

To: John Whittingdale OBE MP

From: Tom Crone

Thank you for your letter of July 29th.

You ask me to

- a) Reconsider those bits of evidence, given by Mr Myler and myself to your committee in 2009, which are identified in the second paragraph of your letter, i.e. Q1384, Q1394 and Q1398, and
- b) To provide more details about when and how I informed Mr Murdoch of the “for Neville” email and what significance I attached to this.

Taking your points in turn:

- a) The three answers to which you refer, the first two by My Myler and the third by me, were given during a line of questioning by Paul Farrelly, the context and premise for which is set out by Mr Farrelly in Q1383 and Q1384. In short, he was asking about the basis for the evidence given by Mr Myler to the PCC in February 2007 and what had happened by way of internal investigation at the News of the World and News International upto that point. For ease of reference I enclose the whole of the relevant sequence of questions and answers which commence at Q1383 and conclude at Q1400.

Although Mr Myler will, no doubt speak for himself, I have no doubt that the answers he gave about the internal inquiries pre-February 2007 and the basis for what he told the PCC that month were the truth as he knew it at the time.

The same applies to my answer at Q1398 i.e. that was the truth as I then knew it. Since Q1397 makes reference to the “check” on 2500 emails which took place in early 2007, I should make it clear that I played no part in that process and until very recently my only knowledge of it was based upon the letter written by Harbottle and Lewis.

For the record and lest there is any doubt, I entirely accept the statement issued by News International on April 8th, 2011, which is set out in the third paragraph of your letter.

Before leaving this subject, I need to address what appears to be a misunderstanding on your part.

In the second paragraph of your letter and, more directly, in the press conference you gave on the day you wrote your letter, i.e. July 29th, you suggest that we misled the CMS Committee in 2009 by maintaining that there was no evidence to suggest anybody else at the News of the World beyond Clive Goodman had been involved in phone-hacking.

Several newspapers reported what you said. The following is from that day's Guardian Online,

"Asked whether last week's Myler/Crone statement raised questions about the evidence they gave to the committee in 2009, Whittingdale said: "I don't think it just raises questions, it appears to be directly contradictory.

"There is no question that Tom Crone and Colin Myler appeared before the Committee to give formal evidence and told us that they had discovered no evidence suggesting that anybody else beyond (former NoW editor) Clive Goodman was involved.

"We are now told, we understand from the statement they issued to the media, that they had drawn James Murdoch's attention to the significance of the 'for Neville' email.

It appeared when they came before us, that they did not regard it as significant. But clearly they are now suggesting it is."

With respect:

1. There is nothing contradictory between the statement we issued on July 21st, which is set out in the fourth paragraph of your letter, and the evidence we gave in 2009.
2. During our 2009 appearance before you, we clearly accepted the significance of the "for Neville" email and the fact that it was evidence of others at the News of the World apart from Clive Goodman being involved or complicit in phone hacking.

In support of the above, particularly the second point, I refer you to:

- i) Colin Myler's opening statement to your Committee on July 21st 2009 in which he identified "three issues which need to be addressed by us ...". The first was Operation Motorman, the second was Les Hinton's evidence to the Committee in March 2007 and,

“The third issue is the evidence which came to light in April 2008, and the reasons for settling our litigation with Gordon Taylor”

He dismissed Operation Motorman as old and unconnected, he explained that Mr Hinton’s evidence had been truthfully based upon what he knew at the time and, in relation to the third issue, he said,

“The Committee may disagree but we consider this issue (i.e. the “for Neville” email evidence which came to light in April 2008) and the facts surrounding it to be the only new matters in this affair. We are here to answer whatever questions you have on this subject today.”

- ii) Within minutes of the commencement of questioning I made it clear we accepted that the “for Neville email” was evidence that complicity in phone hacking at the News of the World went beyond Clive Goodman. In answer to your Q1339, I stated,

“.....At no stage during their (the police) investigation or our investigation did any evidence arise that the problem of accessing by our reporters, or complicity of accessing by our reporters, went beyond the Goodman/Mulcaire situation. The first piece of evidence we saw of that was a February 2005 holding contract and the second was the email that was discussed here last week”. (i.e. the “for Neville” email).

- iii) Apart from identifying the email as the main issue “to be addressed” during our appearance before the Committee and “the second piece of evidence” (*in reality, it was the first*) of wider News of the World staff involvement, we highlighted its other “significance” very shortly after the above statement. At Q1341 your question and my answer were,

“Q: When you did become aware of these two documents what did you do?

A: We settled the case. We agreed to settle the case.”

- b) I cannot remember the exact date but I believe the meeting at which I informed Mr James Murdoch of the “for Neville” email was in June 2008. The relevant background is as follows.

Gordon Taylor served breach of privacy and confidence proceedings on News Group Newspapers Ltd (“NGN”) in 2007. Until April 2008, NGN resisted liability on the basis that Mr Taylor had produced no direct evidence that NGN or its staff were knowledgeable of or complicit in the hacking of Mr Taylor’s voicemail by Glenn Mulcaire. Mr Taylor’s case was circumstantial and NGN itself had neither found nor seen direct evidence to support it.

That position changed in April 2008 when his lawyers served the “for Neville” email on us having obtained it from the Metropolitan Police under a court Disclosure Order.

I had numerous discussions about this document with our solicitors who, in turn, had discussions with senior and junior counsel. Their strong opinion, with which I agreed, was that the document removed any chance we might have previously had of successfully defending Mr Taylor’s action.

Without waiving professional privilege or breaching the confidentiality undertaking which became part of the settlement with Mr Taylor, I can only say that early discussions with Mr Taylor’s lawyers indicated that a very large sum in damages was being demanded to settle the case.

On the day of the meeting with Mr Murdoch, I had explained where we were in the Taylor case to Mr Myler. I told him that our outside solicitors and counsel advised, as did I, that the emergence of this document meant the case had to be settled. He agreed with that and said we would need to set up a meeting with News International’s Chief Executive, James Murdoch, as soon as possible to explain the situation to him and seek his authority to settle.

Later the same day, Mr Myler called to say I should come to his office and we would immediately go to meet Mr Murdoch in his office which was at the other end of the same building.

I do not have a note of the meeting with Mr Murdoch and cannot recollect it in any great detail but I can say that it did not last long, certainly no more than 15 minutes. My invariable practice when seeking authority for settlements would be to take a file of the relevant documents with me to such meetings so that, if asked or if necessary, I could illustrate whatever I was saying by reference to something in writing.

Since the “for Neville” document was the sole reason for settling and, therefore, for the meeting, I have no doubt that I informed Mr Murdoch of its existence, of what it was and where it came from. I do not recall if I produced it and showed him a copy of it.

It may be important to note, also, that the document was not referred to or described in the meeting as a “for Neville” email or a “for Neville” document. I believe the first time I heard it described in that way was at the 2009 CMS Select Committee hearing. From memory, I would have described it as a transcript of voicemail messages left by or for Gordon Taylor.

During the meeting I relayed to Mr Murdoch that the clear advice from our outside solicitors and counsel was to settle the case despite the fact that it was likely to be

expensive. I told him that I agreed with that advice and I believe that Mr Myler also said that he could see no alternative but to go with the advice.

On that basis, Mr Murdoch gave us authority to negotiate the best settlement deal we could achieve in order to conclude the action.

In relation to the evidence we gave in 2009 which touches or focuses on this particular subject, I refer the Committee to:

- a) Mr Myler's opening statement i.e. "the third issue is the evidence that came to light in April, 2008, and the reasons for settling our litigation with Gordon Taylor."
- b) Q1341 in which I stated that what we did when we became aware of the document was to settle the case.
- c) Q1511 and Q1512:

"Mr Myler: The sequence of events, Mr Watson, is very simple, and this is very clear: Mr Crone advised me, as the editor, what the legal advice was and it was to settle. Myself and Mr Crone then went to see James Murdoch and told him where we were with the situation. Mr Crone then continued with our outside lawyers the negotiation with Mr Taylor. Eventually a settlement was agreed. That was it.

Mr Watson: So James Murdoch took the ultimate decision?

Mr Myler: James Murdoch was advised of the situation and agreed with our legal advice that we should settle."

Finally, You are reported to have said at your press conference last week "It appeared when they (Mr Myler and I) came before us, that they did not regard that it (the 'for Neville' email) was significant. But clearly they are now suggesting it is".

In relation to the first limb of that statement, I have tried to deal above with the fact that, when we appeared before you in 2009, we did make clear the significance of the relevant email.

As for the "now" situation to which you refer, the reason why we put out our statement on July 21st was because that morning's newspapers, particularly The Guardian, were reporting that Mr Myler and I had "concealed" the "for Neville" email from Mr Murdoch. This damaging allegation was an interpretation of Q413 answered by James Murdoch on July 19th. During the course of July 21st I received several calls from journalists for The Guardian and other newspapers which led me to believe that the "concealment" allegation was going to be published even more widely the following day. I believe Mr Myler received similar calls. For that reason, and for that reason alone, I felt I had to clarify publicly that Mr Murdoch's recollection on this narrow point was mistaken.

After receiving your letter, I met and discussed the issues raised in it with Mr Myler. Before posting this letter to you, I have sent him a copy of it. He will, no doubt have his own recollection of the meeting with Mr Murdoch and other matters, but I understand he broadly agrees with the various points made about the evidence we gave in 2009.

Tom Crone

