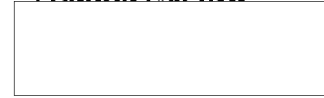




FROM THE
THE EDITOR

1 VIRGINIA STREET
LONDON E98 1NW



Tim Toulmin
Press Complaints Commission
Halton House
20/23 Holborn
London
EC1N 2JD

5th August 2009

Dear Tim,

I am writing in response to your letter of July 27th.

Before dealing with your list of questions I need to address your reference to ***"the Guardian's recent allegations about the extent of phone message tapping at the News of the World"***.

The relevant Guardian reports alleged that ***"one senior source at the Met"*** said that officers on the Goodman enquiry ***"found evidence of News Group's staff using private investigators who hacked into thousands of mobile phones"***. The Guardian went on to say that ***"another source with direct knowledge of the police findings put the figure at two or three thousand mobiles"***.

These allegations by the Guardian were not just unsubstantiated and irresponsible, they were wholly false.

The officer in charge of the Goodman/Mulcaire investigation, former Assistant Commander Andy Hayman has stated on the record (The Times, July 10th 2009) that the Guardian's estimates are wrong and that the number of mobile phones hacked into was, in fact, ***"...a small number – perhaps a handful"***. On July 9th the Assistant Commissioner John Yates issued a statement which made almost exactly the same point.

Enclosed with this letter are the relevant statements from Andy Hayman and John Yates together with the statement released by News International on July 9th in response to the Guardian's allegations.

The answers to your specific questions are set out below. In considering these please bear in mind that I joined the News of the World in January 2007 and therefore much of this information has been gathered in by those executives who were here during the relevant events.

- ***Does it remain your position that the illegal behaviour of Clive Goodman was a "rogue exception", and that no other journalists or executives of the newspaper were aware of the practice of phone message tapping by anyone employed by the paper?***

Our internal enquiries have found no evidence of involvement by News of the World staff other than Clive Goodman in phone message interception beyond the email transcript which emerged in April 2008 during the Gordon Taylor litigation and which has since been revealed in the original Guardian report.

That email was dated June 29 2005 and consisted of a transcript of voicemails from the phone of Gordon Taylor and another person which had apparently been recorded by Glen Mulcaire. The email and transcript were created by a junior reporter (who has since left the newspaper). When questioned after the email was supplied to us by Gordon Taylor's lawyers in April 2008, the junior reporter accepted that he had created the relevant email document but had no recollection of it beyond that. Since by the end of June 2005 he had been a reporter for only a week or so (having been promoted "off the floor" where he had been a messenger) and since the first months of his reporting career consisted largely of transcribing tapes for other people, his lack of recollection when questioned three years later is perhaps understandable.

Email searches of relevant people, particularly the junior reporter, [redacted] and [redacted] failed to show any trace of the email being sent to or received by any other News of the World staff member.

Those who might have been connected to the relevant story, particularly [redacted] and [redacted] denied ever having seen or knowing about the relevant email and no evidence has been found which contradicts these assertions.

- ***Can you provide the Commission with full details of the process undertaken by the newspaper – after the arrests of Goodman and Mulcaire in July 2006 – to establish the extent to which phone message tapping was prevalent at the News of the World?***

Clive Goodman and Glen Mulcaire were arrested on August 8 2006. Until late November 2006 when other charges were laid against Glen Mulcaire, the only criminal activity we were aware of was the accessing by Goodman/Mulcaire of voicemails belonging to three members of the Royal Household. Not surprisingly our enquiries were focused on that area.

We quickly established that the system under which Goodman and Mulcaire operated involved cash payments ordered by Goodman to a "valuable" source he identified under the pseudonym [redacted]. These consisted of payments over a period of several months which by the time of arrest amounted to [redacted]. It is not unusual for confidential sources to remain unidentified except to the particular reporter. In this case nobody at the News of the World except Mr Goodman knew the identity of [redacted].

Departmental heads were questioned about what they knew of Mulcaire's dealings. All of them stated that they were unaware of any illegal activities conducted by Mr Mulcaire.

Almost immediately after the arrests News Group instructed Burton Copeland, an independent firm of solicitors (and one we had not used before), to deal

with any further police enquiries of the News of the World and to ask for whatever documentary or other evidence they needed for that purpose. In the event Burton Copeland were given absolutely full cooperation by all departments of the News of the World and News International in their enquiries.

Among other things they asked for and were given every financial document which could possibly be relevant to our dealings with Mulcaire. In all they received and are still in possession of four large lever-arch files of such documents. They confirmed that they could find no evidence from these documents or their other enquiries which suggested complicity by the News of the World or other members of its staff beyond Clive Goodman in criminal activities.

Through Burton Copeland, News Group co-operated fully with every request from the police for further information or documents. This co-operation was acknowledged by the Prosecution at trial. All financial documentation which might have been relevant was provided to the police.

It is perhaps significant that during an intense and incredibly thorough investigation lasting from December 2005 to November 2006 the Police at no time considered it necessary to arrest or question any member of the News of the World staff other than Clive Goodman.

After I arrived at the News of the World in January 2007, an email search was conducted involving up to 2,500 separate email messages in order to discover whether other News of the World staff were aware of the Goodman/Mulcaire criminal activity. These email searches were conducted by our IT department under the supervision of News International's Director of Legal Affairs, the Director of Human Resources and an independent firm of solicitors.

No such evidence was discovered during this search.

- ***It has been pointed out that while Clive Goodman was a royal journalist, most of those names said to have had their phones tapped are non-royal figures (such as Gordon Taylor). And the judge in the Goodman/Mulcaire case apparently referred to Mulcaire dealing with "others at News International". Can you identify these individuals, and what the judge was referring to?***

[redacted]
[redacted] We do not know what evidence, if any, there may have been to support the judge's reference to "others", nor do we know who he was referring to.

- ***We have seen the e-mail to Glenn Mulcaire that refers to transcripts of messages from Gordon Taylor's telephone being made "for Neville". Can you clarify the relationship between Mr Mulcaire and [redacted]***

From June 2001 to April 2003 [redacted] was news editor at the News of the World, effectively number two to assistant editor [redacted] who ran the newsdesk.

During that time Glen Mulcaire was hired to provide numerous services including land registry checks, credit status checks, electoral roll checks, directorship searches, court record checks, surveillance, and the provision of telephone numbers of sports stars from his vast database of personal contacts.

During this period, [redacted] made use of Glen Mulcaire for those services and occasionally, though seldom, afterwards as the new newsdesk regime preferred to confine Mulcaire's dealings with the newspaper to the newsdesk, to avoid an avalanche of requests from numerous staff.

- **Can you make clear how Mulcaire was paid for information relating to Gordon Taylor?**

The information in the June 29th 2005 email was not published and did not result in any story being published. Glen Mulcaire was not paid by the News of the World for any information relating to Gordon Taylor.

- **Can you provide details of the story connected to the [redacted] contract of 5th February 2005?**

To identify or provide details of this story would put us in direct and serious breach of the Undertaking of Confidentiality we gave to Gordon Taylor as a fundamental term of the settlement agreement at the end of his litigation against us.

- **In the paper of [redacted] there was an article headlined [redacted] under the bylines of Clive Goodman and [redacted]. We appreciate that this was published some time ago, but are you able to shed light as to how the information for the story was obtained? It has been stated that this "could only have come from phone hacking".**

I enclose a copy of this story. Please note that:

[redacted]

[redacted]

The statement that "it could only have come from hacking" makes no sense at all if it is based upon the content of the article itself. There is nothing within the article which would lead anyone to believe it came about as a result of voicemail interception.

In terms of how the story was put together, [redacted] handled the [redacted] investigations. He found and interviewed the [redacted] identified as [redacted] who provided the information about what happened during [redacted] the rest of the article was the work of Clive Goodman who, through his counsel, told the court that the only part of the story which came from illegal activity was the information that [redacted]

[redacted]

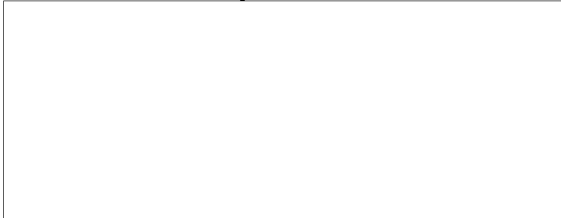
On a more general note, please forgive me if I set out for the record that the Goodman and Mulcaire arrests took place three years ago and the relevant activities pre-date August 2006. As it happens, the email which caused us to settle with Gordon Taylor is now over four years old.

We have investigated these matters to the best of our ability and that of the outside lawyers we have brought in for that purpose and the results of our inquiries are set out above.

What I can say with clarity is that since I became editor in January 2007, I am as sure as I can be that the activities at the heart of the Goodman/Mulcaire case have had no place at the News of the World and that my newspaper and my journalists fully comply with the law and the requirements of the PCC Code.

We have now answered the outstanding questions raised by the Select Committee on Tuesday 21st July and dealt also with your own questions in this letter. We now trust that this brings to a close our involvement in your investigations.

Yours sincerely

A rectangular box with a thin black border, used to redact the signature of Colin Myler. The box is empty, indicating that the signature has been removed from the document.

Colin Myler

Attached enclosures:

- | | |
|--|-----------|
| (1) Press statement from Andy Hayman | 10.07.09 |
| (2) Metropolitan Police Statement from John Yates | 09.07.09 |
| (3) News International Statement on Guardian article | 10.07.09. |

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ANDY HAYMAN - 10 JULY 2009

(The Times & NotW)

The allegations about News of the World journalists employing private investigators to hack into celebrities' mobile phones have put the spotlight on the original Metropolitan police investigations into these claims, which I headed.

The paper's Royal reporter Clive Goodman and private investigator Glenn Mulcaire both pleaded guilty to hacking into the mobile phone messages of leading figures in public life. This was the culmination of a thorough police investigation where the evidence was so compelling the defendants were left with no real alternative but to plead guilty. This should have been the end of the matter but recent revelations by The Guardian have reignited the whole affair casting doubt on police actions.

There are concerns that the police were not thorough enough in their initial investigations of these claims as they allegedly chose not to inform everyone who had their mobile phones hacked or pursue other journalists suspected of similar illegal acts.

At the time I was in overall command of Specialist Operations, the part of the Yard which investigated the complaints. My heart sank when I was told the accusations came from the Palace. This was not the time for a half hearted investigation – we put our best detectives on the case and left no stone unturned as officials breathed down our neck.

The Guardian has said it understands that the police file shows that between 2,000 and 3,000 individuals had their mobile phones hacked into, far more than was ever officially admitted during the investigation and prosecution of Mr Goodman. Yet, my recollection is different. As I recall the list of those targeted, which was put together from records kept by Mr Mulcaire, ran to several hundred names. Of these, there was a small number - perhaps a handful - where there was evidence that they had actually been tampered with.

Had there been evidence of tampering in the other cases, that would have been investigated as would the slightest hint that others were involved.

Yet, as is so often the case, in the storm of allegation and denial the facts get lost. Well known figures such as John Prescott are said to have been victims of the hacking without any clear evidence that their phones were in fact hacked into.

The promise by the authorities to clarify any ambiguity surrounding the original inquiry should be reasonably straightforward providing the police are allowed to focus on the criminal matters and are not distracted by the plethora of parliamentary and watchdog probes. There is a danger the two could get entwined.

The obvious way of getting to the bottom of whether more could have been done by the police is to conduct a review as suggested by the CPS. This route will bring closure by either endorsing the original investigation or demanding further work be completed. In retrospect, the

speed with which the Met came out and said it would not be reopening its files might have been a mistake. Ultimately, it will be the CPS who decide whether there is a need for a further inquiry or not.

The present clamour for more information and clarity is forcing many other bodies to become involved. On Friday in the space of a couple of hours several parliamentary committees and other press watchdogs announced their own inquiry. Undoubtedly, all these interested parties will want to examine the same witnesses and test the same evidence. This could be a recipe for disaster.

The police and CPS objective is to ascertain whether any criminal activity has been left unchecked. That is significantly different to the purposes of the other inquiries. They must not be confused. The police and CPS must be left to conduct their own review and not be prematurely pulled into servicing the other interested parties otherwise the waters could become muddier.

METROPOLITAN POLICE STATEMENT – 9 JULY 2009 1749

By John Yates

I have been asked by the Commissioner today to establish the facts around our inquiry into the alleged unlawful tapping of mobile phones by Clive Goodman and Glen Mulcaire. I was not involved in the original case and clearly come at this with an independent mind.

Just by way of background. In December 2005, the Met received complaints that mobile phones had been illegally tapped.

We identified that Goodman and Mulcaire were engaged in a sophisticated and wide ranging conspiracy to gather private and personal data, principally about high profile figures. Clearly they benefited financially from these matters.

Our inquiries found that these two men had the ability to illegally intercept mobile phone voice mails, commonly known as phone tapping.

Their potential targets may have run into hundreds of people, but our inquiries showed that they only used the tactic against a far smaller number of individuals.

In January 2007, Goodman and Mulcaire were jailed for four and six months, guilty to conspiring to unlawfully intercept communications.

Mulcaire also pleaded guilty to an additional five charges relating to similar matters.

On sentencing the two men, Mr Justice Gross at the Old Bailey said the case was "not about press freedom, it was about a grave, inexcusable and illegal invasion of privacy."

The police investigation was complex and was carried out in close liaison with the Crown Prosecution Service, Senior Counsel and the telephone companies concerned.

The technical challenges posed to the service providers to establish that there had in fact been interception were very, very, significant.

It is important to recognise that our enquiries showed that in the vast majority of cases there was insufficient evidence to show that tapping had actually been achieved.

Where there was clear evidence that people had been the subject of tapping, they were all contacted by the police.

These people were made aware of the potential compromise to their phones and offered preventative advice.

After extensive consultation with the CPS and Counsel, only a few were subsequently identified as witnesses in the proceedings that followed.

I said earlier in this statement that these two men were engaged in a sophisticated and wide ranging conspiracy to gather personal data about high profile figures. One was a private detective and one was a journalist. It is reasonable therefore to expect them to be in possession of data about such matters as it's part and parcel of their job.

I emphasise that our enquiries were solely concerned with phone tapping. This, as far as we are aware, affected a much smaller pool of people.

There has been a lot of media comment today about the then Deputy Prime Minister John Prescott. This investigation has not uncovered any evidence to suggest that John Prescott's phone had been tapped.

This case has been subject of the most careful investigation by very experienced detectives. It has also been scrutinised in detail by both the CPS and leading Counsel. They have carefully examined all the evidence and prepared the indictments that they considered appropriate.

No additional evidence has come to light since this case has concluded. I therefore consider that no further investigation is required.

However, I do recognise the very real concerns, expressed today by a number of people, who believe that their privacy may have been intruded upon.

I therefore need to ensure that we have been diligent, reasonable and sensible, and taken all proper steps to ensure that where we have evidence that people have been the subject of any form of phone tapping, or that there is any suspicion that they might have been, that they have been informed.

News International Limited

NEWS RELEASE

For immediate release

10 July 2009

Contact

News International Statement on Guardian Article

News International has delayed making this detailed statement until all relevant facts have been analysed and checked internally and externally.

News International has completed a thorough investigation into the various allegations made since the Guardian story broke on Wednesday. This investigation augmented a similar process here following the arrest of private investigator Glen Mulcaire and News of the World journalist Clive Goodman in August 2006.

Perhaps more significantly, the police investigation into Glen Mulcaire and Clive Goodman began in 2005, nine months before the two men were arrested. Prior to arrest the police conducted live monitoring of both men's activities and also kept the News of the World activity in this area under investigation. The raids on Mulcaire's premises, on Goodman's premises and on the News of the World office seized all relevant documents and all available evidence. The police investigation continued after the arrests and all relevant activity was studied and analysed in the context of identifying unlawfulness/criminality. The police investigation was incredibly thorough.

Apart from matters raised in the Mulcaire and Goodman proceedings, the only other evidence connecting News of the World reporters to information gained as a result of accessing a person's voicemail emerged in April 2008, during the course of the Gordon Taylor litigation. Neither this information nor any story arising from it was ever published. Once senior executives became aware of this, immediate steps were taken to resolve Mr Taylor's complaint.

From our own investigation, but more importantly that of the police, we can state with confidence that, apart from the matters referred to above, there is not and never has been evidence to support allegations that:

- > News of the World journalists have accessed the voicemails of any individual.
- > News of the World or its journalists have instructed private investigators or other third parties to access the voicemails of any individuals.
- > There was systemic corporate illegality by News International to suppress evidence.

It goes without saying that had the police uncovered such evidence, charges would have been brought against other News of the World personnel. Not only have there been no such charges, but the police have not considered it necessary to arrest or question any other member of News of the World staff.

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News International Limited

NEWS RELEASE

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Based on the above, we can state categorically in relation to the following allegations which have been made primarily by the Guardian and widely reported as fact by Sky News, BBC, ITN and others this week:

- It is untrue that officers found evidence of News Group staff, either themselves or using private investigators, hacking into "thousands" of mobile phones.
- It is untrue that apart from Goodman, officers found evidence that other members of News Group staff hacked into mobile phones or accessed individuals' voicemails.
- It is untrue that there is evidence that News Group reporters, or indeed anyone, hacked into the telephone voicemails of John Prescott.
- It is untrue that "Murdoch journalists" used private investigators to illegally hack into the mobile phone messages of numerous public figures to gain unlawful access to confidential personal data, including: tax records, social security files, bank statements and itemised phone bills.
- It is untrue that News Group reporters have hacked into telephone voicemail services of various footballers, politicians and celebrities named in reports this week.
- It is untrue that News of the World executives knowingly sanctioned payment for illegal phone intercepts.

All of these irresponsible and unsubstantiated allegations against News of the World and other News International titles and its journalists are false.

The Guardian has been selective and misleading in its coverage of the report and investigation by the Information Commissioner. There has been and is no connection between the Information Commissioner's investigation and the allegation of hacking into telephones or accessing telephone voicemails. The report concerned the activities of a private investigator who, between April 2001 and March 2003, supplied information to 32 newspapers and magazines including, incidentally, the Guardian's sister newspaper, The Observer, which according to the Information Commissioner was ninth worst "offender" out of the 32. The information supplied was deemed to be in breach of the Data Protection Act 1998.

When Les Hinton gave evidence to the Select Committee in March 2007, the evidence which emerged during the Gordon Taylor litigation in April 2008 was not known to Mr Hinton or any other senior executive within News International.

Furthermore, we are inviting the Guardian to supply the Metropolitan Police with any new evidence they claim to have.

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NEWS RELEASE

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Since February 2007, News International has continued to work with its journalists and its industry partners to ensure that its journalists fully comply with both the relevant legislation and the rigorous requirements of the PCC's Code of Conduct.

Finally, we would like to make it clear that despite the Guardian suggesting otherwise, the departure of Managing Editor Stuart Kuttner has no connection whatsoever with the events referred to above. The Guardian were informed of this position from the outset and chose to mislead the British public.

ENDS

Notes for editors:

News International Limited publishes The Times, The Sunday Times, The Sun, News of the World and the London Paper. In terms of growth, share, circulation and reader engagement, the Company's titles are among the world's most successful. NewsPrinters Ltd prints the national titles and operates as a contract printing subsidiary for the three state of the art printing plants. Further brands which are part of the group include the Times Literary Supplement and milkround.co.uk. The News International group has investments in property search-engine globrix.com and fashion website BrandAlley.co.uk.

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