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Witness statement provided by James Hipwell following a Section 21 Notice

I have been a journalist since 1991, having completed an journalism training course with Reed Business Publishing. I began my career in trade publications, moving on to my first newspaper job in 1994, as part of the launch team of a weekly business newspaper called Sunday Business, where I was a reporter, feature writer and columnist. From there, I joined Business Age magazine in 1997 as deputy editor. In 1998, I was recruited alongside a fellow Business Age colleague, Anil Bhojrul, to start a new daily business column in the Daily Mirror. The column was called City Slickers and was designed to popularise business content.

In 2000, Mr Bhojrul and I were fired from Trinity Mirror after widespread share dealing came to light involving myself, Mr Bhojrul, the then editor, Piers Morgan, the Mirror's in-house lawyer Martin Cruddace and several other senior editorial figures at the paper. A Department of Trade and Industry investigation followed, and in 2004 I was charged with conspiracy to contravene section 47 (2) of the Financial Services Act 1986, contrary to Section 1 (1) of the Criminal Law Act 1977. In 2005, I was convicted at Southwark Crown Court and sentenced to six months in prison (half the sentence was suspended).

In the intervening years, I continued my career in the media. I was a columnist on Punch magazine before joining Max Clifford Associates in 2001, where I worked closely with tabloid

newspaper editors and journalists. In 2003, I joined Dennis Publishing, where I was launch editor of a men's lifestyle magazine, Inside Edge. I left in 2005 when the court proceedings began. Since my conviction, I have mostly worked in online publishing, launching two sports websites. I also had a media column in the Sunday Express from 2007 - 2009. Most recently, I have been writing for the Guardian and the Observer. I now live in Lebanon, where I continue to work as a freelance writer and journalist.

As is evident from the City Slickers case, I saw little or no corporate governance in practice in the newsroom at the Mirror during my employment there. The Press Complaints Commission (PCC) issued its most severe censure possible against Mr Morgan after finding the editor's behaviour had 'fallen short' by buying shares shortly before they were tipped by our column. On one occasion, Mr Morgan bought £67,000 of shares in a company the day before it was tipped. Several high-ranking editorial figures, including the in-house lawyer, Mr Cruddace, news editor David Leigh and business editor Clinton Manning had also all bought shares shortly before they were tipped in our column. All claim it was coincidence, but Mr Justice Beatson, who presided over the criminal prosecution of my case, said in passing sentence of Mr Bhojru that 'there was no guidance from your superiors or from the in-house lawyers and there was evidence of a culture of advance information about tips and share dealing within the office.'

I was not issued with a copy of the PCC code of practice at any time during my employment with the Mirror and nor did I ever see it or hear it discussed in the newsroom. When Trinity Mirror cited breaches of the PCC code as a reason for my dismissal, I asked several journalists at the Mirror whether they had a copy of the PCC code. No-one I spoke to had ever even read a copy, let alone have one in the office.

Of course, I take responsibility for my own failure to abide by the PCC code during my time at the Mirror and also engaging what was later proven to be illegal activity. I was prosecuted and sentenced for my part in what happened, and am deeply regretful of my own shortcomings. I believe all journalists have a responsibility to know the difference themselves between what is right and wrong, regardless of the editorial culture or managerial guidance given. I showed a deep lack of judgement myself, for which I have paid the price.

In terms of the chain of command, however, I reported directly to the editor, then Mr Morgan, and I considered him ultimately responsible for ensuring I was operating within legal and ethical frameworks demanded by the Mirror. I also consider Mr Cruddace to have been responsible for the legal conduct of the Mirror's journalists.

Another example of the lack of corporate governance at the Mirror was the unfettered activities of its Showbusiness team. I sat next to the Mirror's Showbusiness journalists on the 22nd floor of Canary Wharf Tower and so was able to see at close hand how they operated. I witnessed journalists carrying out repeated privacy infringements, using what has now become a well-known technique to hack in to the voicemail systems of celebrities, their friends, publicists, and public relations executives. The openness and frequency of their hacking activities gave me the impression that hacking was considered a bog-standard journalistic tool for gathering information. For example, I would on occasion hear two or more members of the Showbusiness team discussing what they had heard on voicemails openly across their desks. One of the reporters showed me the technique, giving me a demonstration of how to hack in to voicemails. The practice seemed to be common on other newspapers as well - journalists at the Mirror appeared to know that their counterparts from the Sun were also listening to voicemail messages, because on one occasion, I heard members of the Mirror team joking about having

deleted a message from a celebrity's voicemail in order to ensure that no journalists from the Sun would get the same scoop by hacking in and hearing it themselves.

During my disciplinary proceedings with Trinity Mirror, one of the Showbusiness journalists who felt I was being treated unfairly by management, offered to hack in to Mr Morgan's voicemail on my behalf to try to find out any information that would help my case against Trinity Mirror. It seemed to me that phone hacking was widespread on the showbusiness desk at the Mirror.

As I left the Daily Mirror in 2000, I have no direct knowledge of newsroom practices since then and whether or not they have changed.

Since the recent phone hacking revelations at News International, I have heard a number of former Fleet Street executives claim that editors and news editors do not know, and do not ask, about the source of stories in their paper. I find this hard to believe, from 20 years experience as a journalist but also particularly from my time at the Mirror.

Mr Morgan, for example, was a very hands-on editor, as many Fleet Street editors are, and took great interest in our column. He would often come our desk throughout the day and ask us what we were working on. He did the same with the Showbusiness desk, as he had been a former Showbusiness journalist himself, he took a very keen interest in what the Showbusiness desk was covering. Occasionally, when big stories emerged, he would ask us (myself and Mr Bhojru) about the source of our information - the prime concern being the credibility of the source and whether or not the paper would face a libel action on publication if the story turned out to be wrong. On one occasion, based on the strength of the source alone, Mr Morgan decided to publish one of our stories as the paper's lead item on the front page.

From my experience of working in newspapers, news editors and editors ask reporters for the source of their stories as a matter of course - the fear of libel action, or having to print a grovelling apology, their number one concern. The first question any decent news editor will ask is, "Where has this come from?", particularly if it is a contentious story, so that they can publish without fear of expensive or embarrassing repercussions. A cast-iron source can make the difference between the paper splashing on the story or not being published at all - it plays a vital part in an editor's decision-making process. Of course reporters can reserve the right to withhold names to protect their sources, but they would still have to convince their editors on what basis they can run with the story.

From my experience, the Mirror's inhouse legal team was also heavily involved in assessing sources of information - again, primarily out of concern for potential libel suits. In 1999, in-house lawyer Martin Cruddace said he was taking a special interest in our column and from then on, the raw copy had to be sent to him in advance of it going through to the lay-out stage so that he could "legal" it first. He wanted to see it there was anything contentious or potentially defamatory in it straightaway. Sometimes he would come back with amendments or sometimes cut whole sentences that he thought could be problematic should we publish. The very first concern that a lawyer has when his newspaper is potentially carrying defamatory content is whether that content is defensible. He or she wants to know what the evidence is, and that if it comes to a libel action, whether the newspaper can defend its story.

I would obviously be aware of the sources for my own stories and I can't envisage a situation where a reporter would write a story and wouldn't know the source of the information, unless it was a junior reporter who had been handed some material from a senior colleague. I wouldn't

necessarily be privy to sources of information of other reporters, other than what I saw go on on the Showbiz desk by virtue of proximity.

As editors are ultimately responsible for what is published, and want to avoid libel suits or embarrassing apologies at all costs, they have to know the veracity of what appears on their pages. Of course feature items, or smaller, uncontentious news items towards the back of the newspaper may only get a cursory glance from the editor. But the upfront pages, and particularly the lead 'splash' story, would be the subject of intense scrutiny by the editor and several of the top news editors. No paper wants to get their front page story wrong, so every aspect is examined. I cannot see how it is possible that senior editors, including the editor himself, will not know where a major story in their newspaper has come from. The commercial risks are just too great for a newspaper to publish a story that is defamatory without knowing where and how the information was received.

The Section 21 Notice asks me to refer in this statement to what I understand journalistic ethics to mean. Many people might say I don't have the moral authority to speak on the role of ethics in the media, given my conviction. All I can say is that every journalist I have ever met has come in to the profession with a strong sense of wanting to be a force for good in society, to hold people in positions of power to account, to be a voice for the dispossessed and to fight injustice. Clearly in recent years, proprietors, editors and journalists on some newspapers have erased the boundaries of what is 'fair game' and what is legitimate public interest, and together with cozy relationships they have fostered with the police and the establishment, have created an environment where they feel untouchable, above society, and executors of their own moral code.

But I do believe, on the whole, most journalists operate with a very clear moral and ethical guidelines - it's a cliché, but most see their role being one that comforts the afflicted and afflicts the comfortable.

There is, however, an undeniable pressure to deliver scoops. Exclusives sell newspapers, especially Sunday newspapers, and every journalist is under pressure to bring them in. For example, Mr Morgan would regularly send out all-staff emails berating his journalists for not bringing in enough exclusives, and these emails would often be quite menacing in tone. This is common across many organisations, but newsrooms are especially highly pressurised, competitive places - there is competition amongst reporters on the same papers, and then competition with counterparts on rival titles. Jobs on national newspapers are hard to come by and most journalists know they can be replaced in an instant, so there is huge pressure to outscore rivals. But I am not aware of any journalist on the Mirror having a financial incentive relating to stories they brought in. I certainly had no financial incentive of this kind.

I have no knowledge of the use of private investigators at the Mirror. I did not use them myself and have no knowledge of anyone else using private investigators. Nor have I any knowledge of computer hacking taking place at the Mirror.

I cannot offer much insight in to how and when newspaper journalists and editors weigh up the rights of a private individual versus the public interest, because, as mainly a business journalist, the stories I published rarely involved the private interests of individuals. Most of my career has been spent writing about company executives and their performance in their professional

roles, based on published information, such as stock market announcements and share price performance. There were times when I saw fit to call for someone's resignation, for example Bob Mendlesohn, former chief executive of Royal & Sun Alliance. I'm sure he did take my attacks personally, but the interests of shareholders, to me, far outweighed his ego.

This is the only example I can give of this nature.

Given the circumstances of my dismissal from the Mirror, many people can dismiss my testimony with regard to phone hacking as an opportunistic attempt by a disgruntled former employee to 'get even'. My criminal conviction also discredits me as a witness. But I want to state for the record that I have no axe to grind against Trinity Mirror, Mr Morgan or any of the senior executives involved in my case. I suffered kidney failure after leaving the Mirror and have undergone two kidney transplants since, one from my brother and most recently from my wife only last year, so have had bigger things to grapple with than my time at the Mirror. I have spent 11 years trying to move on what happened and have nothing to gain from reminding the world about my criminal conviction. But I felt compelled to speak, when asked, about what I saw take place in the Mirror newsroom between 1998 and 2000.

James Hipwell

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