

THE LEVESON INQUIRY INTO THE
CULTURE, PRACTICES AND ETHICS OF THE PRESS

WITNESS STATEMENT OF SEAN LAWRENCE BELLEW

I, SEAN LAWRENCE BELLEW WILL SAY:

1. I am a Director of Atelier PR Ltd and I am a public relations adviser to Vincent Tchenguiz and to the company of which he is Chairman, Vincos Limited (t/a Consensus Business Group). I confirm that the contents of this witness statement are true insofar as they are matters of my own knowledge, observation and impression. Insofar as this statement covers matters not within my own knowledge, I believe them to be true.
2. There is now produced and shown to me the paginated exhibit marked "SB1" to which I will make reference in this witness statement.
3. I make this witness statement in response to the letter to Clarissa Coleman dated 26 October 2011 from Abi Brooks for the Solicitor to the Leveson Inquiry into the culture, practices and ethics of the press (the "Inquiry") requesting that Mr Tchenguiz provides a draft witness statement and/or supporting documents dealing with any matters which fall within the Inquiry's Terms of Reference. In light of the circumstances outlined below, Mr Tchenguiz believes that it is more appropriate that I provide this witness statement because the relevant circumstances are more within my knowledge than anyone else's.
4. I believe that the most relevant Terms of Reference to the circumstances outlined in this Witness Statement are:
 - (i) Part 1 – "To inquire into the culture, practices, and ethics of the press, including... (b) contacts and the relationship between the press and the police, and the conduct of each"; and
 - (ii) Part 2 – "To inquire into the extent of unlawful or improper conduct within... other newspaper organisations and, as appropriate, other organisations within the media, and by those responsible for holding personal data".

BACKGROUND

5. I represent Vincent Tchenguiz and the company of which he is Chairman, Vincos Limited (t/a Consensus Business Group) ("Consensus"). I have represented Mr Tchenguiz and Consensus since 2003.
6. On 9 March 2011, Mr Tchenguiz was arrested following a dawn raid carried out by the City of London Police ("CLP") in conjunction with Serious Fraud Office ("SFO") officers, as part of the SFO's investigation into the collapse of Kaupthing Bank. Mr Tchenguiz was released on 9 March 2011 without charge.
7. On 28 September 2011, one of Consensus' then in-house lawyers, Clarissa Coleman, wrote to the Inquiry as Mr Tchenguiz, his legal team and I had serious concerns about the conduct of the SFO, the CLP and Associated Newspapers and particularly the extent to which information has been "leaked" to the Press improperly. These concerns specifically relate to communications between these parties both prior to and on the morning of Mr Tchenguiz's arrest. A copy of Ms Coleman's letter is enclosed at pages 1 to 3 of Exhibit "SB1".
8. For the reasons set out below, we believe that Mr Tchenguiz is the victim of unethical and improper conduct by the SFO and/or the CLP and/or Associated Newspapers which has caused damage to Mr Tchenguiz personally, professionally and financially and which falls squarely within the Inquiry's Terms of Reference.

EVENTS OF 9 MARCH 2011

9. On 9 March 2011, early in the morning, the SFO and the CLP attended both Consensus' offices at 35 Park Lane, London and Mr Tchenguiz's residential address on a "dawn raid" as part of the SFO's investigation into the collapse of the Icelandic bank Kaupthing. I understand that they gained access to Consensus' offices and commenced searching at approximately 7.00am.
10. None of Consensus' employees apart from its Chief of Security, Udi Bornstein, were present at Consensus' offices before 7.45am. However, during the morning of 9 March 2011, I became aware that a journalist or photographer from Associated Newspapers had been present outside Consensus' offices when the dawn raid took place. In particular, my understanding is that they were present at 5am - a number of hours before the SFO arrived at Consensus' offices. This was confirmed in a telephone conversation I had with Rupert Steiner of the Daily Mail (see paragraph 23 for further details).

ARTICLES PUBLISHED BY ASSOCIATED NEWSPAPERS

11. On the day following Mr Tchenguiz's arrest and the raid of Consensus' offices (10 March 2011), there was a vast amount of press coverage (over 50 articles and countless pieces on the Internet). This was to be expected, given that Mr Tchenguiz is well-known in the business world, as well as on the London social circuit. In particular, there were 5 articles in the Daily Mail (which is published by Associated Newspapers). Copies of those articles are enclosed at pages 4 to 10 of Exhibit "SB1".
12. However, once the story had broken on 9 and 10 March 2011, as one would expect, the arrest and raid attracted considerably less media coverage on 11 March 2011, with only around 30 stories being published. Furthermore, the Consensus offices were still being searched by the SFO on the 10 March and Mr Tchenguiz was not in the office. Barring an email, sent out by me to all invitees, confirming that, contrary to some press reports, a party would still take place aboard Veni Vidi Vici (Mr Tchenguiz yacht) in Cannes for the Mipim festival, there were no fresh news developments on 10 March.
13. Nonetheless, the Daily Mail "splashed" the story on its front page and on page two in a lengthy article about the arrest and raid on 11 March 2011, which seemed unusual to me. The article was written by the Chief City Correspondent of the Daily Mail, Rupert Steiner, and a copy is enclosed at pages 11 to 13 of Exhibit "SB1".
14. I was very surprised that the Daily Mail had published such a lengthy article on 11 March 2011, as it seemed rather gratuitous given the extensive press coverage, in the Daily Mail and other newspapers the previous day. Indeed, journalists that I spoke to from other publications were also puzzled by the Daily Mail's article given that by 11 March 2011 it was "old news". It was particularly puzzling given that it had not been judged by the Daily Mail to be a front page story on 10 March. See pages 14 to 34 of Exhibit "SB1" for all UK national newspaper front pages on 10 March.
15. I also note that Mail Online (published by Associated Newspapers) was one of the few publications which repeatedly speculated about the potential investigation into the Tchenguiz brothers by the SFO. On or about 30 October 2009 and 30

September 2010 Mail Online suggested that Robert Tchenguiz was the subject of investigation. See pages 35 to 42 of Exhibit "SB1".

SFO INVESTIGATION INTO THE MEDIA PRESENCE AT CONSENSUS' OFFICES

16. I subsequently became aware that the presence of someone from Associated Newspapers was mentioned during a hearing which took place before His Honour Judge Worsley QC in chambers in the Central Criminal Court on 9 March 2011. I understand that the hearing was convened as the SFO had requested an additional warrant to those that had already been granted.
17. At the hearing, Wayil Eisa (a case manager at the SFO, now resigned) drew His Honour Judge Worsley QC's attention to the fact that reporters from the Daily Mail newspaper were present at Consensus' offices when the dawn raid was carried out. Mr Eisa mentioned that the SFO was taking the matter very, very seriously. Mr Eisa went on to say that there was no indication that the reporters had received information from the SFO or any of its partners, but that the issue had been raised internally with a member of the executive board.
18. Mr Eisa also told His Honour Judge Worsley QC that the SFO would be looking into whether an internal inquiry was required and that the SFO would also be taking it up with their partners (the CLP and the Icelandic investigators) to see how this could have happened.
19. Mr Tchenguiz's solicitors, Kingsley Napley LLP, wrote to the SFO on 11 April and 16 May 2011 requesting information regarding the media presence at Consensus' offices on 9 March 2011. A copy of the correspondence is enclosed at pages 43 to 44 of Exhibit "SB"1. On 26 May 2011, Kingsley Napley LLP received a response from the SFO, in which they stated that the fact of the media presence at Consensus' offices was "*reported urgently back to senior case team staff*" and was "*treated very seriously, escalated immediately to senior civil service within the SFO, with SFO Press Office staff and canvassed with counterparts at City of London Police and representatives from the Special Prosecutor's Office.*" A copy of the SFO's letter is enclosed at pages 45 to 46 of Exhibit "SB1".
20. The SFO's letter went on to conclude that, "*Following the range of enquiries that [were] made within the Office, with City of London Police and the Special Prosecutor's Office*" they could "*confirm that no authorised briefings took place that may have placed information regarding the search by these agencies.*" The SFO

went on to say that they could not determine any further if and how such information allowed for a media presence prior to the dawn raids and confirmed that no further action was being taken.

21. On 25 August 2011, Kingsley Napley LLP made a Subject Access Request to the SFO. On 4 October 2011, the SFO's Freedom of Information Officer replied to the Subject Access Request and advised Kingsley Napley that the SFO considered that they did not hold any personal information that they considered they were required to reveal, as they considered the personal data to be exempt from disclosure under section 29(1) of the Data Protection Act 1998. On 19 October 2011, Kingsley Napley wrote to the SFO asking them to conduct an internal review and to provide an explanation of why they considered the exemption to apply and supporting evidence. On 4 November 2011, Kingsley Napley LLP received a response from the SFO, in which its Freedom of Information Officer maintained its original decision not to disclose any information it holds about Mr Tchenguiz. Kingsley Napley LLP sent a further letter to the SFO on 16 December 2011 asking for a further explanation, but no response has been received to date. Copies of the relevant correspondence are enclosed at pages 47 to 59 of Exhibit "SB1".
22. On 25 August 2011, Kingsley Napley LLP made a Freedom of Information request to the SFO. On 26 September 2011, the SFO replied and asserted that the information requested was personal data and therefore exempt under section 40(1) of the Freedom of Information Act 2000. Kingsley Napley LLP requested a review of the Freedom of Information request on 7 October 2011 and the SFO's Freedom of Information officer responded on 4 November 2011. The SFO's Freedom of Information Officer advised that they considered themselves to be exempt in respect of the requested disclosure of (a) correspondence between the SFO and any third party relating to Mr Tchenguiz; (b) reports prepared by the SFO in relation to Mr Tchenguiz; and (c) any other documents of any form or nature of which Mr Tchenguiz was subject. However, the SFO's Freedom of Information Officer did disclose a redacted version of the SFO's "press log" of incoming telephone calls and confirmed that the SFO conducted an enquiry into alleged leaked information to the press and that no evidence came to light to support any allegation that SFO staff had leaked information to the press. Kingsley Napley LLP sent a further letter to the SFO on 16 December 2011 asking for disclosure of further materials, but no response has been received to date. Copies of the relevant correspondence are enclosed at pages 47 to 49 and 60 to 70 of Exhibit "SB1". It should be noted that

no log or other document evidencing what outgoing calls were made was disclosed.

CONVERSATION WITH CHIEF CITY CORRESPONDENT OF THE DAILY MAIL

23. On Tuesday 18 October 2011, I was contacted by Rupert Steiner. As mentioned above, Mr Steiner is the Chief City Correspondent of the Daily Mail and he wrote the article published in the Daily Mail on 11 March 2011.
24. During our telephone conversation, I mentioned to Mr Steiner that someone from Associated Newspapers was present at Consensus' offices on 9 March 2011 before the SFO arrived. Mr Steiner confirmed that Associated Newspaper's journalists were there at 5.00am and when I asked him how they had known to be there, he replied that it was "*because [Associated Newspapers] have excellent sources*". A copy of an attendance note of my conversation with Mr Steiner is enclosed at page 71 of Exhibit "SB1".

OTHER MEDIA INVOLVEMENT AND COVERAGE

25. By virtue of their presence prior to the commencement of the raid, it is clear that the journalist or photographer from Associated Newspapers had been 'tipped off'. I further understand, and it is clear by the timing of each of their stories on 9 March 2011 that both Bloomberg and the Financial Times were also 'tipped off' prior to the arrests and raids.

CONCLUSION

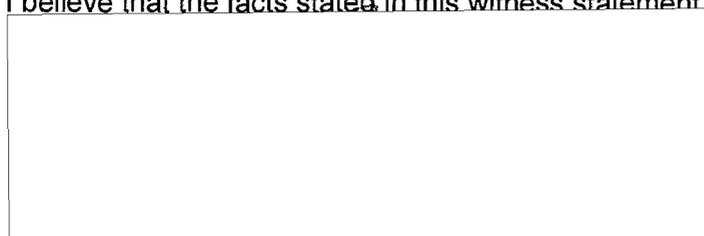
26. It is my understanding that the only people who would (or should) have been aware of the dawn raid involving Mr Tchenguiz and Consensus were the SFO and the CLP and Icelandic investigators although it is unclear the extent of their involvement or foreknowledge. As such, this leads both me and Mr Tchenguiz to believe that it must have been a source (or sources) within the SFO and/or the CLP who disclosed to Associated Newspapers that the raid and/or arrest were going to take place on the morning of 9 March 2011.

27. If our suspicions are correct, this raises serious questions about the relationship between Associated Newspapers (which is one of the largest and most powerful newspaper groups in the UK) and the SFO and/or the CLP. This is of particular concern to Mr Tchenguiz as Associated Newspapers appear to be determined to destroy the reputation of Mr Tchenguiz through the publication of numerous articles (see pages 72 to 94 of Exhibit "SB1") most of which are currently the subject of a complaint made to Associated Newspapers by his solicitors Gallant Macmillan (now Gallant Maxwell).

STATEMENT OF TRUTH

28. I believe that the facts stated in this witness statement are true.

Signed



SEAN LAWRENCE BELLEW

Dated 27 March 2012

THE LEVESON INQUIRY INTO THE CULTURE, PRACTICES
AND ETHICS OF THE PRESS

CONFIDENTIAL SCHEDULE OF PERSONAL DETAILS
FOR SEAN LAWRENCE BELLEW

