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## United States Senate

COMMITTEE ON COMMERCE, SCIENCE,  
AND TRANSPORTATION

WASHINGTON, DC 20510-6125

WEB SITE: <http://commerce.senate.gov>

ELLEN DONESKI, STAFF DIRECTOR  
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May 2, 2012

The Right Honorable Lord Justice Brian Leveson  
Chairman  
Leveson Inquiry: Culture, Practice, and Ethics of the Press  
Royal Courts of Justice  
Strand, London  
WC2A 2LL  
United Kingdom

Dear Lord Leveson:

You are currently leading an inquiry into the troubling and sometimes criminal conduct of newspapers owned and operated by News International, a subsidiary of News Corporation, a publicly-traded company headquartered in the United States. As chairman of the United States Senate committee that oversees media and communications issues, I have been following your proceedings with great interest. In particular, I am interested in learning whether any of the conduct you are investigating falls within the jurisdiction of U.S. laws.

Your inquiry and other ongoing investigations in the United Kingdom are continuing to expose disturbing new evidence about how News International newspapers operated their businesses. The newspapers' employees and agents not only appear to have illegally intercepted private telephone communications; there is also evidence that they improperly made large cash payments to police officers and other public officials. I would like to know whether any of the evidence you are reviewing suggests that these unethical and sometimes illegal business practices occurred in the United States or involved U.S. citizens.

### **Illegal Interceptions of Telephone Messages**

In November 2006, Clive Goodman, a senior journalist employed by News of the World, a newspaper owned by News International, pleaded guilty to hacking into the cell phone voice mail messages of members of the Royal Family. Mr. Goodman published stories in the News of the World about members of the Royal Family that were based on the information he had obtained through these illegal interceptions.

The actual hacking was performed by a private detective named Glenn Mulcaire, who was indicted not only for intercepting Royal Family messages for Mr. Goodman, but also for hacking the voice mail boxes of other individuals well known in the fields of politics, sports, and

entertainment. In January 2007, an English criminal court sentenced Mr. Goodman to four months in prison, while Mr. Mulcaire received a five-month sentence.

While News of the World characterized Mr. Goodman's conduct at the time as the actions of a "rogue reporter," it has become clear that the News of the World journalists broadly employed such illegal tactics to gather information for their stories. The sentencing of Mr. Goodman and Mr. Mulcaire opened up a floodgate of complaints and lawsuits about the newspaper's information-gathering techniques.

News International initially attempted to limit the impact of these damaging revelations by privately settling a number of civil actions for large sums of money. But eventually, the company was forced to account for its newspaper's conduct in a more public manner. In April 2011, the company publicly issued an "unreserved apology and an admission of liability" to a group of individuals whose voice mails News of the World journalists had intercepted. In July 2011, News International closed down the News of the World after company executives decided that the newspaper would not be able to recover from the hacking scandal.

In spite of the intense media focus on the News of the World hacking scandal and an ongoing police inquiry, it is still unclear how many voice mail accounts News International employees and their agents illegally intercepted. Metropolitan Police Deputy Assistant Commissioner Sue Akers, the officer leading the investigation, recently testified before your inquiry that there are more than 5,000 additional "potential" phone hacking victims.<sup>1</sup> I am concerned about the possibility that some of these undisclosed victims are U.S. citizens, and the possibility that telephone networks under the jurisdiction of U.S. laws were used to intercept their voice mail messages.

### **The Payment of Bribes to Public Officials**

Equally disturbing are the more recent allegations that journalists working for News International newspapers paid bribes to police officers and other public officials for information. On June 20, 2011, the News Corporation board turned over documents to the Metropolitan Police suggesting that a News of the World journalist made illegal cash payments to police officers in exchange for confidential information.

The lawyer who advised the News Corporation board to turn over these documents was Lord Macdonald, a former Director of Public Prosecutions. He later testified that the e-mails he reviewed contained "evidence of serious criminal offences."<sup>2</sup> He testified that, "the material I saw was so blindingly obvious that anyone trying to argue that it shouldn't be given to the police

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<sup>1</sup> Testimony of DAC Sue Akers, *Leveson Inquiry: Culture, Practice and Ethics of the Press* (Feb. 6, 2012), at 5-6. (online at <http://www.levesoninquiry.org.uk/evidence/?witness=dac-sue-akers>).

<sup>2</sup> Oral Evidence of Lord Macdonald of River Glaven QC, House of Commons, Home Affairs Committee (July 19, 2011), at Q 1010. (online at <http://www.publications.parliament.uk/pa/cm201012/cmselect/cmhaff/uc907-vii/uc90701.htm>).



would have had a very tough task.”<sup>3</sup> After receiving this evidence from News Corporation, the Metropolitan Police opened “Operation Elveden,” an investigation that to date has resulted in more than 20 arrests of News International employees, police officers, and other public officials.

The Metropolitan Police broadened the scope of its investigation in the fall of 2011 after reviewing evidence showing that employees of another News International newspaper, The Sun, were making illegal payments to police officers and other public officials. Deputy Assistant Commissioner Akers recently testified before your inquiry that there appears to have been a “network of corrupted officials” and “a culture at the Sun of illegal payments.”<sup>4</sup> She said there is evidence of “the delivery of regular, frequent, and sometimes significant sums of money to small numbers of public officials by journalists.”<sup>5</sup>

While Operation Elveden is still at an early stage, it is clear that employees from two News International newspapers were routinely making illicit payments of thousands of pounds to public officials. If the company was performing internal auditing of these newspapers’ financial controls, News International’s executives would have been aware of these large improper cash expenditures. I would be very concerned if evidence emerged suggesting that News Corporation officials in New York were also aware of these illegal payments and did not act to stop them. All publicly-traded companies in the United States – including the News Corporation – have a duty to exercise adequate financial controls over their subsidiaries. They are also prohibited by U.S. law from paying bribes to officials of foreign governments.

### Other Concerns

In addition to the widespread use of hacking and paying bribes to the police, the ongoing inquiries into News International’s business practices have uncovered other disturbing information about the company and its newspapers. In August 2011, for example, an Indian information technology contractor called HCL informed a parliamentary committee that News International made nine requests between April 2010 and July 2011 to delete certain groups of News International e-mails.<sup>6</sup> Evidence that News International destroyed evidence to obstruct a criminal inquiry or civil discovery would be deeply disturbing.

In addition, in the past few months, the editor of another newspaper operated by News International, The Times, admitted in testimony before your inquiry that it provided misleading testimony to a court about a 2009 e-mail hacking case. In that case, a Times reporter named

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<sup>3</sup> *Id.* at Q 1064.

<sup>4</sup> Testimony of DAC Sue Akers, *Leveson Inquiry: Culture, Practice and Ethics of the Press* (Feb. 27, 2012), at 48. (online at <http://www.levesoninquiry.org.uk/evidence/?witness=dac-sue-akers>).

<sup>5</sup> *Id.* at 50.

<sup>6</sup> Letter from Stuart Benson and Company, Solicitors, on behalf of HCL, to Keith Vaz MP, Chairman, House of Commons, Home Affairs Committee (Aug. 1, 2011) (online at [http://www.parliament.uk/documents/commons-committees/home-affairs/Hcl\\_to\\_chair\\_10811.pdf](http://www.parliament.uk/documents/commons-committees/home-affairs/Hcl_to_chair_10811.pdf)).

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Patrick Foster hacked into the e-mails of an anonymous blogger and then published the blogger's name.<sup>7</sup>

Most recently, the House of Commons Culture, Media and Sport Committee issued a report detailing how senior News International employees provided false and misleading testimony to the Committee during its official inquiries into the phone hacking scandal. A unanimous finding of the report, for example, was that Les Hinton, the former Executive Chairman of News International, misled the Committee about the company's payments to Clive Goodman and about his knowledge of the use of phone hacking at News of the World. The report makes the following observation:

The integrity and effectiveness of the Select Committee system relies on the truthfulness and completeness of the oral and written evidence submitted. The behaviour of News International and certain witnesses in this affair demonstrated contempt for that system in the most blatant fashion.<sup>8</sup>

### **Request for Information**

The investigations you and others are continuing to conduct into the hacking and bribery scandals are an absolutely essential exercise in transparency and accountability. In a democratic society, members of the media have the freedom to aggressively probe their government's activities and expose wrongdoing. But, like all other citizens, they also have a duty to obey the law. Their rights as journalists are very properly counterbalanced by laws that protect citizens' privacy and prevent public corruption. Evidence that is already in the public record clearly shows that for many years, News International had a widespread, institutional disregard for these laws.

As you continue to review information about News International's business practices, I would like to know if you find evidence suggesting that News International employees or their agents intercepted messages created by U.S. citizens, or messages that originated in the United States. I would also like to know if you find any evidence that News Corporation officials were aware that News International employees were intercepting telephone messages and making large cash payments to police officers and other public officials in the United Kingdom.

More generally, I would like to know whether News International or any other News Corporation business used hacking, bribing, or other similar tactics when operating in the United States. Finally, if there is any information not covered in these requests which you believe is important to bring to my attention, please provide it.

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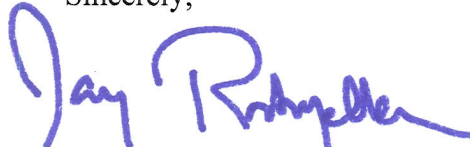
<sup>7</sup> Second Witness Statement of James Harding, *Leveson Inquiry: Culture, Practice and Ethics of the Press* (Feb. 6, 2012) (online at <http://www.levesoninquiry.org.uk/wp-content/uploads/2012/02/Second-Witness-Statement-of-James-Harding.pdf>).

<sup>8</sup> House of Commons Culture, Media and Sport Committee, *News International and Phone-Hacking*, Eleventh Report of Session 2012-12, Vol. 1 (HC 903-I), at 85 (online at <http://www.publications.parliament.uk/pa/cm201012/cmselect/cmcmums/903/903i.pdf>).

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Thank you very much for your cooperation in this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jay Rockefeller". The signature is fluid and cursive, with the first name "Jay" written in a larger, more prominent script than the last name "Rockefeller".

John D. Rockefeller IV  
Chairman

cc: Kay Bailey Hutchison  
Ranking Member