite and glass offices in the Wapping district of east London.

In arriving at the final decision, Mr. Murdoch was joined by his two sons, James and Lachlan, and Joel I. Klein, a senior News Corporation executive and former New York City Schools chancellor.

The resignations came on a day when Mr. Murdoch made a series of public mea culpas. He wrote a letter to be published in all British newspapers over the weekend acknowledging that the company did not address its problems soon enough. "We are sorry," it begins.

He also visited the family of a murdered 13-year-old girl, Milly Dowler, whose voice mail was hacked by reporters at The News of the World while she was still listed as missing. According to the Dowler family's lawyer, Mark Lewis, Mr. Murdoch held his head in his hands and apologized for the actions of his employees, who deleted phone messages after the girl's mailbox had been filled so they could collect more new messages.

Mr. Lewis said that Mr. Murdoch apologized "many times," and that he was "very humbled, he was very shaken and he was very sincere."

Whether these actions will do anything to quiet the backlash against the News Corporation is unclear. Mr. Murdoch, Ms. Brooks and James Murdoch, the company's deputy chief operating officer and Rupert's younger son, are set to testify next week before Parliament, where they will face questions from politicians who have become suddenly unafraid to publicly condemn the man whose favor they once saw as a key to political success.

Mr. Murdoch has become an increasingly isolated figure, not only in Britain but within his own company. The departure in recent years of top executives who often provided a counterweight to his famous irascibility and stubbornness has left him surrounded by fewer people who can effectively question his decisions. He initially rejected Ms. Brooks's offer to resign from News International, his British subsidiary, despite advice to accept it from senior News Corporation executives, said people briefed on the company's discussions.

Ms. Brooks, who was editor of The News of the World when the abuses began in 2002, repeatedly told the Murdochs that she knew nothing of the hacking and that she would be exonerated when all the facts came out.

In her farewell message, Ms. Brooks acknowledged that she had become a distraction. "The reputation of the company we love so much, as well as the press freedoms we value so highly, are all at risk," she wrote. "As chief executive of the company, I feel a deep sense of

responsibility for the people we have hurt and I want to reiterate how sorry I am for what we now know to have taken place.”

On Friday, former staff members at The News of the World questioned why Ms. Brooks did not resign earlier. “Our paper was sacrificed to save her career, and now she’s gone as well,” one former employee said, requesting anonymity because he did not want to jeopardize his position in severance negotiations. “Who knows why they’ve chosen to do it now, as she’ll have to appear before the select committee anyway.”

Until Friday, Mr. Hinton had been largely an offstage figure in the scandal. But questions grew about what he knew about the improper practices going on at the newspapers under his watch, even though he has testified twice before Parliament saying that he believed the hacking was limited to one rogue journalist and a private investigator employed by The News of the World.

Letting Mr. Hinton go was an especially fraught decision for Mr. Murdoch. The two had worked together for 52 years, since Mr. Hinton joined Mr. Murdoch’s first paper, The News of Adelaide in South Australia, when he was 15. Moreover, Mr. Hinton ran The Wall Street Journal, Mr. Murdoch’s most cherished American newspaper.

In a note to his employees, Mr. Hinton said Friday was “a deeply, deeply sad day for me.”

Employees at The Journal had mixed reactions to Mr. Hinton’s departure. Alan Murray, a deputy managing editor, wrote on Twitter: “Les Hinton was a great leader, and did much to support the advancement of WSJ in print and digital platforms. He will be much missed.”

But a Journal employee who did not want to be identified criticizing his employer expressed anger over the companywide e-mail from Robert Thomson, the paper’s editor, extolling Mr. Hinton. “It’s enraging that the first thing our editor says to us about this whole mess is that as journalists we owe a debt of gratitude to the guy who had to resign

because he was at the helm of the papers that did this stuff,” this person said.

The scandal also seemed poised to claim other prominent heads outside the Murdoch domain, with the gravest immediate threat falling on Sir Paul Stephenson, the chief of Scotland Yard. His position — he is formally known as the commissioner of the Metropolitan Police — has been one of the most prestigious in the country, but in the past 48 hours, he too has fallen under the cloud of suspicion that the scandal has thrown over the interlinked worlds of Britain’s press, politicians and police.

The country was shocked this week by the seemingly unrepentant performance of three top Scotland Yard figures, two now retired, who oversaw the earlier, largely toothless, investigations of The News of the World. A new inquiry begun this year has resulted so far in seven arrests, including that of Prime Minister David Cameron’s former media chief, Andy Coulson, who succeeded Ms. Brooks as editor of The News of the World in 2003.

But the police chief’s problems worsened sharply when reports began circulating on Thursday — confirmed in a Scotland Yard statement — that Sir Paul had approved nearly \$40,000 in payments in 2009 and 2010 to a personal media consultant who had been the second-ranking editor at The News of the World when much of the hacking took place under the editorships of Ms. Brooks and Mr. Coulson. That man, Neil Wallis, was arrested on Thursday, and held, like Mr. Coulson, for hours of questioning before being released on bail.

Scotland Yard acknowledged having paid Mr. Wallis \$1,600 a day, and said that Sir Paul had dined on eight occasions with News of the World editors — five of those with Mr. Wallis — while Scotland Yard officers were investigating the paper. Reports in British newspapers said that the commissioner had made no mention of the dinners, or of the subsequent media consultancy contract with Mr. Wallis, when he met Mr. Cameron. That led to an outraged statement from Downing Street, where

a Cameron spokesman, speaking on the condition of anonymity, said on Friday that Sir Paul had “urgent questions to answer.”

Ms. Brooks’s resignation had seemed ever more likely when late Thursday, BBC television broadcast an interview with Prince Al-Waleed bin Talal of Saudi Arabia, the News Corporation’s second-largest shareholder, in which he said that if Ms. Brooks was involved in wrongdoing, “for sure she has to go.”

She was replaced by Tom Mockridge, the head of Sky Italia, the News Corporation’s Italian satellite broadcaster.

Ms. Brooks said she would focus on “correcting the distortions and rebutting the allegations” against the company and herself, and would cooperate with the police inquiry into phone hacking and payments to corrupt police officers. She also praised Mr. Murdoch’s “wisdom, kindness and incisive advice” and his son James’s “great loyalty and friendship.”

After she quit, James Murdoch praised her as “one of the outstanding editors of her generation.” And he took the occasion to say that while the company “has made mistakes,” and accepted the need for public scrutiny, it intended to answer “unfair attacks by setting the record straight.”

But Ms. Brooks’s removal could make James the next in the firing line over News International’s erratic responses to the scandal. Attention at next week’s parliamentary grilling is likely to center on his testimony to Parliament at an early stage of the scandal dismissing the abuse at The News of the World as rogue and isolated episodes and on his action in approving a secret \$1.1 million settlement to one of the phone hacking victims.

James’s role has also caused strains within the Murdoch clan, particularly with his sister Elisabeth, according to one person who has done business with the family but did not want to be identified discussing internal matters. But whatever their differences, the Murdoch children pull together in times of crisis.

“They’re still brother and sister,” this person said. “They just play in this big world. It’s a sibling rivalry kind of thing, but it’s still blood. And they both know the company is their fortune.”

*John F. Burns reported from London, and Jeremy W. Peters from New York. Alan Cowell contributed reporting from Paris, and Ravi Somaiya from London.*

# Murdochs Deny That They Knew of Illegal Acts

By SARAH LYALL

*July 19, 2011*

LONDON — It was riveting theater, a newly emboldened parliamentary committee facing off against the 80-year-old Rupert Murdoch, the world's most powerful media mogul, in a series of exchanges designed to get to the bottom of the phone hacking scandal that has engulfed not just Mr. Murdoch's News Corporation, but also Britain's political and law-enforcement elite.

In two hours of intense questioning broken only by a bizarre incident in which Mr. Murdoch was accosted with what appeared to be a foil pie plate filled with shaving cream, both he and his son James declared repeatedly that they had been shocked to discover something that has become increasingly apparent: that phone hacking and other illegal behavior were endemic at their News of the World tabloid, which is now defunct.

Even so, the Murdochs and Rebekah Brooks, a former editor at the paper who resigned from the News Corporation on Friday, only to be arrested on Sunday on suspicion of phone hacking and bribing the police, apologized again and again for the failures at their company.

"I would just like to say one sentence," Rupert Murdoch said, breaking at one point into a long answer by his son, the News Corporation's deputy chief operating officer. "This is the most humble day of my life."

But his humility did not extend to declaring that he was at fault or that he should step down from his company.

“I feel that people I trusted — I don’t know who, on what level — have let me down, and I think they have behaved disgracefully, and it’s for them to pay,” he said. “And I think, frankly, that I’m the best person to see it through.”

While the elder Mr. Murdoch has long had the reputation of being a hands-on manager, pressing for and savoring the scoops scored by the newspapers he had always felt were the soul of his media empire, he said in his testimony that in the case of The News of the World, he had no knowledge of the specifics of what was going on.

He did not know, for example, that his company had paid confidential out-of-court settlements of £600,000 and £1 million to two victims of phone hacking. Nor, he said, did he know that the company was paying the legal fees of Glenn Mulcaire, a private investigator under contract to The News of the World who was convicted in 2007 of hacking into the phones of staff members of the royal family.

James Murdoch said he had not known about paying Mr. Mulcaire’s legal fees either, and was “as surprised as you are that some of these arrangements had been made.”

The Murdochs shut down the tabloid last week in a futile effort to contain a crisis that has also claimed the careers of two high-ranking police officers and two top News Corporation officials, caused the company to withdraw a much-wanted \$12 billion takeover bid of a broadcasting company, and led to the arrests of 10 former News of the World editors and reporters.

The hearings (Ms. Brooks appeared separately) provided a gripping spectacle of executives who once commanded unassailable political power enduring sustained questioning from lawmakers enjoying a newfound confidence.

There was Rupert Murdoch, looking every bit his age, appearing at times to lose his concentration and sometimes taking so long to answer questions that he seemed not to have heard them at all. There was James Murdoch, his 38-year-old heir apparent, sharp, engaged and



seeming alarmed at the prospect that his father would lose his way, quick to leap in when the elder Mr. Murdoch wavered or appeared uncertain.

Mr. Murdoch's glamorous wife, Wendi Murdoch, 42, sat directly behind her husband in the visitors' section of the hearing room. At one point, a man suddenly rose from his seat and advanced on Rupert Murdoch, striking him with what appeared to be a pie tin filled with shaving cream, or possibly custard. That caused Mrs. Murdoch to rise from her chair and slug the attacker with a swift right swing.

The committee chairman, John Whittingdale, a Conservative member of Parliament, hastily declared a short recess.

The attacker was later identified in British news reports as Jonathan May-Bowles, a stand-up comedian. According to The Guardian, he was sending Twitter messages about the incident. "It is a far better thing that I do now than I have ever done before #splat," the attacker apparently wrote, in a homage to "A Tale of Two Cities," just before unleashing the foam.

He was escorted from the building in handcuffs.

Members of the committee tried their best to get the Murdochs to explain why the company had repeatedly claimed that phone hacking was limited to a single "rogue" reporter. The answer, James Murdoch said, was that he had received bad advice — from his own executives, from the police, from his lawyers, even from the Press Complaints Commission. All had told him, he said, that "there was no illegality," and he said he had no reason to doubt their word.

It was a matter of "deep frustration" and "real regret" that the facts had not emerged sooner, he said.

He added that in 2010, when the company became aware of potential new victims after a flurry of civil cases began bubbling through the courts, "the company immediately went to look at additional records" and turned over the new evidence to the police.

Rupert Murdoch said that as the head of a company with 53,000 employees around the world, he could not have been expected to follow

every decision made at The News of the World or even at News International, the News Corporation's British newspaper division.

He said that he generally called the editor of The News of the World once a month to ask "what's doing?" He tends to call the editor of The Sunday Times "nearly every Saturday," he said, but "not to influence what he has to say."

He added: "If there's an editor I'm most in touch with, it's the editor of The Wall Street Journal, because we're in the same building."

Asked a series of questions about specific instances of wrongdoing by former News of the World reporters and editors (most of them since arrested), he looked blank and at a loss. When his son tried to come to his rescue, Tom Watson, a Labour member of Parliament and a persistent Murdoch critic, waved the younger Murdoch off.

"It's your father who's been in charge of corporate governance at News Corp.," he said. "I will come back to you in a moment."

Jim Sheridan, a Labour member of Parliament, tried to draw out Rupert Murdoch on his relationships with politicians. Why, asked Mr. Sheridan, when he was invited to Downing Street as Prime Minister David Cameron's second visitor after the 2009 general election, did Mr. Murdoch enter through the back door?

"I don't know — I just did what I was told," Mr. Murdoch said.

His son interjected: "I don't think my father had any knowledge of arrangements being made for his entrance or exit from any particular building," James Murdoch said.

After his apparent frailty early in the session, Rupert Murdoch seemed to gain a certain feistiness and combativeness as the hearing went on. He took the opportunity, for example, to make it clear that he had enjoyed a close relationship with former Prime Minister Gordon Brown as well as with Mr. Cameron.

"I had also been asked in the back door many times by Mr. Brown," he said.

Both Ms. Brooks and Rupert Murdoch spoke in favor of a free press without government restraint, even as both made it clear that they had suffered a bit at the rough hands of the press themselves in recent days. Ms. Brooks said, for example, that a number of stories making the rounds about her — that she goes riding with the prime minister, that she owns a horse with him, that they share a piece of property — were not true.

For his part, Mr. Murdoch said that he had not really meant to imply, in response to a question earlier in the month, that his main priority in the crisis was the preservation of Ms. Brooks's career. But, he was asked, didn't he point to her and say "that one" when asked the question?

He answered on Tuesday: "I walked outside my flat, and I had 20 microphones stuck in my face, and I don't remember what I said."

*Alan Cowell, Ravi Somaiya and Graham Bowley contributed reporting.*

# Cameron Tries to Shore Up Support in Hacking Scandal

By **JOHN F. BURNS** and **ALAN COWELL**

*July 20, 2011*

LONDON — It was Prime Minister David Cameron's turn to battle for his reputation, and potentially even his job, in the House of Commons on Wednesday in a debate on the phone hacking scandal that has convulsed Britain.

And when the daylong political street fighting with the opposition Labour Party was done, he appeared to have at least steadied support within his own party and, perhaps as important, within the ranks of the Liberal Democrats, his nervous coalition partners.

The confrontation in the House of Commons — a day after appearances before a parliamentary committee by Rupert and James Murdoch, whose News of the World newspaper, now defunct, has been at the heart of the scandal — capped a difficult period in which the politically agile prime minister appeared to lose his normally assured demeanor, allowing Labour to get ahead of him in putting an end to the Murdochs' bid for Britain's top satellite television company.

Mr. Cameron flew back from a shortened trade trip to Africa on Tuesday and worked late into the night preparing for the showdown over revelations about the tabloid that have exposed cozy and sometimes corrupt relations among the press, politicians and the police, and that have crystallized into the most serious crisis of credibility and confidence of his 15 months in office.

As the eight-hour Commons showdown ended, the prime minister appeared to have quieted the worst anxieties in his Conservative Party, whose most powerful backbench group gave him a desk-banging thumbs

up. Several Liberal Democrats, meanwhile, emerged from the session to say that the emphasis should be on reforms to rid Britain of the excesses of its tabloids, and not on efforts to topple Mr. Cameron, unless there were new disclosures implicating him in efforts to stifle the police investigation of the issue or to mislead Parliament.

Only a week ago, the Liberal Democrats seemed to be edging closer to an alternative compact with the Labour Party that could have threatened the government's survival and its program of harsh spending cuts.

Still, with police inquiries into the affair accelerating, posing the potential for further revelations and arrests, Mr. Cameron may, at best, have only stalled the Labour onslaught that has sought to link him to the scandal through his close ties to Mr. Murdoch and two former editors of The News of the World, one of whom was Mr. Cameron's communications chief for nine months.

After more than two weeks in which Ed Miliband, the Labour leader, outflanked Mr. Cameron at virtually every turn, the prime minister appeared to hit his stride, coupling incensed denials of personal wrongdoing in the affair with a new, hard-edged attitude toward his former media chief, Andy Coulson, one of 10 people linked to the Murdoch newspapers who has been arrested in the scandal.

Showing an edge of bitterness toward a man he was describing only days ago as a friend, Mr. Cameron said that "with 20-20 hindsight and all that has followed, I would not have offered the job, and I expect that he wouldn't have taken it."

"You live and you learn," he added, "and, believe you me, I have learned."

Mr. Cameron also took on Mr. Miliband, saying that most of the abuses now under investigation within the Murdoch newspapers took place when Labour was in power and that the Labour governments of Tony Blair and Gordon Brown had taken no action on evidence that serious wrongdoing had occurred. He also said that Labour's ties with Mr.

Murdoch and his executives, and the party's pursuit of Mr. Murdoch's political favor, were more extensive than his own.

"I can assure the House that I've never held a slumber party or seen her in her pajamas," Mr. Cameron said, referring to Rebekah Brooks, a onetime editor of The News of the World, who resigned as chief executive of News International, the paper's parent company, late last week. The gibe referred to a gathering Mr. Brown's wife held in 2008 at the prime minister's country retreat, which British newspaper accounts have said was attended by Ms. Brooks; Mr. Murdoch's wife, Wendi; and his daughter Elisabeth. A Daily Mail account said guests were told to bring their pajamas "for the sort of sleepover usually favoured by teenage girls."

Mr. Cameron's defense on Wednesday — and his continuing vulnerability — rested on two potentially explosive issues. First was why he hired Mr. Coulson only months after Mr. Coulson's 2007 resignation as The News of the World's editor, then took him to Downing Street, in the face of a flurry of private warnings, after the Conservatives won the May 2010 general election.

The Coulson hiring had raised eyebrows among many in the Conservative Party and elsewhere because of the jailing in 2007 of the paper's former royalty correspondent and a private investigator for tapping the voice mail messages of Prince William. Mr. Coulson has denied knowledge of the phone hacking, as have all other top editors and executives at the Murdoch papers.

The second issue that led to waves of hostile questioning from Labour was what role Mr. Cameron played in the government's initial decision to support Mr. Murdoch's \$12 billion bid for British Sky Broadcasting, or BSkyB, Britain's most lucrative satellite television network. The questions were prompted, in part, by Downing Street's acknowledgment last week that Mr. Cameron had met 26 times with Rupert Murdoch and other executives and editors of his British media properties in little over a year in office.

Last week, as the scandal ballooned, the government joined Labour and the Liberal Democrats in demanding, successfully, that Mr. Murdoch withdraw the bid, which had been viewed as the boldest, and potentially most rewarding, of all the takeover moves Mr. Murdoch has made in 50 years of building his empire.

Under prodding from Labour politicians who listed a number of people who said they had privately warned Mr. Cameron not to take Mr. Coulson into the government, the prime minister replied, "If anybody had brought me credible information that he knew about the hacking, I would have fired him." He added that if it was proved that Mr. Coulson lied to him, the courts and Parliament in denying any knowledge of the phone hacking, then Mr. Coulson should go to jail.

On the BSkyB bid, he said he had put a firewall between himself and the government's handling of it, never trespassing into "inappropriate discussions" of the bid with Mr. Murdoch and his executives, and leaving decisions on the matter to his culture and media secretary, Jeremy Hunt.

Mr. Hunt then rose to support Mr. Cameron by saying that "the discussions the P.M. had on BSkyB were irrelevant because the person who was making the decision was myself," but the statement backfired since it appeared to be the first time any government figure seemed to acknowledge that Mr. Cameron discussed the takeover with the Murdochs. That set off a new round of protests from Labour politicians, who seized on the statement as opening the way for a new line of attack.

A statement later by Mr. Hunt's aides, as quoted by the BBC, said that he had been talking about general discussions rather than specific talks with any executives of Mr. Murdoch's company, but the explanation seemed unlikely to put an end to the matter.

# In Court, Suggestions of Hacking Beyond The News of the World

By **JO BECKER** and **RAVI SOMAIYA**

*July 20, 2011*

LONDON — Front pages across Britain featured pictures of Rupert Murdoch apologizing for phone hacking at The News of the World. But further suggestions that the practice spread beyond his newspaper emerged in a small, nondescript courtroom on Wednesday, even as Prime Minister David Cameron broadened an inquiry into the conduct of the British press.

At the Royal Courts of Justice in London, lawyers for the actor Hugh Grant and his former girlfriend, the socialite Jemima Khan — once the subject of relentless tabloid attention — mentioned The News of the World and unspecified “other newspapers” while demanding police information on Glenn Mulcaire, the private investigator who was jailed in 2007 for hacking into the phones of royal staff members. It was the first suggestion that Mr. Mulcaire, who had an exclusive contract with The News of the World, might have sold his information to other publications. Those publications were not named in the court proceedings, but the judge referred to “one or more newspaper proprietors.”

The phone hacking scandal at The News of the World has escalated into a political firestorm because it has swept up not only the tabloid’s parent company, the News Corporation, owned by Mr. Murdoch, but also exposed close and questionable ties among the press, Scotland Yard and Britain’s political elite.

But in Parliament on Wednesday, Mr. Cameron said it would be naïve to think that phone hacking was limited to Murdoch-owned newspapers. He named members to a panel that will have broad power



to force newspaper owners, reporters, politicians and the police to give evidence under oath at public hearings into the culture, practices and ethics of the press. It will be led by Lord Justice Brian Leveson, a prominent judge, and includes former journalists, a civil rights campaigner and a retired law enforcement official.

Mr. Cameron was not alone in declaring the need for a broader look at Fleet Street.

On Tuesday, a member of Parliament accused the CNN anchor Piers Morgan of phone hacking when he was the editor of The Daily Mirror. Mr. Morgan strenuously denied the accusations and demanded an apology. And last week, news reports showed that the actor Jude Law has brought a hacking lawsuit against The News of the World's sister newspaper, The Sun.

Five former journalists at The News of The World's rival Sunday newspaper, The People, run by the Mirror group, said in interviews that they regularly witnessed hacking in that newsroom in the late 1990s to early 2000. "I don't think anyone quite realized the criminality of it," said one former reporter at The People, who spoke on condition of anonymity. A former reporter for the Sunday Mirror, another News of the World rival, described the extensive use of private detectives to obtain personal information. A former senior News of the World editor, Neil Wallis, who has been arrested on unspecified accusations of phone hacking, left The People in 2003 to join the Murdoch tabloid.

Nick Fullagar, director of communications for Trinity Mirror, the parent company of The Daily Mirror and The People, said, "Trinity Mirror's position is clear. Our journalists work within the criminal law and the P.C.C. code of conduct," referring to Britain's press regulatory body, the Press Complaints Commission. Within Mr. Murdoch's empire, the flagship daily tabloid The Sun has also been accused of hacking phones. The lawsuit by Mr. Law, filed last month, says that four articles published in 2005 and 2006 were based on intercepted voice mail.

The suit does not make clear which articles Mr. Law believes came from phone hacking, and News International, the British subsidiary of the News Corporation, has vehemently denied the accusation. A review of The Sun's Web site, cross-referenced against news archives, shows that five articles from that period that cite phone calls, no source or very vague sources for intimate information about Mr. Law are no longer available on the tabloid's Web site.

In an article on April 15, the satirical news magazine Private Eye, which has long pursued accusations of hacking across Fleet Street, linked nine other articles at The Sun between 1998 and 2001 with the phone hacking scandal. The articles, which did not cite sources for celebrity gossip and referred extensively to phone calls, also are not available on The Sun's Web site. "I print everything out now, just in case it disappears," said Adam Macqueen, a journalist at Private Eye who tracks the accusations of hacking at The Sun.

Mr. Grant's lawsuit is similar to those filed between 2007 and 2009 that first delved into Mr. Mulcaire's notes to reveal the extent of wrongdoing at The News of the World and were the catalyst for the current headlines.

Mr. Grant has played an activist role since the scandal broke, secretly recording a former News of the World journalist talking about how widespread the practice was and then publishing the conversation in the British news magazine The New Statesman in April.

Mr. Grant told the BBC that he visited a pub owned by Paul McMullan, a former editor for The News of the World, with his own recording device. Mr. McMullan, he said, told him that "it wasn't just The News of the World, it was all the tabloids."

# Pressure on Murdochs Mounts in Hacking Scandal

By **GRAHAM BOWLEY** and **JO BECKER**

*July 22, 2011*

LONDON — Prime Minister David Cameron of Britain said Friday that James Murdoch still had “questions to answer” about the phone hacking scandal swirling around News International, the British arm of the media empire of his father, Rupert Murdoch, a day after the son’s testimony was called into question by two former News International executives.

Tom Watson, a Labour lawmaker who has taken a leading role in the hacking inquiries, said he was asking the police to investigate whether James Murdoch had misled a parliamentary committee in his testimony on Tuesday.

Those and other developments put renewed pressure on the Murdochs and seemed to frustrate efforts by the company and its global parent, News Corporation, to contain the damage and put the scandal behind it.

Separately, another Labour lawmaker said he had written to nonexecutive directors of News Corporation urging that James and Rupert Murdoch be suspended from their roles in running the company.

Also, the authorities in Scotland opened an investigation into phone hacking and police corruption that could put new focus on Andy Coulson, a former editor of The News of the World, a tabloid that the company shuttered. He testified at a trial there that he knew nothing about phone hacking.

Mr. Cameron continued Friday to distance himself from the Murdochs and their newspapers, whose support helped usher him into power just over a year ago, as the scandal continued to raise questions

about the close ties between his government and News International executives.

“Clearly, James Murdoch has got questions to answer in Parliament, and I’m sure he will do that,” Mr. Cameron said during a visit to an auto plant in the British Midlands. “And clearly News International has got some big issues to deal with and a mess to clear up. That has to be done by the management of that company. In the end, the management of the company must be an issue for the shareholders of that company, but the government wants to see this sorted out.”

In a week of fast-moving developments, James Murdoch testified that he had not been aware in 2008 of evidence that phone hacking at The News of the World went beyond a single “rogue reporter,” as the company then maintained. A year earlier, a reporter covering the royal family for the paper, Clive Goodman, and a private investigator on contract to the paper were convicted of hacking into the voice mail accounts of members of the royal household.

But on Thursday, two executives — Colin Myler, a former editor of The News of the World, and Tom Crone, the company’s former legal manager — said that James Murdoch’s testimony was “mistaken” and that they had in fact shown him evidence of wider phone hacking. Mr. Murdoch immediately denied the assertion, a stance he repeated Friday in an open letter to the chairman of the parliamentary panel.

“Allegations have been made as to the veracity of my testimony to your committee on Tuesday,” he said. “As you know, I was questioned thoroughly and I answered truthfully. I stand by my testimony.”

Mr. Watson, the Labour lawmaker, said the police should look into Mr. Crone’s and Mr. Myler’s assertions. “If their version of events is accurate,” he told the BBC, “it doesn’t just mean that Parliament has been misled, it means the police have another investigation on their hands.”

The British authority that regulates lawyers said Friday that it would formally investigate the role played by lawyers in the hacking scandal.

Without naming specific firms, the Solicitors Regulation Authority said it would specifically investigate concerns raised by Mr. Watson.

He asked the authority to review Harbottle & Lewis, a law firm that counts members of the royal family among its clients. Rupert Murdoch has accused the firm of making a “major mistake” in its review of internal News of the World e-mails, some of which, it has since emerged, contain evidence of wrongdoing.

The firm was hired by The News of the World in 2007 to defend it in a wrongful termination lawsuit filed by the royalty reporter, Mr. Goodman, who claimed he should not have been fired because other staff members had done similar things.

Harbottle & Lewis was asked to look through about 2,500 e-mails to and from Mr. Goodman, according to News International officials. In a carefully worded May 29, 2007, letter to the company, Lawrence Abramson of the law firm said that the review of e-mails found no evidence that executives knew about hacking. Several company executives have since said that the e-mail did contain signs of other unethical practices, notably police payoffs.

Lord Ken Macdonald, a former director of public prosecutions who was hired by News International to help it re-examine the e-mail, has said that the signs of criminality were “blindingly obvious” after a review of just “three to five minutes.”

Harbottle & Lewis, which has been given a release from client confidentiality requirements to answer some questions put by the police and Parliament, did not return a call requesting comment.

# James Murdoch Denies Misleading Parliamentary Panel

By **SARAH LYALL**

*November 10, 2011*

LONDON — Nothing rattled James Murdoch. Not being compared to the Mafia boss of a criminal enterprise run on fear and omertà. Not being accused of being willfully blind, shockingly incurious or curiously casual about his corporation's money.

During two and a half hours of forensic, skeptical and even rude questioning from a parliamentary panel on Thursday, Mr. Murdoch, the 38-year-old deputy chief operating officer of News Corporation, never wavered from his original account: that he had learned only recently that phone hacking had been widespread at the company's tabloid News of the World, now defunct.

He said he had never misled the committee in earlier testimony in July. And he all but accused two former underlings, whose accounts directly contradicted his, of lying about it.

Much was riding on how Mr. Murdoch handled the lawmakers' questioning, including his personal credibility and the health of the News Corporation media empire. The hacking scandal has tarnished the company, forced it to summarily shut down a newspaper, scuttled its \$12 billion bid to acquire the satellite giant British Sky Broadcasting, destroyed its symbiotic relationship with Britain's political establishment, and added to the strains between Mr. Murdoch and his father, Rupert, the company's chairman.

At least 16 former employees have been arrested, including two former editors of The News of the World. (None has yet been charged.) A

number of executives, including Les Hinton, publisher of The Wall Street Journal and chief executive of Dow Jones, have resigned.

Throughout his appearance before the panel, the House of Commons' committee on culture, media and sport, a calm and confident Mr. Murdoch sought to portray hacking as a problem of the past and something that had forced the company to re-evaluate its practices.

"It is a matter of great regret that things went wrong," he said. Mr. Murdoch said he had first been made aware of an unresolved hacking problem in the spring of 2008, when he was briefly executive chairman of News International, News Corporation's British newspaper arm. That was when company executives asked for his approval to settle a case with Gordon Taylor, chief executive of the Professional Footballers' Association, who had accused The News of the World of hacking his phone.

The executives had in their possession several pieces of internal evidence showing that Mr. Taylor was right, and that phone hacking at The News of the World was not limited to one reporter or one incident, as the company would later publicly and repeatedly assert. But Mr. Murdoch said that no one showed any evidence to him, even as he was urged to approve a large payment to Mr. Taylor.

"None of these things were made available to me or discussed with me," he said. "I was given sufficient information to authorize an increase in the settlement offer. But I was given no more than that."

His assertion directly contradicted the testimony of two former executives — Colin Myler, then the editor of The News of the World, and Tom Crone, then News International's chief legal officer. The pair contacted the committee in July, after Mr. Murdoch's initial testimony, to say that he had not told the truth. They had indeed, they asserted, told him about an incendiary piece of evidence, the "for Neville" e-mail (a reference to Neville Thurlbeck, the chief reporter for The News of the World) that contained transcripts of hacked conversations and proved that hacking had gone beyond a single journalist.

Mr. Murdoch said that although he was told the e-mail existed — a shift from his previous testimony, when he claimed never to have heard of it — no one had shown it to him or explained its significance.

“I believe their testimony was misleading, and I dispute it,” he said of Mr. Myler’s and Mr. Crone’s statements.

Later Thursday, Mr. Crone released a statement saying that Mr. Murdoch was being “disingenuous” at best.

“The simple truth is that he was told by us in 2008 about the damning e-mail and what it meant in terms of wider News of the World involvement,” he said.

In his testimony, Mr. Murdoch went out of his way to criticize Mr. Myler, who became editor of The News of the World after the original phone hacking case, in which the newspaper’s royal reporter, Clive Goodman, was jailed in 2007. Mr. Myler should have told him what was going on and fixed it, he said.

“This was the job of the new editor who had come in, for lack of a better word, to clean this up — to make me aware of these things,” he said. He said that in a company of 50,000 employees around the world, “We rely on executives at various levels of the business to behave in a certain way.”

Members of the committee, though, were openly incredulous at Mr. Murdoch’s contention that when lawyers advised him to settle the Taylor case for hundreds of thousands of pounds, he had failed to ask basic questions about their reasoning.

“I find it incredible, absolutely incredible, that you didn’t say, ‘A quarter of a million? Let me look at that,’ ” said Philip Davies, a Conservative Party member of the committee. “I can’t begin to believe that that is the action that any self-respecting chief operating officer would take, when so much of the company’s money and reputation is at stake.”

In the end, News International paid Mr. Taylor £450,000, about \$725,000, in damages, plus legal fees exceeding \$322,000.



Paul Farrelly, another committee member, said that “any 10-year-old” would have asked how Mr. Goodman could have been the only journalist guilty of phone hacking when Mr. Goodman’s job was to cover the royal family, and Mr. Taylor was clearly “not a member of the royal family.”

“Did you not say, ‘He’s not royal?’ ” he asked.

Mr. Murdoch replied, “The details of the specific voice-mail interceptions — those things were not at the top of my mind.”

Tom Watson, a Labour member of the committee and a persistent Murdoch critic, brought up recent revelations that The News of the World had hired private investigators as recently as a year ago to conduct secret surveillance on dozens of people, including lawyers representing phone hacking victims, and Mr. Watson himself.

Mr. Murdoch said that he found the disclosures “appalling” and “shocking,” and that he was sorry.

Mr. Watson also asked whether Mr. Murdoch had heard of “omertà,” the Mafia code of silence.

“I’m not an aficionado of such things,” Mr. Murdoch said. Mr. Watson then suggested that News International was run along those lines, and added, “You must be the first Mafia boss in history who didn’t know he was running a criminal enterprise.”

Exasperated but unperturbed, Mr. Murdoch said: “Mr. Watson, please. I think that’s inappropriate.”

Afterward, the panel’s chairman, John Whittingdale, said that having taken all the oral testimony it needed, the committee would now begin preparing its report on the hacking scandal, particularly in light of the discrepancies between Mr. Murdoch’s testimony and the statements of Mr. Myler and Mr. Crone.

“We’re going to have to spend a long time deliberating before we reach judgments and conclusions,” he told reporters. “Of the two accounts we have heard, one of them is not true.”

*Alan Cowell contributed reporting from London.*

# Pattern of Illegality Is Cited at News of the World

By **SARAH LYALL**

*November 14, 2011*

LONDON — As a government-commissioned inquiry into Britain’s journalistic practices opened on Monday, its chief lawyer delivered a series of bombshell revelations about what he called a “thriving cottage industry” of illegality at the defunct News of the World tabloid.

In addition, said the chief lawyer, Robert Jay, police evidence showed that hacking was not limited to The News of the World, which was summarily closed by its owner, Rupert Murdoch’s News Corporation, in July. Instead, he said, two other tabloids — the Murdoch-owned Sun, and The Daily Mirror, owned by the Trinity Mirror Group — had also illegally intercepted people’s voice-mail messages, employing the same private investigator as The News of the World.

But those papers’ potential malfeasance appears to have paled beside that of The News of the World, according to Mr. Jay, chief counsel to the investigation, the Leveson Inquiry, a far-reaching examination into the practices and regulation of the British news media.

Mr. Jay said that 11,000 pages in notebooks belonging to the private investigator, Glenn Mulcaire, reveal that he conducted 2,266 investigations on behalf of at least 28 different employees of News International, the British newspaper arm of News Corporation, over several years. Four of those employees — listed in the notebooks under various code letters — apparently commissioned 2,143 of those investigations. The most prolific of the four commissioned 1,453 alone.

Until early this year, executives at News International repeatedly told the police, Parliament and other news media outlets that phone hacking

was limited to a single “rogue reporter” at The News of the World. That was Clive Goodman, the paper’s royal correspondent, who was jailed in 2007, along with Mr. Mulcaire, for intercepting voice-mail messages of members of the royal household.

But the information from Mr. Mulcaire’s notebooks, seized by the police in 2006, contradicts News International’s claim, Mr. Jay said, suggesting instead a pattern of “wide-ranging illegal acts within the organization.”

“It is clear that Goodman was not a rogue reporter,” he said. He added: “Aside from the number of individuals potentially inculpated, we also have evidence of a significant quantity of illegal activity over a relatively lengthy time period. There are a number of ways in which this activity might collectively be characterized. I suggest that it would not be unfair to comment that it was, at the very least, a thriving cottage industry.”

Mr. Jay said that a total of 690 audio tapes were seized from Mr. Mulcaire’s office, along with records of 586 recordings of voice-mail messages intended for 64 different people. The notebooks listed a total of 5,795 names of people who could be potential victims of phone hacking.

He also said that the inquiry had seen documents suggesting that phones were being hacked as early as May 2001 — at least a year earlier than previously disclosed — and that the practice continued until 2009, two years after Mr. Goodman and Mr. Mulcaire were jailed.

The inquiry, led by Lord Justice Leveson, is one of three started since The Guardian newspaper disclosed in July that The News of the World had illegally hacked into the phone of a murdered teenager, Milly Dowler, in 2002, while she was missing but before her body had been found. The disclosure caused a wave of revulsion and led, ultimately, to the closing of The News of the World, the resignation of top officials at News International and the Metropolitan Police Service, the withdrawal of News Corporation’s \$12 billion bid to acquire the satellite company British

Sky Broadcasting, and the dissolution of the close ties between News Corporation and the British political establishment.

Other investigations are being conducted by the police and by a parliamentary panel, which last week interviewed James Murdoch, News Corporation's deputy chief operating officer and a son of Rupert Murdoch, for the second time since July. James Murdoch told the panel that no one had ever told him about the extent of the hacking at The News of the World — not even in 2008, when he agreed to authorize a payment of more than \$1 million to settle a lawsuit brought by a hacking victim, Gordon Taylor, against The News of the World.

On Monday, Mr. Jay said that one of the questions at hand was how high up in News International “the metaphorical buck stops.”

“Is there a culture of denial — or even worse, a cover-up — at News International?” he asked.

The Leveson inquiry will examine the relationship between privacy and freedom of the press, the newspapers' code of conduct and whether Britain's self-regulating news media should have governmental oversight.

In his opening remarks, Justice Leveson said that his team would monitor news coverage in the next months to ensure that no one speaking at the inquiry would be threatened by or punished in the news media. In the past, Britain's tabloids have made it standard practice to print damaging articles about their critics and those who refused to cooperate with them.

Among the likely witnesses are 46 celebrities, politicians, sports stars and other public figures who have complained about media intrusion. They include J. K. Rowling, author of the Harry Potter books; the actors Hugh Grant and Sienna Miller; and a number of lawmakers, including Lord Prescott, former deputy leader of the Labour Party.

One of the issues the judge will consider is the ties between politicians and the news media — particularly the erstwhile coziness between lawmakers and News International.

The inquiry is scheduled to fall into two parts, the first a general review of media culture and ethics. The second, into illegal activity, is meant to begin only when the police investigations and potential prosecutions are finished.

So far, 16 people have been arrested in the phone hacking inquiry, including Andy Coulson, the former editor of The News of the World and the former chief spokesman for Prime Minister David Cameron.

Earlier this month, a journalist at The Sun was arrested on suspicion of making illegal payments to police officers, the first sign that the scandal had spread beyond The News of the World.

*Alan Cowell contributed reporting.*

# James Murdoch Gives Up Role at British Unit

By **JOHN F. BURNS** and **AMY CHOZICK**

*February 29, 2012*

LONDON — After months of deeply uncomfortable scrutiny, James Murdoch resigned on Wednesday as head of his father's scandal-ridden newspaper properties in Britain. He said he would now concentrate on the company's lucrative international television properties, working from the New York headquarters of News Corporation, Rupert Murdoch's global media conglomerate.

The announcement that the younger Mr. Murdoch, 39, had quit as executive chairman of News International, the British newspaper subsidiary of News Corp., came at a moment of intensifying pressure on the Murdoch-owned tabloids at the center of the scandal, The Sun and the now-defunct News of the World. The papers' reporters, editors and corporate executives, including James Murdoch, have been at the center of overlapping investigations by the police, Parliament and a judicial inquiry into a pattern of widespread phone hacking and payoffs to police and other public officials acting as sources for stories.

A statement by News Corp. depicted James Murdoch's transfer to the New York headquarters as a routine step that company insiders say was first ordered by his father 18 months ago. In effect, they said, he had already abandoned his London office for New York. Rather than a punishment, they sought to portray the move as an enlargement of his responsibilities for News Corp.'s international television holdings, a field in which he has won plaudits as profits have soared in the British, European and Asian operations he has overseen for the past decade.

The announcement said that he would continue as News Corp.'s deputy chief operating officer, and that oversight of the British newspapers would be taken up by Tom Mockridge, chief executive of News International, who would report to News Corp.'s president and chief operating officer, Chase Carey.

But the company's bid to present the changes as a routine reshuffle ran into a wall of skepticism on both sides of the Atlantic, with some critics saying that Rupert Murdoch, who is 80, was trying to protect his son at the expense of News Corp.

"Today's announcement is designed to protect him and give him a fresh start in New York," said Michael Pryce-Jones, a spokesman for the CtW Investment Group, a shareholder activist group based in Washington that works with pension funds for large labor unions like the Teamsters and United Farm Workers. "Everyone else involved in the scandal has been thrown under the bus, but James Murdoch is being protected."

But other analysts said it was unlikely that James would escape the legal problems no matter where he lives or works.

"You could put him in any division, and there's no way he escapes the implications if he was involved" in hacking and bribery at the British newspapers, said David Bank, a media analyst at RBC Capital Markets.

Mr. Murdoch's effort to limit the damage comes at a time when the scandal seems more likely to worsen than to relent. Scotland Yard's chief investigative officer in the case said Monday that "people at a very senior level within" The Sun had authorized hundreds of thousands of dollars in bribes to "a network of corrupted officials" in the British police, armed forces and government.

It was the most serious allegation yet made against the Murdoch papers, and one that appeared virtually certain to presage high-ranking prosecutions.

James Murdoch has not been questioned by the police in the scandals, which have seen at least 30 individuals linked to The Sun and



News of the World arrested, questioned for up to 10 hours and released on bail. He has denied any role in the wrongdoing, rejecting as false the testimony of high-ranking colleagues in the British newspaper operations that he was told as early as 2008 of widespread phone hacking by News of the World.

In the case of one damaging e-mail sent to him in 2008 by Colin Myler, then News of the World's editor, that contained explosive information about the extent of the phone hacking, Mr. Murdoch has said that he failed to grasp the message's significance because he did not read all of the e-mail chain that came with it.

The announcement of James Murdoch's removal from the British newspaper operations came after Rupert Murdoch decided to take temporary charge of the British newspapers himself, according to a News International executive who spoke off the record because of the confidential nature of the discussions that led to the move. The executive said that Mr. Murdoch was "in his element" when personally involved in running the newspapers, and reveling in the start-up of a Sunday edition of The Sun, Britain's highest-circulated newspaper, which he oversaw over the weekend.

Mr. Bank, the media analyst, said that Mr. Murdoch was intent on finding a way to put the scandals in the past. "Rupert Murdoch is trying to change the narrative and move on," he said. "The further he gets away from the legal issues in the U.K. the more he'll get his autonomy back."

In the News Corp. announcement, Rupert Murdoch emphasized that James Murdoch would be overseeing "essential" properties, especially in the company's pay-for-view international television operations like Britain's BSkyB, other Sky franchises across Europe and Star TV in Asia. He also seemed to offer a glancing defense of his son's role in the tabloid scandals by saying that he had made "lasting contributions" in his "efforts to improve and enhance governance programs" at News International and the TV operations.

James Murdoch, too, seemed to claim credit for helping to clear up the British scandals by saying in the company announcement that with the start-up of The Sun on Sunday and “new business practices in place across all titles, News International is now in a strong position to build on its successes in the future.” In addition to The Sun, the Murdoch newspapers in Britain include the up-market Times and Sunday Times.

But the reaction among many of those who have taken a lead in demanding public accountability for the Murdoch tabloids’ excesses was harsh. John Whittingdale, chairman of the Parliamentary Select Committee on Culture, Media and Sport that twice questioned James Murdoch last year, said in a BBC interview that “even if he wasn’t aware of the details” or scale of the phone hacking, as the younger Murdoch testified, he had become a liability to the company’s operations in Britain.

“If News International wanted to move on from this problem, and start afresh, James Murdoch’s presence was clearly going to be a problem for them,” he said.

Even if not acknowledged as a demotion, the shift of the younger Murdoch and his effective replacement by his father appeared to many of News Corp.’s critics to signal that James Murdoch was no longer considered the likely heir to the throne of News Corp. Until the British scandals erupted, he had held that role, succeeding his older brother, Lachlan, 40, who had a bitter falling out with his father and other executives in 2005, quitting New York to return to an executive job with the company in Australia.

Two weeks ago, Rupert Murdoch appeared to signal that Lachlan was back in favor by making a dramatic visit to The Sun newsroom in the East London district of Wapping in the company of Lachlan, with James nowhere in sight.

People familiar with the dynamics of the Murdoch family have said in recent months that Elisabeth Murdoch, sister of Lachlan and James, has been urging her father to remove James from all executive authority because of what she has described, often openly at London dinner

parties, as James's incompetence and arrogance in his handling of the tabloid scandals.

Along with the reputational damage to News Corp., Murdoch family members are also said by people who know them to be increasingly disturbed by the mounting financial costs of the British scandals, which some media analysts believe could run as high as \$1 billion, when compensation and legal costs for the victims are factored in.

*John F. Burns reported from London and Amy Chozick from New York. Alan Cowell and Julia Werdigier contributed reporting from London, and Ravi Somaiya from Stockholm.*

# British Government's Ties to Murdochs Scrutinized

By RAVI SOMAIYA

April 25, 2012

LONDON — Prime Minister David Cameron of Britain and a senior member of his cabinet faced a growing scandal Wednesday over suggestions of intimate links between Rupert Murdoch's business interests and the government presented by Mr. Murdoch and his son James this week as evidence in a judicial inquiry.

The Murdochs' appearances at the *Leveson inquiry* — named after its chairman, Lord Justice Brian Leveson — were expected to focus on long-running accusations that their newspapers pursued scoops by illegally intercepting voice mail messages, hacking computers and paying public officials. Instead, the hours of testimony and hundreds of pages of evidence have turned the focus more toward a network of personal connections between Mr. Murdoch's media empire and successive British governments.

Just a few miles from where Mr. Murdoch testified before the High Court on Wednesday, repeatedly denying any influence over the country's politicians, Mr. Cameron and his culture minister, Jeremy Hunt, faced a hostile and noisy bank of rival lawmakers in Parliament as they sought to address the issue of a cache of e-mails that Mr. Murdoch's company, News International, provided to the inquiry in response to a legal order.

The e-mails seemed to show close collaboration between one of the company's lobbyists and Mr. Hunt's office, which Mr. Cameron had designated to pass judgment on the company's \$12 billion bid to take over the BSkyB satellite television network.

An aide to Mr. Hunt named in the e-mails, Adam Smith, became the latest in a line of public officials damaged by links to Mr. Murdoch. Mr. Smith resigned early Wednesday, saying in a statement that his contacts with the lobbyist, Frederic Michel, went too far. Mr. Hunt, the subject of speculation that he, too, would resign, released a statement expressing confidence that his own appearance at the inquiry would prove his innocence.

But lawmakers from the opposition Labour Party were not satisfied. "The reality is," said one, Harriet Harman, "that he was not judging this bid; he was backing it, so he should resign."

Another Labour lawmaker, Dennis Skinner, played on the perception that the Conservative Party of Mr. Cameron and Mr. Hunt is upper class. "The culture secretary's adviser has now lost his job," Mr. Skinner said. "Does that not prove the theory that when posh boys are in trouble, they sack the servants?"

Mr. Hunt, looking beleaguered at times amid jeers by lawmakers, said that the contacts between his office and News Corporation "did not influence my decisions in any way at all." There was no "back-channel" of communications, he said, and the process was conducted "with scrupulous fairness throughout."

He, supported by Mr. Cameron, also noted that the former Labour prime minister, Tony Blair, "was godfather to Rupert Murdoch's daughter." And at the public inquiry, Mr. Murdoch himself shared details of intimate contacts with another Labour leader, former Prime Minister Gordon Brown, and the first minister of Scotland, Alex Salmond.

It is not the first time Mr. Murdoch and lawmakers across the political spectrum have faced sustained accusations that for many years they have shared dinners, lunches, yacht vacations and even, on one occasion, what was described as a "pajama party," that have furthered the media mogul's business interests.

In the wake of the phone hacking scandal that broke into the open last summer, News Corporation dropped the potentially lucrative bid for

BSkyB, but that did not prevent it from becoming an emblem of that fraught relationship between Mr. Murdoch and the government.

The first government minister assigned to assess the bid, Vince Cable, told an undercover reporter that after he “declared war” on Mr. Murdoch, he was removed from his post. Mr. Hunt, the minister who replaced him, was described by a lawyer for the inquiry as a “cheerleader” for the bid, and an “ally” of Mr. Murdoch.

In his testimony on Tuesday, James Murdoch said he and Mr. Cameron had had “a tiny conversation” in 2010 about the bid before a Christmas dinner at the home of the former News International chief executive, Rebekah Brooks. And diaries Mr. Murdoch supplied to the Leveson inquiry showed more meetings with Mr. Cameron than those Mr. Cameron had publicly disclosed — a discrepancy his office told reporters was related to what was defined as a meeting. Though Mr. Cameron has denied any improper influence, such admissions fuel the perception that his government and Mr. Murdoch have conducted their business in private.

Even Deputy Prime Minister Nick Clegg, the leader of the Liberal Democrats, Mr. Cable’s party, and someone who is traditionally far more hostile toward Mr. Murdoch, has been linked to him. In response to questions from The New York Times, a spokesman for Mr. Clegg said that he had played tennis with Mr. Michel, and had dined with him since taking office.

# Murdoch, Center Stage, Plays Powerless Broker

By **JOHN F. BURNS**

*April 25, 2012*

LONDON — By his own telling, Rupert Murdoch has portrayed himself as a man with Britain's most power-packed Rolodex: gossiping with Margaret Thatcher about Ronald Reagan, drinking too much after his backing secured an improbable victory for John Major, joshing that he and Tony Blair were like two porcupines mating, fielding barbed threats from Gordon Brown and slipping in the back door of 10 Downing Street as David Cameron's first visitor after his election.

For decades, Mr. Murdoch has been a man whom British prime ministers and politicians have assiduously wooed, seeing him as the key to winning and keeping power. Until recently, his titles accounted for 40 percent of Britain's newspaper readers, including millions of swing voters. His pay-for-view TV network, British Sky Broadcasting, has reached into millions of homes, posing the most serious threat in generations to the BBC, once a monopoly broadcaster.

But when Mr. Murdoch took center stage on Wednesday at Britain's most avidly followed public inquiry in years, at one point defying his 81 years by virtually trotting into the witness box, he hardly seemed the power-hungry newspaper baron of legend, nor in any way the patron of the black arts that have made his tabloid newspapers in Britain the center of the country's most wide-ranging criminal inquiry.

With Britons across the country eagerly watching on live television, Mr. Murdoch wrapped himself in an entirely different persona: engagingly modest, self-deprecating, charming and funny, a balding, bespectacled Mr. Magoo lookalike. He presented himself as bemused by the very

notion that he wielded awesome political influence, much less that he ever used it to advance his commercial interests or even his distinctive brand of conservative, free-market, anti-elitist philosophy.

“Aura? Charisma? I don’t think so,” he said after the razor-sharp counsel for the inquiry, Robert Jay, had cited characterizations of him as “the Sun king” and “the power behind the throne.” The message that Mr. Murdoch sought to stamp on the hearing was that his success was built not on power but on integrity.

In a 52-page written statement submitted to the inquiry, he traced his rise to the pinnacle of global media power as head of the \$60 billion News Corporation from his start as a 21-year-old in Adelaide, Australia, who inherited his father’s stake in a provincial newspaper company. His father, the statement said, had decreed in his will that “my said son, Keith Rupert Murdoch, shall have the great opportunity of spending a useful, altruistic and full life in newspaper and broadcasting activities.”

Choosing this as his theme was hardly surprising. The panel led by Lord Justice Sir Brian Leveson, five months into what is expected to be a \$300 million multiyear marathon, was appointed by Prime Minister Cameron to take a wide-ranging look at British newspapers. The inquiry was ordered in the wake of what some have described as a Mafia-like conspiracy of wrongdoing in the newsrooms of two mass-circulation, Murdoch-owned tabloids in London, the daily Sun and The News of the World, which was summarily closed by Mr. Murdoch last summer under the mounting pressure from the scandal.

For a year, there has been a cascade of allegations about phone hacking, surreptitious payoffs to police officers, attempts to obstruct justice and other forms of potentially criminal mischief. Nearly 50 editors, reporters and investigators have been arrested by Scotland Yard, and 11 learned last week that criminal charges may be imminent. Among them is Rebekah Brooks, the former Murdoch chief executive in Britain, and a personal protégée of Mr. Murdoch’s. Mr. Murdoch’s son James, once his heir apparent, has been stripped of his overall stewardship of the British



operations and pulled back to a less prominent role at the company's New York headquarters.

"I do try very hard to set an example of ethical behavior and make it quite clear that I expect it," Mr. Murdoch told the inquiry. Mr. Jay, the counsel, shot back tartly: "Wasn't it your main objective, Mr. Murdoch, to improve the commercial appeal of these papers, and you weren't really concerned with the ethical side? Wouldn't that be a fair observation?"

But Mr. Murdoch carried on, determined to challenge his public image, one that a former editor of The Times of London, Harold Evans, who was summarily fired by Mr. Murdoch, has described as the embodiment of "charismatic authority," a leader who derives compelling authority from popular perception rather than by his direct orders. But Mr. Murdoch was having none of it. His objective, he said, "was always to tell the truth, certainly to interest the public, to get their attention, but always to tell the truth."

Another theme that ran through the day's testimony was, as Mr. Murdoch put it, to "put to bed once and for all the myth" of his having "used the influence of The Sun, or the supposed political power, to get favorable treatment." Rather, he said, it was the politicians who had sought his favor, seeking him out in the hope that he would use his papers to improve their electoral chances. He implied that as often as not, it was a take-it-or-leave-it proposition for him. "Some impress me more than others," he said. "And I could tell you one or two who particularly impressed me."

One who gained Mr. Murdoch's seal of approval was Mrs. Thatcher, who had Mr. Murdoch for lunch at the prime minister's country residence, Chequers, just as both were consolidating their power in 1981. Setting a pattern that he said had stood through all of his subsequent encounters with Britain's leaders, he treated it as a social occasion, a chance to get to know somebody who was making a mark. "I have never asked a prime minister for anything," he said. "I did not expect any help from her. Nor did I ask for any."

Two prime ministers who seem to have fallen short in Mr. Murdoch's reckoning were Mr. Brown, whose relatively brief tenure at Downing Street was doomed when Mr. Murdoch switched The Sun's backing to Mr. Cameron's Conservatives from the Labour Party of Mr. Brown before the 2010 election. With apparent relish, Mr. Murdoch told of taking a telephone call from Mr. Brown in which the prime minister, a Scot with a notoriously short temper, and in Mr. Murdoch's telling, "not in a balanced state of mind," told him, "Well, your company has declared war on my government, and we have no alternative but to make war on your company."

Mr. Murdoch continued, "And I said, 'Sorry about that Gordon, thank you for calling, end of subject.' " Mr. Brown told the BBC that Mr. Murdoch's account of their exchange was "wholly wrong."

Mr. Cameron, too, appeared to have fallen short, though whether that might have had something to do with the government's push for rigorous inquiries — and police investigations — into the tabloid scandals was not an issue broached in his testimony. Mr. Murdoch, seemingly keen to telegraph a languid disinterest, said he had forgotten about a visit that Mr. Cameron paid to him on the island of Santorini, off the Greek coast, when Mr. Cameron was still an opposition leader in the summer of 2008.

But he added a killer punch. His daughter Elisabeth, he said, had reminded him that Mr. Cameron flew to the island on her husband's private jet, and that the two men met on his daughter's yacht. "Politicians go out of their way to impress people in the press," he said, again using the hearing to deflect blame — and attention — onto public officials. "There may have been some issues discussed passingly. As I say, I don't really remember anything about the meeting."

Another story that appeared to tickle Mr. Murdoch involved his backing for Mr. Major in the 1992 election that saw an upset Conservative victory over a hapless, left-wing Labour leader, Neil Kinnock. The Sun celebrated the victory with one of its most notorious

front-page banners, “It Was The Sun Wot Won It.” Mr. Murdoch said he had administered “a terrible bollicking” to the Sun editor for the headline, which he considered “tasteless and wrong, because we don’t have that sort of power.”

But suggesting that he might not be so indifferent to his political power after all, Mr. Murdoch recalled his own response on election night, when he shouted “That’s me” at a party as a Labour spokesman blamed “the lies and smears of the media” for cheating Labour of its expected victory. “If I said that, then I’m afraid that was the influence of alcohol,” Mr. Murdoch said.

# At British Inquiry, Murdoch Apologizes Over Scandal

By **ALAN COWELL**

*April 26, 2012*

LONDON — After a day of testimony at a British judicial inquiry over his ties, friendships and disputes with British politicians, Rupert Murdoch returned to the witness stand on Thursday, saying he apologized for failing to take measures to avert the hacking scandal that has convulsed his media outpost here.

“I also have to say that I failed,” Mr. Murdoch told the so-called Leveson inquiry. “I am very sorry about it.”

He said that he had not paid adequate attention to the newspaper at the center of the scandal, The News of the World tabloid, which Mr. Murdoch closed in July as the affair widened.

“It was an omission by me,” he said, adding that he wished to apologize “to a lot of people, including all the innocent people” at The News of the World, a Sunday tabloid, “who lost their jobs.”

Mr. Murdoch’s appearance offered rare public scrutiny of one of the world’s most powerful media tycoons who is usually shielded from unwelcome attention by his power, influence and wealth. His son James testified at the inquiry for five hours on Tuesday.

Over all, the questioning by the inquiry this week seemed almost deferential and genteel, in contrast to the Murdochs’ appearances before Parliament last year. There, in November, one questioner, Tom Watson, likened James Murdoch to a Mafia boss — a comparison the younger Mr. Murdoch called offensive and untrue. In July, when the two men appeared together at the parliamentary inquiry, a protester hurled a foam pie in Rupert Murdoch’s face.

On Thursday, however, the questioning seemed not to have struck any major target in the elder Mr. Murdoch's carefully constructed verbal defenses.

And while he called his handling of the crisis a "blot" on his reputation, he seemed to emerge from two days of questioning with no further major blemishes exposed.

Casting himself as a victim, Mr. Murdoch coupled his apology with suggestions that there had been what he called a cover-up "from within The News of the World" to hide the extent of the phone hacking scandal from the owners' top executives. And, like his son in testimony on Tuesday, he seemed to blame subordinates for not alerting him to the practices being used at the newspaper to secure its scoops.

At times contrite and on a occasionally somewhat testy, Mr. Murdoch became more ruminative and discursive, when he was allowed to dwell at some length on the future of the printed word, pondering not only the destiny of his own newspapers but, as if addressing a seminar rather than an inquiry, also ranging over the broader issue of the future of the press in the digital era.

The day would come, he said, when the news business would be "purely electronic" in five, 10 or 20 years.

He appealed directly to the head of the inquiry, Lord Justice Brian Leveson, to be cautious when contemplating any regulatory measures flowing from the hacking scandal. "The press guarantees democracy, and we want democracy rather than autocracy," he said.

Referring to events at The News of the World, he described them as "a serious blot on my reputation."

He said he accepted that "the buck stops with me" in cleaning up his British media outpost and that he had spent hundreds of millions of dollars in the effort to do so.

"We are now a new company, and we have new rules, new compliance officers," he said.

Since the scandal erupted last summer, Mr. Murdoch, 81, has been forced to undertake once unthinkable measures, like the closure of The News of the World and the abandonment of a \$12 billion satellite television bid by News Corporation, as questions have deepened about the behavior and ethics of journalists, editors and managers working for him.

Asked why he had closed The News of the World, Mr. Murdoch said that disclosures relating to hacking the voice mail of Milly Dowler, a teenager who was abducted and killed in 2002, had caused a wave of public revulsion.

"I panicked," he said. "But I'm glad I did. I'm sorry I didn't close it years ago and put a Sunday Sun in." Since the closure of The News of the World, Mr. Murdoch has introduced a Sunday edition of the daily tabloid, The Sun.

Robert Jay, the government's lead attorney at the inquiry, pressed Mr. Murdoch over events leading to the withdrawal of a bid aimed at acquiring the 61 percent News Corporation, the Murdoch conglomerate, did not already own in Britain's largest satellite broadcaster, BSkyB.

Mr. Murdoch said he had delegated responsibility for the BSkyB bid to his son.

Pressed about the negotiations, Rupert Murdoch said he did not believe he had met with Jeremy Hunt, Britain's culture minister, who was in charge of overseeing the bid. Mr. Hunt is at the center of a political firestorm over covert contacts between his office and Frédéric Michel, a representative of the Murdoch family.

An aide to Mr. Hunt, Adam Smith, resigned on Wednesday, saying in a statement that his contacts with Mr. Michel went too far, but Mr. Hunt has resisted calls from the Labor opposition for his dismissal.

Mr. Murdoch said he did not regard Mr. Hunt as a champion of his bid. "I assumed that any responsible minister would be responsible and deal with it in an unbiased way," he said.

In addition to the investigations by Parliament and the current inquiry under Lord Justice Leveson, the British police have launched three separate inquiries into hacking of voice mail, e-mail and the alleged bribery of police officers.

So far, the police say they have arrested and questioned 26 people in the investigation into corruption and bribery. Twenty others have been arrested in separate inquiries into phone and computer hacking by journalists at News International, the British newspaper subsidiary of News Corporation, Mr. Murdoch's global conglomerate, which is based in New York.

The scandal has sent deep shudders through British public life, with politicians of all stripes accused of currying favor with Mr. Murdoch in order to ensure the electoral endorsement and broader support of his newspapers, particularly the mass-circulation Sun.

Those arrested and bailed include Rebekah Brooks, once a high-flying editor and confidante of Rupert Murdoch. She was chief executive of News International before resigning over the scandal.

Another is Andy Coulson, a former editor of The News of the World who became Prime Minister David Cameron's communications chief but left his job at the prime minister's office as the scandal grew.

The Leveson inquiry has been pressing to find out how much Rupert and James Murdoch knew about the hacking and when they found out. After the newspaper's royal reporter and a private investigator were jailed in early 2007 for hacking into the voice mail of members of the royal family, News International insisted that the practice was limited to what was termed a single "rogue reporter."

Since then, the police have said they have found thousands of potential cases.

Mr. Murdoch said on Thursday that News Corporation had investigated its global press holdings from Australia to the United States to ensure that phone hacking was limited to its British subsidiary.

“The News of the World was an aberration, and it’s my fault,” he said.

He said News Corporation had examined millions of e-mails and had provided information to the police in Britain which “led to the arrest and terrible distress of a number of families, of journalists who had been with me” for many years.

“It caused me a lot of pain, but we did it,” he said.

*Sarah Lyall and Ravi Somaiya contributed reporting.*



# New Details Emerge in Report on Murdoch Papers

By **RAVI SOMAIYA**

*May 1, 2012*

LONDON — Fresh details about the phone hacking at Rupert Murdoch's British newspapers in Tuesday's detailed parliamentary report hint at new legal and criminal developments in a scandal that has already spanned more than five years and produced dozens of arrests.

Dotted through its 121 pages are references to sealed documents and an audio tape which contain possibly unrevealed names of those involved in illegal acts, a potentially explosive impending legal judgment, significant areas under review by Scotland Yard and a file of evidence gathered by the company that the panel of lawmakers behind the report has said may have been instrumental in covering up phone hacking.

Though the majority of the report is dedicated to an unambiguous condemnation, and a meticulous dismantling, of the defenses senior executives have presented to Parliament over years of testimony, the new details provide hints that the scandal has not yet fully crested. At worst, for Mr. Murdoch's companies, the new information poses the threat of further legal and criminal action. At best, it raises unpleasant questions they will most likely be pushed to answer publicly.

The most prominent issue, discussed extensively during the rolling news analysis of the report, is a file of evidence compiled in 2006 by a law firm for the Metropolitan Police on behalf of News Group Newspapers, a subsidiary of Mr. Murdoch's British arm, News International. According to written evidence provided by the law firm, BCL Burton Copeland, the file contained "information and documentation" related to investigations of a reporter, Clive Goodman, and a private

detective, Glenn Mulcaire. The two men were jailed in 2007, the first indication of the wider scandal.

News Group has refused to waive the law firm's legal obligation to keep its work confidential. In the report and in a news conference announcing it, lawmakers called on the company to allow the details to emerge, and with them perhaps the anatomy of what Mr. Murdoch has himself described as a "cover-up." The file may have been "used by people at News International to perpetrate a falsehood," the report says, apparently referring to efforts, until recently, to limit scrutiny to Mr. Goodman and Mr. Mulcaire.

On Tuesday, News Corporation made a statement suggesting it had fully responded to all requests for information, saying, in part: "We already confronted and have acted on the failings documented in the Report: we have conducted internal reviews of operations at newspapers in the United Kingdom and indeed around the world, far beyond anything asked of us by the Metropolitan Police; we have volunteered any evidence of apparent wrongdoing to the authorities; and, we have instituted sweeping changes in our internal controls and our compliance programs on a World-Wide basis, to help ensure that nothing like this ever happens again anywhere at News Corporation."

BCL Burton Copeland did not immediately respond to a request for an interview on the matter.

Mr. Mulcaire kept 11,000 pages of meticulous notes on his work for the News of the World, the defunct tabloid that was at the heart of the scandal, and others that still form the basis for police investigations. The report noted that his legal fees were paid by News Group on condition that he not "make any statement or comment which might injure, damage or impugn the good name, character or reputation of" News Group.

But a continuing legal battle over the fees will be decided by Britain's Supreme Court, the report said, and the judgment may free Mr. Mulcaire to reveal his view from the center of the scandal. Five judges will hear the case over two days beginning next Tuesday, according to the court.

Fresh names of those involved could also emerge, the report says, from confidential documents in civil suits related to Mr. Mulcaire's work that have been kept under seal while police investigations continue.

The committee says it has deliberately avoided pursuing lines of inquiry that may be subject to one of three current criminal investigations by Scotland Yard. But on at least three occasions, it supplies new details of those investigations.

Detectives have been handed, the report details, an audio tape of a July 2009 conversation between two former News of the World reporters which implicates a "news desk executive" in illegality.

They are analyzing evidence handed to them by the celebrity publicist Max Clifford in the matter of a settlement he reached with Rebekah Brooks, then chief executive of News International, after he had initiated legal proceedings against the company in 2009. Ms. Brooks, a close confidant of the Murdoch family, has since been arrested for police questioning twice, on suspicion of conspiring to intercept communications and obstructing the course of justice.

And Scotland Yard is also investigating a claim that "three employees" of Mr. Murdoch's companies commissioned surveillance on Tom Watson, an activist member of the parliamentary committee, the report details. Officers will also, it said, question "former employees of the News of the World" on the subject of the illegal interception of the voice-mail messages of a missing schoolgirl, Milly Dowler, who was subsequently discovered murdered in 2002.

# At British Inquiry, Cameron Denies ‘Deals’ With Murdoch

By **ALAN COWELL** and **JOHN F. BURNS**

*June 14, 2012*

LONDON — Testifying at Britain’s long-running inquiry into media standards, Prime Minister David Cameron rejected suggestions on Thursday that he traded favored treatment for electoral support by Rupert Murdoch’s newspapers, calling talk of a conspiracy “specious” and “unjustified.”

“The idea of overt deals is nonsense,” he said, also dismissing the idea that there had been “a nod and a wink” covert arrangement with Mr. Murdoch in return for a decision to switch editorial support to Mr. Cameron’s Conservatives in 2009, months before a general election.

Despite the denial, British commentators seized upon a text message, read to the inquiry by Robert Jay, the lead counsel, suggesting that its author, Rebekah Brooks, who was the chief executive of Mr. Murdoch’s British newspaper subsidiary, believed that “professionally, we’re in this together.”

The disclosure of the previously unpublished message was particularly embarrassing for Mr. Cameron because it echoed a slogan — “We’re all in this together” — used in the Conservatives’ campaign that brought him to office the following year. Rather than evoking inclusiveness, as was intended at the time, its newest iteration will almost certainly be taken by Mr. Cameron’s critics as a sign of his intimacy with the Murdoch elite.

The exchanges went to the heart of central questions confronting the British leader after months of debate over the phone hacking scandal that inspired the inquiry, which Mr. Cameron himself established last year:

Was the prime minister too close to Murdoch executives and editors who have been implicated in the scandal? And, as a corollary, did the relationship reflect poor judgment, or sway policy, as the Labour opposition maintains?

“Of course I wanted to win over newspapers,” Mr. Cameron said, referring to his approach to the British news media after he took over leadership of the Conservative Party in 2005. But, he said, he did not try to win favor by offering to shape media policy in Mr. Murdoch’s favor in return for friendly coverage. Mr. Cameron took issue with testimony by his Labour predecessor, Gordon Brown, who suggested that the Conservatives had made a compact with the Murdoch family to win its endorsement. “He has cooked up an entirely specious and unjustified conspiracy theory,” Mr. Cameron said.

Mr. Cameron appeared confident and unruffled by the inquiry’s initial questioning. But his tone sharpened when Mr. Jay implied that the Conservatives’ news media policies had been influenced by the Murdochs.

Those policies “weren’t dictated by anyone else,” Mr. Cameron said. Moments later, the disclosures about his friendship with Ms. Brooks seemed to make him awkward and hesitant.

Mr. Cameron’s all-day appearance at the inquiry, led by Lord Justice Sir Brian Leveson, was the climax of four days of testimony by British leaders past and present who have been quizzed about their ties to the Murdoch empire, which has been depicted as wielding huge influence here through the ownership or control of newspapers and broadcasters.

The inquiry focused on several crucial areas on Thursday: Mr. Cameron’s friendship with Ms. Brooks; his reasons for hiring Andy Coulson, a former editor of The News of the World, the Murdoch-owned tabloid at the center of the phone hacking scandal that was closed last year; and his handling of Mr. Murdoch’s failed \$12 billion bid to obtain full control of British Sky Broadcasting, or BSkyB, Britain’s biggest satellite television broadcaster.

Mr. Cameron said newspapers, and their readers, had begun shifting away from the Conservatives in the 1990s, and he regarded it as part of his mission after taking over as leader to draw newspapers back to his party.

Citing 1,400 meetings with news media figures while he was in the opposition, Mr. Cameron said he had 10 meetings with Rupert Murdoch, 15 with Mr. Murdoch's son James and 19 with Ms. Brooks, a former senior executive of News International, the British newspaper subsidiary of Mr. Murdoch's News Corporation, which is based in New York.

The association with Ms. Brooks took on added dimensions after she and her husband, Charlie Brooks, were charged last month, along with four subordinates, with conspiring to pervert the course of justice in what prosecutors said was a cover-up of evidence related to the phone hacking scandal. The couple have denied wrongdoing.

Mr. Cameron's relationship with Ms. Brooks provided what may prove to be the most discussed piece of evidence from the testimony on Thursday. In late 2009, Mr. Jay said, Ms. Brooks sent a message to Mr. Cameron shortly before he was to speak at a Conservative Party conference, and just weeks after *The Sun*, another Murdoch tabloid, abandoned Mr. Brown to support Mr. Cameron's Conservatives.

In part, the message said: "I am so rooting for you tomorrow not just as a proud friend but because professionally we're definitely in this together! Speech of your life? Yes he Cam," a play on President Obama's slogan "Yes, we can," which then appeared as a headline in *The Sun*.

Mr. Cameron also faced questioning about his relationship with Mr. Coulson, who is facing perjury charges in a separate case. Mr. Cameron hired Mr. Coulson as his director of communications in 2007 after Mr. Coulson resigned from *The News of the World* over earlier disclosures in the phone hacking scandal. He followed Mr. Cameron to 10 Downing Street after the May 2010 election, but he was forced to quit months later as the phone hacking scandal resurfaced. Although he discussed Mr.

Coulson with Ms. Brooks, "it was my decision" to hire him, the prime minister said.

Mr. Cameron said that he received assurances from Mr. Coulson during a meeting before hiring him that the phone hacking affair had been resolved. "I'm certain I sought assurances," Mr. Cameron said, "and that was the basis on which I employed him."

Jeremy Hunt, Britain's culture minister, took over responsibility for oversight of the Murdoch bid for BSkyB after publicly expressing support for it, and the Labour Party has been seeking an independent inquiry into whether Mr. Hunt was biased in favor of the bid. Mr. Cameron and Mr. Hunt have both denied that Mr. Hunt acted improperly.

Mr. Cameron gave Mr. Hunt the oversight role in December 2010 after removing Vince Cable, a Liberal Democrat who had been in charge of the bid. Mr. Cable's neutrality came into question when he told undercover reporters that he had "declared war" on Mr. Murdoch over the BSkyB bid.

"I had a problem," Mr. Cameron said on Thursday. "I was a prime minister in search of a solution. So this seemed a relatively neat and straightforward solution."

# Former Cameron Aide Denies Hacking Charges

By **ALAN COWELL**

*June 6, 2013*

LONDON — Andy Coulson, formerly a close aide to Prime Minister David Cameron and senior editor in Rupert Murdoch's British newspaper outpost, pleaded not guilty on Thursday to charges relating to the phone hacking scandal that spread turmoil among journalists, politicians and police officers.

Mr. Coulson's appearance at Southwark Crown Court in London came a day after Rebekah Brooks, the former chief executive of Mr. Murdoch's newspaper operations in Britain, appeared in the same court and denied five charges relating to the scandal.

The two former editors were among several ex-employees of Mr. Murdoch's News International, a subsidiary of the giant News Corporation, based in New York, who have been formally arraigned over the past two days pending trials expected to start later in the year. All have denied wrongdoing.

Mr. Coulson, 45, a former editor of the now-shuttered News of the World who went on to become Mr. Cameron's communications director, faced one charge on Thursday of conspiring to intercept voice mails between 2000 and 2006, and two other charges relating to payments to public officials in return for information at various dates between 2002 and 2005.

On Wednesday Ms. Brooks, 45, entered a plea of not guilty to five charges, including conspiracies to hack phones, to commit misconduct in public office and to pervert the course of justice. Five other former employees of News International, the British subsidiary of Mr. Murdoch's



News Corporation, as well as Ms. Brooks's husband, Charlie, also appeared in court and entered pleas of not guilty to various charges.

The court appearances represented the latest chapter in an unfolding drama that led to the closing of Mr. Murdoch's News of the World tabloid in July 2011 after accusations that its reporters had hacked into the voice mail of a kidnapped teenager, Milly Dowler, who was later found murdered.

The scandal mushroomed into bribery investigations involving police officers and public officials. A panel of inquiry set up by Parliament urged that British press regulations be enshrined into law to prevent a recurrence of the scandal.

Ms. Brooks, with her connections to the political elite, including Prime Minister Cameron, has been closely watched throughout the scandal. A former editor of The News of the World and The Sun, Ms. Brooks has been accused of conspiracy to hack phones between 2000 and 2006 and conspiracy to commit misconduct in public office between 2004 and 2012. She is also accused of seeking to pervert the course of justice by conspiring with her personal assistant to spirit material away from police investigators in July 2011.

Ms. Brooks, Mr. Brooks and four other former News International employees were accused of seeking to pervert the course of justice. Separately, Clive Goodman, the former royal reporter for The News of the World, was accused of conspiracy to commit misconduct.

All of the defendants have been freed on bail pending trial.

# British Tabloid Editors Charged in Hacking Scandal Had Affair, Prosecutors Say

By **STEVEN ERLANGER**

*October 31, 2013*

LONDON — A high-profile phone hacking trial in Britain turned considerably seamier on Thursday when the prosecution revealed in court that the two most senior editors of the tabloid The News of the World had an affair lasting more than six years — during the period at issue in the trial, and also while both of them married other people.

The two editors, Rebekah Brooks and Andy Coulson, are defendants in the case surrounding the British newspapers controlled by Rupert Murdoch's News Corporation empire, including The News of the World, a weekly that the company shut down in 2011 after the hacking scandal broke.

Ms. Brooks was the editor of The News of the World from 2000 to 2003 and then moved to its sister daily tabloid, The Sun; Mr. Coulson was her deputy at the weekly and succeeded her as its editor, running the paper until 2007.

Andrew Edis, a prosecutor in the case, said in open court that the two began their six-year affair in 1998; Mr. Coulson married in 2000, and Ms. Brooks married in 2002. Mr. Coulson remains married; Ms. Brooks was divorced in 2009, and then she married her current husband, Charlie Brooks, who is also a defendant in the case.

The prosecutor said the Brooks-Coulson affair ended long before Mr. Coulson went to work for Prime Minister David Cameron after his election in 2010.

The prosecutor's revelation made it legally permissible to publish reports of the affair, which had been widely discussed in private by journalists. Mr. Edis justified the revelation by saying it demonstrated the closeness of the two, who are charged with overseeing a pattern of phone hacking and other illegal efforts to obtain details of the lives of prominent people.

The targets of the hacking ranged from politicians and socialites to Milly Dowler, a 13-year-old who was abducted in 2002 and later found dead. The paper broke into her voice mail account while she was missing, to listen to messages left for her by her parents. The paper also hacked the phones of competing journalists.

"Throughout the relevant period, what Mr. Coulson knew, Mrs. Brooks knew, too," Mr. Edis said. "What Mrs. Brooks knew, Mr. Coulson knew, too. That's the point." He argued that none of the illegal acts undertaken by the paper's journalists or the freelancers it hired were likely to have been unknown to the top editors, and that they were unlikely to have kept such secrets from one another.

The relationship came to the attention of the police when investigators found a letter addressed to Mr. Coulson at Ms. Brooks's home, written in February 2004 when Mr. Coulson was trying to end the affair. "The fact is you are my very best friend, I tell you everything, I confide in you, I seek your advice, I love you, care about you, worry about you, we laugh and cry together," the letter said, as Mr. Edis read it in court. "Without our relationship in my life, I am not sure I will cope."

Mr. Edis asserted that he was not trying to embarrass the two defendants, to intrude into their private lives or to make a moral judgment.

"Mrs. Brooks and Mr. Coulson are charged with conspiracy and, when people are charged with conspiracy, the first question a jury has to answer is, How well did they know each other? How much did they trust each other?" he said. "And the fact that they were in this relationship,

which was a secret, means that they trusted each other quite a lot with at least that secret, and that's why we are telling you about it.”

The trial, with a total of eight defendants, is expected to last many months. Ms. Brooks and Mr. Coulson are accused of conspiring with others to hack phones and of conspiring with others to commit misconduct in public office, a reference to payoffs made to the police and other officials. Ms. Brooks also faces charges of conspiracy to pervert the course of justice. Her husband is accused of helping her to hide evidence.

All eight defendants deny the charges against them.

On Wednesday, Mr. Edis revealed that four other people had pleaded guilty to having hacked phone accounts on behalf of The News of the World. He argued that the jury should consider those pleas as evidence of a conspiracy, and that senior editors must have been aware of the acts of underlings.

“They must have known where these stories came from, or they never would have got in the paper,” he said.

# Fates of Brooks and Coulson in Tabloid Hacking Case Are Diverging

By SARAH LYALL

*December 2, 2013*

LONDON — Once they were friends and colleagues who reveled in the heady world of British news, politics and intrigue. Together they rose from the scrappy newsrooms of London's tabloids to the heights of establishment power, she as head of Rupert Murdoch's British newspaper empire, he as Prime Minister David Cameron's chief spokesman. For six years they were lovers, carrying on their affair even as each married someone else.

Now Rebekah Brooks and Andy Coulson are together again, this time in the dock at the Old Bailey, London's main criminal court, facing charges of illegally intercepting voice messages and other crimes in connection with their work for Mr. Murdoch's now-defunct News of the World tabloid.

Since their arrests, their lives have sharply diverged.

Though they sit side by side in court, it is not by choice; their seats are assigned. Nothing about their body language suggests their history of intimacy. They bid each other good morning and good evening, but there is little more than that. When the prosecution read out a steamy letter from Ms. Brooks to Mr. Coulson as evidence of their affair, she looked uneasily down at her lap; he stared straight ahead.

Ms. Brooks, 45, a Murdoch darling who worked as chief executive of Mr. Murdoch's News International before resigning when the phone hacking scandal engulfed her in the summer of 2011, never lost the support of the man who was her boss, friend, mentor and protector.

She walked away with a \$17.6 million severance package that incorporated “compensation for loss of office” and various “ongoing benefits.” These have not been specified but are believed to include the car and driver that bring her to court each day. She has houses in London and Oxfordshire.

But from appearances at least, she is a changed woman. Her clingy, look-at-me clothes have been replaced by functional skirts and blouses; she wears little makeup. She sees a small circle of close friends, no longer goes to the glamorous parties she used to love, and is devoting her time to the legal case and to the baby she had via a surrogate.

“She’s doing as well as can be expected, which is not great,” a friend said.

Still, she is rich. And she is in better shape than Mr. Coulson, 45, who resigned twice over different phases of the phone hacking scandal: once as editor of The News of the World in 2007 and again as director of communications for Mr. Cameron in 2011. Cut loose by the Murdochs, shunned by his old government friends, short of cash and out of work for nearly three years, he has had to sell his expensive London house and move out of town with his wife and three children.

Mr. Coulson appears unchanged physically, and still wears the same nondescript business suits he always did. He commutes to the trial from his new home in Kent or stays overnight in modest hotels or friends’ houses. The Murdochs washed their hands of him long ago, rightly concluding that his employment at Downing Street made the hacking scandal far more combustible by implicating the government and the dominant Conservative Party.

“My feeling is that he has paid a much higher price than anyone else,” said Roy Greenslade, a professor of journalism at City University here. “He didn’t get a massive payoff, he didn’t get Murdoch standing behind him, and he had to fall on his sword twice.”

A journalist from a competing news organization said, “He has lost everything, basically.”

While Ms. Brooks's legal expenses have been paid by her old employer, Mr. Coulson — whose bills have passed the \$400,000 mark and will inevitably climb much higher — has had a different experience. Despite negotiating an exit package in which the company was obliged to pay his legal bills should he be charged in connection with his work as editor, Mr. Coulson has had to take the company to court to obtain the payments.

Even though it lost the case, the company is still paying only grudgingly, Mr. Coulson's friends say.

"To this day, they're making it supremely difficult for him to get his bills paid," said an acquaintance of Mr. Coulson's who, like others interviewed for this article, spoke anonymously to comment on a pending case. "They're going through his bills with a fine-tooth comb, and the big problem is that they're delaying payments. He has a big team, and it makes life very difficult."

Both Mr. Coulson and Ms. Brooks are likely to have to pay back at least some of the money to the company if they are found guilty. (Both have pleaded not guilty to the hacking charges.)

The trial is expected to run for several more months. It is now in its second month, and the prosecution is still presenting its arguments. This is a complicated undertaking, in part because of the multiple defendants and multiple charges relating to phone hacking, computer hacking, paying off public officials and perverting the course of justice.

In addition to Mr. Coulson and Ms. Brooks, there are six other defendants, among them Charlie Brooks, Ms. Brooks's husband, who has been accused of conspiring with her to destroy evidence.

More trials are expected to follow. What began as an investigation into the illegal interception of voice mail messages has grown into a sprawling octopus of a case, with law enforcement strands stretching in many directions and involving more than 160 police officers and staff members; at least 1,000 likely victims from politics, sports, show business and the media; and millions of emails and other documents.

It is far too early to say how the case will end; the defendants' lawyers have not started presenting their arguments. But on the surface, at least, Mr. Coulson looks to be in a worse position than Ms. Brooks. While prosecutors have already introduced email and voice mail messages they say directly link Mr. Coulson to phone hacking, they have not yet presented similar evidence in the case of Ms. Brooks.

She and her husband seem more vulnerable to the charge of conspiring to pervert the course of justice. The prosecution contends that they illegally removed files from the office and tried to discard a laptop that potentially contained evidence in the case.

As for Mr. Coulson, even when this case is finished, his woes will not be over. Whether or not he is convicted, he faces a second trial in Scotland, which has a different legal system from England's and a reputation for being tough on English journalists. He stands accused there of committing perjury while testifying in the trial of a Scottish politician who, among other things, claimed his phone had been hacked.

In that trial, Mr. Coulson repeatedly declared that there was no phone hacking going on at The News of the World.



# Ex-Tabloid Executive Acquitted in British Phone Hacking Case

By **KATRIN BENNHOLD** and **ALAN COWELL**

*June 24, 2014*

LONDON — She rose from being a secretary in Rupert Murdoch's British newspaper empire to running it. She called prime ministers her friends. Then she found herself in the middle of one of the most riveting trials in years, accused of illegally intercepting voice mails and other crimes, alongside her husband and her former deputy, who it turned out, was also her lover.

And on Tuesday, in the latest twist in her extraordinary saga, Rebekah Brooks, the protagonist of Britain's phone hacking trial, who more than any other defendant had come to symbolize the freewheeling tabloid press and its proximity to power, was acquitted of all charges against her.

Her former lover, Andy Coulson, who succeeded her as editor at the now-defunct Sunday tabloid at the heart of the hacking scandal and who later became a spokesman for Prime Minister David Cameron, was found guilty of a conspiracy to intercept voice mails. Of the seven defendants in the case, Mr. Coulson was the only one to be convicted Tuesday; the jury has yet to decide on two other charges against Mr. Coulson, who faces a maximum of two years in prison for hacking, and another defendant.

That single conviction belied the outsize impact of a yearslong saga that produced parliamentary hearings, humbled Mr. Murdoch, led to a new media law and spurred a cleanup of the worst practices in tabloid newsrooms.

The trial embarrassed many in Britain's media and political establishment, inducing additional political heartburn for Mr. Cameron,

who on Tuesday apologized publicly for having hired Mr. Coulson as one of his top aides in 2007. Testimony in the trial revealed that former Prime Minister Tony Blair offered to act as an “unofficial adviser” to Ms. Brooks after she was implicated in the case.

Tense and at times tawdry, the trial has also exposed in great detail the inner workings of British tabloid journalism — the six-figure price tags paid for celebrity scoops, the scavenging in trash cans and the systematic eavesdropping on the cellphones of celebrities, sports stars, politicians, members of the royal family and others caught up in the news.

Ms. Brooks and Mr. Coulson, both 46, were close colleagues and friends who rose from scrappy tabloid newsrooms to become members of the London elite. Part of the prosecution’s case was that their relationship was so intimate that they would have shared what they knew about how their newspapers were operating, including the phone hacking. But in the jury room, their parallel careers diverged with finality.

He was found to have admitted enough knowledge of what was going on that he could be convicted on at least one charge of conspiracy to intercept cellphone calls and messages. She apparently managed to convince the jury that she was sufficiently removed from it that it was possible she was unaware.

When the verdict was read and Ms. Brooks was cleared of charges related to phone hacking, hiding evidence and bribing public officials for information, she appeared to be overcome by emotion and was led away by a court official. Mr. Coulson clenched his jaw, then took a deep breath and stared straight ahead.

During the trial, the jury heard that Mr. Coulson commented “brilliant” when a journalist played him an intercepted voice mail left for the James Bond star Daniel Craig by the actress Sienna Miller. When a reporter was working on a story about Calum Best, a television celebrity, Mr. Coulson told him to “do his phone.”

Prosecutors had presented phone data confirming widespread hacking during Mr. Coulson’s editorship of The News of the World from

2003 to 2007. There was far less evidence of hacking from 2000 to 2003, when Ms. Brooks was in charge.

The most controversial instance of hacking, however, did occur on her watch, in 2002: The News of the World intercepted the voice mail of a kidnapped teenager, Milly Dowler, who was later found dead. When The Guardian disclosed the hacking in 2011, it galvanized public outrage at unscrupulous tabloid practices and helped pave the way to the trial.

During the week in question in 2002, however, Ms. Brooks was on vacation and her then-deputy, Mr. Coulson, was in charge. The prosecution failed to persuade the jury that as Mr. Coulson's boss and on-and-off lover, Ms. Brooks must have known.

Roy Greenslade, a professor of journalism at City University in London, said many in Britain had expected her to be convicted. "People will be outraged that the prosecution couldn't make a good enough case," he said.

Ms. Brooks and her husband, Charlie, a racehorse trainer who was also acquitted of charges of hiding evidence (along with his pornography collection) from the police, left the court in a taxi without offering comment. The other people acquitted were Ms. Brooks's former personal assistant, Cheryl Carter, 50; Mark Hanna, 51, a former security director; and Stuart Kuttner, 74, a retired managing editor. The jury is still considering further charges against Mr. Coulson and Clive Goodman, 56, the former royals editor of The News of the World, on charges related to paying police officers for access to royal telephone directories.

At times Britain's phone-hacking scandal has felt like a badly scripted television drama, with all its barely believable turns and twists: the father-daughter-like relationship between Mr. Murdoch and Ms. Brooks; her \$17.6 million severance payment from News International (since renamed News UK); a steamy love letter to Mr. Coulson that was read in court; and a tabloid-style defense strategy that featured the kind of highly personal revelations for which the tabloids Ms. Brooks once

edited might have paid six figures, like the adultery and the daughter she had by a surrogate mother.

“My personal life was a bit of a car crash,” she said in the witness stand early on.

Ms. Brooks was a longtime protégée of Mr. Murdoch’s and has been called his “fifth daughter” in the British news media. At 31, she became editor of *The News of the World*. A decade later, she was running his British newspapers. All the while, she accumulated a glittering list of friends. Mr. Cameron, a neighbor in the Oxfordshire countryside, rode her husband’s horses.

The tabloid culture revealed in the trial was one in which paying as much as \$240,000 for a single article was deemed justified, if that meant beating rivals, even at other Murdoch papers, to a scoop. In one striking example, *The News of the World* tracked down the prostitute Divine Brown, who had been arrested with the actor Hugh Grant in Los Angeles in 1995, and offered her 100,000 pounds, or about \$160,000, for an exclusive. “Hugh Told Me I Was His Sex Fantasy,” the resulting headline read.

The testimony was such that Ms. Brooks is unlikely to fully recover her reputation — and the trial has humbled a once mighty and swaggering tabloid press, regardless of the outcome. Newspapers may become a little more boring, experts said, but at least they appear to stay within the law these days.

“The tabloids have become rather less tabloidy,” said John Lloyd, co-founder of the Reuters Institute for the Study of Journalism at the University of Oxford. Indeed, given the economics of the industry, he suggested, these changes are unlikely to be reversed. The tabloids, Mr. Lloyd said, “are losing power all the time.”

This may not be the end of legal action against Mr. Murdoch’s *News UK*. More trials loom, involving 20 current or former reporters from *The Sun* and *The News of the World*, accused of phone hacking and paying public officials for information.

The Guardian reported Tuesday that News UK itself may be charged as a corporation, following Mr. Coulson's conviction. Mr. Murdoch and his son James, the former executive chairman of the company, might both face questioning by the police in the "near future," the newspaper reported.

In an internal memo to his staff on Tuesday, Mike Darcey, the current chief executive of Mr. Murdoch's News UK, urged staff members to "hold your head high."

"We should all be proud of what we do here, and the way we do it," Mr. Darcey said. "Our journalism is world class, and is conducted under the strictest standards of ethics and governance."

*Stephen Castle contributed reporting.*

# News Corp. Slowly Putting Phone-Hacking Scandal Behind It

By **RAVI SOMAIYA**

*June 29, 2014*

Less than three years ago, a phone-hacking scandal at Rupert Murdoch's British newspapers was seen by some as the beginning of the end of his media empire.

But the acquittal last week of Rebekah Brooks, the most senior News Corporation executive charged in the hacking case, is the latest development in an apparent recovery.

After initial stumbles, the company has emerged largely unscathed. Mr. Murdoch's son James, once at the center of the scandal, has been promoted. And the splitting of Mr. Murdoch's holdings into two companies — News Corporation and 21<sup>st</sup> Century Fox — has been well received on Wall Street.

Some dark clouds still loom, however. Andy Coulson, a former editor of The News of the World, was convicted last week of conspiring to intercept voice mail messages. He is to be sentenced on Friday, part of a group of six former journalists and investigators potentially facing prison.

Additional criminal trials, mostly connected to claims that News Corporation journalists paid public officials for information, are scheduled to begin this summer. And when those criminal trials are done, a public inquiry in Britain, led by a judge, will hold more hearings.

Perhaps the biggest threats to News Corporation are the continuing investigations into the company's conduct on both sides of the Atlantic.

In Britain, Scotland Yard began building a case against News Corporation in late 2012. Any resulting prosecution could name News

Corporation as its subject, and would probably focus on whether negligence or collusion at its highest levels fostered criminality within newsrooms.

Scotland Yard's inquiry, though, does not seem to have progressed from its initial stages. It was in that period that officers first sought to interview Mr. Murdoch and his son James. The company also turned over emails to the Federal Bureau of Investigation in the United States that were subsequently passed to British authorities.

In 2011, at the height of the scandal, the Justice Department opened an investigation into whether hacking had occurred in the United States. It is unclear where that investigation stands.

News Corporation officials and the Metropolitan Police in London declined to comment on the investigations.

Other challenges linger. The company has settled nearly 650 civil claims related to phone hacking, according to a News Corporation document from April obtained by The New York Times. That number has since risen to 718, according to figures provided by the company.

Those that have settled — a group that includes numerous prominent Britons — received assurances that they would not face harassment in future. Before writing about any of them, journalists at the company's British papers must "consult a member of the in-house legal team," the News Corporation document said.

The costs of such settlements, as well as the legal fees covered for former employees like Ms. Brooks, could exceed \$1 billion. The far larger and more profitable of Mr. Murdoch's two companies, 21<sup>st</sup> Century Fox, is paying some of those fees.

"Clearly that is a lot of money," said Alan Gould, an analyst at Evercore Partners. "But Fox has a \$76 billion market cap, and *News Corp.* has a \$10 billion market cap. This is not make or break for them."

Mr. Gould added, "The key thing is that there was no contagion from the scandal."

The company faced other financial setbacks. It shut down the profitable News of the World, and the scandal resulted in News Corporation's dropping its multibillion-dollar bid to take full control of the satellite broadcaster British Sky Broadcasting.

But a move hastened by the hacking scandal — the division of News Corporation into two companies — has been a major boon for Mr. Murdoch and his shareholders. The combined stock market value of the two companies has increased by tens of billions of dollars since the spinoff.

Investors in 21<sup>st</sup> Century Fox — a collection of lucrative film and television assets — had been much less interested in the less profitable print holdings. The rump News Corporation, which houses the newspaper and book publishing businesses, was infused with more than \$2 billion in cash, and though those businesses face headwinds, analysts say they are well managed.



# Andy Coulson Gets 18 Months in Tabloid Phone Hacking

By **ALAN COWELL** and **KATRIN BENNHOLD**

*July 4, 2014*

LONDON — Andy Coulson, a former senior editor in Rupert Murdoch's news empire and a onetime adviser to Prime Minister David Cameron, was sentenced on Friday to 18 months in prison for his part in the phone hacking scandal that convulsed Britain's press, police and political elite and inspired calls for tighter regulation of journalists.

After a trial that spanned almost eight months, Mr. Coulson was found guilty last week on a charge of conspiring to intercept phone messages. Five other defendants who, like Mr. Coulson, had denied the charges were acquitted. They included Rebekah Brooks, the former chief executive of Mr. Murdoch's British newspaper subsidiary and Mr. Coulson's onetime lover.

Reporters in the courtroom on Friday said Mr. Coulson displayed no emotion when the sentence was read out. If he is given time off for good behavior, he could be paroled after serving half of his sentence. Standing alongside him in the courtroom were four other people involved in the hacking scandal who had admitted their part in the scandal earlier in the trial and who were sentenced to up to six months.

Mr. Coulson, who edited Mr. Murdoch's tabloid *The News of the World* from 2003 to 2007, and the newspaper's former royals editor, Clive Goodman, also face a retrial on separate charges of making illegal payments to police officers in return for two royal telephone directories. Prosecutors called for the retrial after the jury failed to reach a verdict on those charges.

The phone hacking scandal in Britain goes back more than a decade, when a private investigator hired by The News of the World hacked the voice mail of Milly Dowler, a teenager who had been abducted and was later found murdered, in 2002. When news of that episode broke in July 2011, a wave of public revulsion forced Mr. Murdoch to close the newspaper.

Mr. Coulson, 46, had faced a maximum sentence of two years.

“Mr. Coulson has to take the major shame for the blame of phone hacking at The News of the World,” Judge John Saunders said. “He knew about it, he encouraged it when he should have stopped it.”

While Mr. Coulson’s lawyer said no one in the news business realized that phone hacking was illegal at the time of the offenses, Judge Saunders said on Friday: “I do not accept ignorance of the law provides any mitigation. The laws of protection are given to the rich, famous and powerful as to all.”

During the trial, prosecutors listed more than 1,900 occasions on which journalists commissioned a private investigator, Glenn Mulcaire, to hack into voice mail messages.

A prosecutor, Andrew Edis, said the list of victims read like a “Who’s Who of Britain in the first five years of the century.”

On Friday, Mr. Mulcaire, who had carried out much of the hacking, including in the case of Milly Dowler, received a suspended prison sentence of six months. Like Mr. Goodman, the former royals editor, Mr. Mulcaire served a prison term in 2007 after a conviction for intercepting voice mail messages on the mobile phones of politicians, film stars and royal aides, including some left by Prince William. His lawyer had argued that he should not be punished twice.

Two former News of the World senior journalists, Greg Miskiw and Neville Thurlbeck, were jailed on Friday for six months each, while their former colleague James Weatherup received a four-month suspended term.

Mr. Coulson's time as editor of The News of the World came to an end in early 2007, when he resigned over the earlier hacking case that sent Mr. Mulcaire and Mr. Goodman to prison.

Mr. Cameron, then in opposition, subsequently hired him as communications director — a post he maintained after the election of 2010 that brought Mr. Cameron to power.

As the scandal began to resurface in 2011, Mr. Coulson resigned again — this time from his position at 10 Downing Street. Mr. Cameron has faced accusations that he showed a lack of judgment in hiring him and keeping him on.

The opposition Labour Party has accused Mr. Cameron of seeking to curry favor with Mr. Murdoch by hiring Mr. Coulson, hoping to win the electoral endorsement of the Murdoch newspapers. Michael Dugher, a Labour spokesman and lawmaker, declared on Friday that “this a damning verdict for David Cameron as well as Andy Coulson.”

“Now, not only is trust in the prime minister's judgment deeply damaged, his government is tainted,” Mr. Dugher said.

Asked about his former aide's sentence, Mr. Cameron said on Friday that it was “right that justice should be done and no one is above the law, which is what I have always said.”

The scandal inspired an array of investigations by Parliament, by the police and by a senior judge, Lord Justice Sir Brian Leveson, whose inquiry concluded in November 2012 with a call for tighter press regulation.

*Stephen Castle contributed reporting.*

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