

IN THE MATTER OF:

AN INQUIRY UNDER THE INQUIRIES ACT 2005

INTO THE CULTURE, PRACTICES AND ETHICS OF THE PRESS

CHAired BY THE RT HON LORD JUSTICE LEVESON

FIRST WITNESS STATEMENT OF RICHARD DAVID WALLACE

I, **RICHARD DAVID WALLACE**, of the Daily Mirror, MGN Limited, One Canada Square, Canary Wharf, London E14 5AP **WILL SAY** as follows:

1. I am the Editor of the Daily Mirror, which is published by MGN Limited ('MGN'). MGN is part of Trinity Mirror plc ('**Trinity Mirror**').
2. I am making this statement in response to a notice dated 5 August 2011 pursuant to section 21(2) of the Inquiries Act 2005 (the '**Notice**'). A copy of the Notice is annexed hereto at pages 1-4 of Exhibit RDW-1, which contains copies of the documents to which I refer in this statement (save where they are being produced to the Inquiry by Trinity Mirror, which I cross-refer to below).
3. I understand that the Notice has been sent to me in connection with Part 1 of the Inquiry chaired by The Right Honourable Lord Justice Leveson into the culture, practices and ethics of the press (the '**Inquiry**'), the Terms of Reference for which were published by The Right Honourable Mr David Cameron MP, Prime Minister on 20 July 2011 (the '**Terms of Reference**'). The Notice requires me to provide evidence to the Inquiry panel in the form of a witness statement and to provide any documents in my custody or under my control as specified in the Notice.
4. Where the contents of this statement are within my own knowledge they are true and where the contents are not within my own knowledge I indicate the source of my belief and believe them to be true.
5. I am not authorised to waive any privilege on behalf of Trinity Mirror and nothing in this statement is intended to constitute a waiver of privilege on behalf of Trinity Mirror.

Overview of statement

6. The Notice asks me to provide evidence in relation to a wide range of issues across a number of years. As the Notice is addressed to me as Editor of the Daily Mirror, unless otherwise stated I refer to the period since June 2004 which is the date that I was promoted to this position.
7. I have sought to present my evidence in a way which I hope will be helpful to the Inquiry. In doing so, I have been mindful of the Inquiry's request for important additional information and of Part 1 of the Terms of Reference, which require the Inquiry to look at the culture, practices and ethics of the press and task it with making recommendations. Accordingly, I have structured my witness statement to address the matters and issues set

out in the Notice by theme, using cross-references to the numbering in the Notice (for example, 'Matter 1', 'Matter 2' and so on). I deal with the matters and issues as follows:

- (1) About me (Matter 1)
- (2) Some background on the Daily Mirror
- (3) The framework that governs me as Editor (Matters 2 to 5)
- (4) Ethics (Matter 8)
- (5) External relationships – I have included some additional information about relationships with the police and politicians, mindful of Part 1 of the Terms of Reference
- (6) The sourcing of stories and information (Matters 6 and 7)
- (7) Editorial decision-making (Matter 18)
- (8) Financial / commercial pressure and incentives (Matters 9 and 10)
- (9) Private investigators and other external providers of information (Matters 11 to 15)
- (10) Expenses / remuneration of external sources of information (Matters 16 and 17)
- (11) Computer hacking (Matter 19)

About me

8. Matter 1 asks me to cover who I am and to provide a brief summary of my career history in the media.
9. I have worked in journalism for about thirty years. I started my career at the age of eighteen as a reporter for a local newspaper called the Leicester Mercury. After a short stint at EMI Records, I moved back into journalism and worked as a reporter for the Oxon Bucks News Agency, which supplied stories to the national papers. In 1986 I started working shifts on the national newspapers and I subsequently worked for the Daily Mail and The Sun.
10. I have worked for Trinity Mirror for the past twenty one years. I joined the Daily Mirror as a showbusiness – or 'showbiz' – reporter in February 1990. My role was essentially reporting on all aspects of the entertainment world, especially TV and film. I became

Showbusiness Editor in 1999. In October 2000 I was promoted to Head of News. This was effectively being head of all non-sport and features-related content including general news and specialist areas such as politics, finance, education, health and crime. In May 2002 I moved to the position of US Editor based in New York. This was in essence a foreign correspondent role overseeing and also writing on all US-related subjects, particularly politics and foreign affairs. In August 2003 I returned to London as Deputy to the Editor of the Sunday Mirror, Tina Weaver.

11. In June 2004, I was promoted to the position of Editor of the Daily Mirror. On my watch we were named Newspaper Of The Year at the 2006 What The Papers Say Awards; News Team Of The Year at the 2006 British Press Awards; and Daily Newspaper Of The Year by the London Press Club in 2006. I was named GQ Magazine's Editor Of The Year in 2006.
12. In my role as Editor, I am ultimately responsible for what is published in the paper. Newspapers are by their nature very hierarchical. Accordingly, I am expected to provide a steady ship of strong leadership and sound judgment, which I believe I do. In this regard, it is a priority for me that the direction of the Daily Mirror follows its long-established traditions and values in a consistent manner. I give some further background to the Daily Mirror in the section that follows below.
13. In addition, I am and have been a member of the Editors' Code of Practice Committee (the '**Code Committee**') since June 2010. The Code Committee has 13 members from a range of publications and is responsible for the Editors' Code of Practice (the '**Code**'), the current version of which is being produced by Trinity Mirror to the Inquiry (see Category B, Tab 1). The Code is the governing document for press self regulation by the Press Complaints Commission ('**PCC**'). The Code Committee is entirely separate from the PCC and has no control or jurisdiction over members or adjudications of the PCC. As I return to below, Trinity Mirror's policy, followed by its publications, is to act in accordance with the Code. The Code Committee is tasked with keeping the Code fresh, effective and responsive. There have been nearly 30 changes to the original Code since its inception in 1991. It is constantly under review to reflect changes in public opinion or Parliamentary views and legislation.

Some background to the Daily Mirror

14. Before I address the further matters asked of me by the Inquiry, to set my evidence in context, I wish to give some important background to the Daily Mirror.
15. The Daily Mirror has a 110-year tradition. It was launched in 1903 as a paper for women, edited by women. It then became a picture-led publication aimed at the middle classes before evolving, during the 1930s, into the paper we would recognise today. It positioned itself as a paper that stands up for ordinary working men and women while holding law-makers and the privileged to account, a stance it still maintains to this day. During World War II it came under threat of closure for questioning the government over its execution of the war effort. It came out for Labour in the 1945 General Election and has backed Labour ever since.
16. The Daily Mirror sells around 1.2 million copies a day, and is read by nearly three million each day. Content on mirror.co.uk is read by 800,000 unique users, seven days a week. The average age of our newspaper readers is 50. Thirty per cent are retired. Fifteen per cent are from ethnic minorities, the highest percentage in the tabloid / midmarket sector. The core of our values is fairness, justice and compassion. But we also provide entertainment and fun for our readers, which is critical in the popular newspaper sector. We, like most papers in the popular market, provide a vigorous and exciting gateway to the news agenda. We deliver everything from celebrity news to hardcore economic stories in a vibrant, digestible manner that engages and informs the reader. Media and privacy law silk Hugh Tomlinson QC said at a Law Society public debate "Privacy, Free Press and the Public Interest" held in September 2011: *"A tabloid that can explain complex issues in a comprehensible form is a good democratic resource"*. I agree with that comment.
17. During my tenure, we have run a number of notable campaigns. Our Honour The Brave campaign got the first royal medal struck since 1940: The Elizabeth Cross. This is awarded to the families of all those who have lost their lives in all military conflicts since World War II. For the past six years our anti-Fascist, anti-racism Hope Not Hate campaign has helped to thwart extremists such as the BNP. Our ongoing Asbestos Time-bomb campaign has caused government to set up a centre specialising in asbestos-related illnesses. Our Fair Tips drive caused legislation to be changed that enabled tens of thousands of café and restaurant workers to receive the tips and service charges they earned. And our Pride of Britain Awards, highlighting ordinary people who have achieved

extraordinary things, is now in its thirteenth year and was once again screened for two hours on ITV prime-time on 5 October 2011. It was watched by around 7 million people – easily outperforming other TV awards shows like the Baftas and the Brits – and took a 25 per cent share of the available viewing audience.

18. Our weekly column Penman and Sommerlad is the only mainstream investigations unit in national newspapers, championing the cause of ordinary readers and exposing the tricksters and conmen who prey on them. We are currently running a Caring For Carers campaign that is designed to improve the lives of carers of sick or elderly family and friends by calling for a government review of carers' allowances. Reflecting our paper's values of standing up for ordinary people, we are currently running a Get Britain Working campaign. Our battle bus has toured the country providing thousands of jobseekers with advice on CVs, access to job interviews and first hand tips from would-be employers. Similarly, we have been at the forefront of a campaign to save 1,400 Bombardier jobs in Derby after the Government awarded a critical rail contract to German company Siemens. We revealed how the Government could have favoured Derby, but chose Germany instead, claiming its hands were tied when, in fact, they were not. We also exposed that the Government had spent around £22million of taxpayers' money on advice from outside private consultants before giving the deal to Germany.

The framework that governs me as Editor

19. Matters 2 to 5 ask me to cover issues in relation to corporate governance and the Daily Mirror.

The corporate governance system and the Daily Mirror

20. Matters 2, 3 and 5 ask me questions in relation to the corporate governance system at the Daily Mirror, namely:
2. *how I understand the system of corporate governance to work in practice at the Daily Mirror with particular emphasis on systems to ensure lawful, professional and ethical conduct;*
 3. *what my role is in ensuring that the corporate governance documents and all relevant policies are adhered to in practice, and if I do not consider myself to have been / be responsible for this, to tell the Inquiry who I consider to hold that responsibility; and*
 5. *whether these practices or policies have changed, either recently as a result of the phone hacking media interest or prior to that point, and if so, what the reasons for the change were.*

21. Trinity Mirror is a public company and, as I see it operate, it is very particular about maintaining a clear separation between the publications and the business. The Board of Trinity Mirror is responsible for the system of corporate governance, however, not me.
22. So far as the system of corporate governance pertains to me, it requires me to act within the Code and the law, which I believe I do. I recall a meeting in 2007 where the Chief Executive and Legal Secretary reminded Trinity Mirror's National newspaper editors of these responsibilities following the jailing of News of the World journalist Clive Goodman. This was followed up by an email to all staff from Managing Editor Eugene Duffy (5th April 2007) who explained our 'zero tolerance' policy on any actions that breached the Data Protection Act and the Code – I understand that this email is being produced to the Inquiry by Trinity Mirror (see Category A, Tab 10).
23. Each year, I am required by the Board of Trinity Mirror to sign a Risk Management Certification to declare that I am responsible for the risks to my business objectives and that internal controls exist so that at any given time they provide me with assurance that these risks are appropriately identified, evaluated and managed. In making this declaration, I am also required to bring any matters to the attention of the Board. I produce my signed Risk Management Certifications for the years 2004-2010 at pages 5-11 of Exhibit RDW-1. In practice, in my role I do not generally bring matters to the attention of the Board on a day-to-day basis relating to the publication of stories, sourcing, payments to sources and the like. I report directly to the Managing Director of Nationals at Trinity Mirror, Mark Hollinshead, and have a 'dotted line' to the Chief Executive Sly Bailey, so any such issues are discussed with them. They in turn report to the Board.
24. My primary responsibility – and that of all my staff – is to act within the law and within the Code. All Desk heads and reporters receive a copy of the Code annually in the internal mail and there are copies posted on noticeboards around the office. The mainstay of the internal controls to which those at the Daily Mirror are subjected is essentially my stewardship of the paper. Like most newspapers, it is a hierarchical organisation. The Editor of most newspapers sets the tone and should lead by example. The culture of any newspaper quite often reflects the qualities of that leadership. To that end I believe that I reflect to my staff – and expect back from them – professional standards according to the Code, within the framework of the law. I believe my team employs a high degree of skill and effort to maintain the standards that are required and I trust them to do so. I try to be mindful at all times – as do my staff – of the impact that we can have on people's lives which revolves around a common sense of decency.

25. My editorial team – Desk Heads, reporters, production staff (sub-editors, page designers and artists) – at the Daily Mirror is 213. This is less than half the size of any of our major competitors. Notwithstanding that the ultimate decisions on publication are mine, I seek to encourage a collegiate approach to decision-making. This involves close engagement in particular with Desk Heads on a daily basis. They present contenders for the main planks in the following day's paper and we argue and discuss the merits of those planks until we reach a consensus. A team effort is not just everyone doing as I say, although as the Editor I make the ultimate call.
26. So far as I am aware, there have been no changes to this system either recently as a result of the phone hacking media interest or prior to that point.

Adherence in practice

27. Matter 4 asks me to cover adherence in practice to Trinity Mirror's and the Daily Mirror's policies, to the best of my knowledge.
28. To the best of my knowledge, the law and the Code are adhered to in practice: certainly this is always my intention.
29. So far as the law is concerned, I am not aware of any deliberate transgression of the criminal law at the Daily Mirror that has arisen during my time as Editor.
30. The Daily Mirror has a good reputation for compliance with the Code. On occasion we will breach the Code, but we do not set out to do that. It is important to understand that producing a paper is an inexact science. There is no exact protocol for each and every story, as each has its own features and risks. We consider a great number of potential leads and stories. Producing a daily paper, to a deadline, six days a week means decisions often have to be made at great speed.
31. The nature of journalism, especially investigative journalism, is that in many cases journalists are trying to uncover information, which other people do not want revealed. Members of the public do, invariably, have complaints about stories from time to time. In this regard, the PCC operates an independent complaints procedure. (As explained, the Code Committee on which I sit exists separately from the PCC. The PCC members deal with complaints and comprise Public Members, who make up the majority and who must have no connection with the industry other than through the PCC, and Editorial Members, who hold senior editorial positions in the industry).

32. As an Editor, I take complaints and adverse rulings from the PCC seriously. On the rare occasions where, with hindsight, the PCC decides that another judgment should have held sway, my policy and practice is to fix the situation, usually through publication in the Daily Mirror on a page that gives the correction suitable prominence.
33. The same applies on the rare occasions where significant mistakes are made, for example if a fact printed later turns out to be wrong due to new information coming to light that was not available at the time of our fact-checking. I do make every effort to acknowledge significant errors and seek to put those errors right. Considering the tens of thousands of words and hundreds of pictures that come through our editing systems each and every day, I believe that Daily national newspapers do a remarkable job in achieving the level of accuracy that they do. Each morning at the Daily Mirror we start with up to 96 blank pages and by 10pm they are filled, edited and sent to the printers.
34. We are the only tabloid newspaper to have a daily For The Record column where we can correct everything from minor errors (place names, ages) to significant mistakes. Here are two examples, the second showing two corrections in one For The Record column:

(1) Example A: For The Record, 8 October 2010

A mistake made in court copy was corrected in For The Record the following week, agreed amicably and satisfying the complainant. The correction read: *"In a story about hero mum Michelle Thomas, who saved her three sons from their blazing home but was killed trying to rescue her four-year-old daughter Courtney, it was stated that an inquest had been told the fire was started by one of Courtney's brothers playing with a cigarette lighter. This was not the case. The hearing was simply told the fire was started by someone playing with a cigarette lighter. The copy was supplied by a normally reliable news agency and we apologise for any distress caused by this error. (Page 19, October 7)."*

(2) Example B: For The Record, 18 July 2010

"In our article 'EastEnders extra's killer to serve life' we stated that Brian Atkinson, murderer of EastEnders' extra Kevlin Eurie, had got Eurie's girlfriend pregnant. In fact it was the sister of one of Eurie's friends that was pregnant by Atkinson. We apologise for the mistake. (page 23, July 9)."

"Kent Police has asked us to make it clear that Chris Crute – described as the

head of forensics at the force is in fact a digital forensics analyst. (page 27, July, 14)."

35. Similarly, I try to engage as often as possible with readers if they have complaints of any kind. For example, readers sometimes write in to express their views about our coverage of stories. By way of illustration, one reader complained that we were giving too much coverage to a particular celebrity and particular TV shows. I replied promptly to thank him for his feedback and to explain the challenge of balancing the different interests of our many readers. The reader expressed gratitude for this response. In another example, a woman complained that she was unable to receive her free CD from a promotion that we were running. I replied as soon as possible, to apologise for her being inconvenienced and to put the matter right by sending her the particular collection: the woman received the CDs and wrote back to say that she was delighted with them.

Ethics

36. Matter 8 asks me to cover the extent to which I consider that ethics can and should play a role in the print media, and what I consider 'ethics' to mean in this context.
37. As explained above, I believe that ethics do in fact play a significant and important role, as benchmarked by the Code. I consider that 'ethics' encompass a range of values and principles. Fundamentally, all stories must be fair and accurate. I see 'ethics' as requiring us to conduct our business with courtesy, understanding and decency, particularly towards members of the public who are unwittingly thrust into the media spotlight in times of great distress. This includes leaving people alone who expressly do not want attention. As I come back to below in relation to Matter 18, when dealing with public figures, the position will be different, if they have already courted the attention of and / or put themselves in the press.
38. I do my best to lead the Daily Mirror by setting what I believe is a strong, positive example of the values and principles in the Code. Journalists in my team see and understand that I am robust in not publishing stories which do not seem right ethically. Often, this is a matter of good instincts, developed over years of experience. It is important to me that my team works in a supportive environment that is compatible with appropriate ethical standards.
39. I believe the PCC system of self regulation operates well. As is evident from the changes to the Code that have evolved over the years, it is responsive and the complaints mechanism

is relatively fast, effective and gives satisfaction to the parties where due. Looking at Part 1 of the Terms of Reference, in my view, the current policy and regulatory framework has not failed. There are of course challenges. But in the past 15 years, technological developments have led to major disruption and consequently significant changes in the nature of print media. There is now a widespread availability of technology, including the internet and social media sites such as Twitter, and as a result news information is much more readily available. However, there is no compunction in those forums for accuracy, adherence to the Code or to a certain extent legality. The identification, for instance, of footballer Ryan Giggs who was the beneficiary of an anonymised injunction was driven by social media. We treat social media with the same kind of scepticism we do any other source of information. Any information from social media would be checked out in the normal manner, which I come back to below. General users (non-media professionals) can on occasion take what is said on social media at face value.

External relationships

40. I understand that Part 1 of the Inquiry is looking at contacts and relationships between the press and the police and the press and politicians. Mindful of this, I provide the following additional information based on my experience.

Relationships with the police

41. The Daily Mirror has a long-standing relationship with the police, which I would describe as healthy and positive. The police ask for our assistance on various occasions and in this respect I see us as having a role in the detection and prevention of crime. We cooperate with the police in disseminating information publicly about crimes and suspects of crime. For example, there was the recent widespread publication (in August / September 2011) of CCTV head shots of alleged rioters that were supplied by police as they sought to identify transgressors. On occasion the police will seek evidence from us about suspected crimes. For instance, they asked to see evidence of our exclusive story of September 2005 when we published pictures of Kate Moss using cocaine. We also co-operate with the police in not publishing information when asked to by the police.
42. I do not myself have any regular contact with the police. However, I have had dinner on a number of occasions with Sir Paul Stephenson. These were opportunities to have a full and frank exchange of views about an array of related topics including terrorism and general policing. Sir Paul was the country's most senior police officer so it was appropriate that we

should meet now and again. These occasions were not about getting a story or information, but to have a general discussion. On each occasion I would have paid for the dinner, reclaiming it from Trinity Mirror. I believe that it is important to hear the views of senior public figures under Chatham House rules and I believe that they also find it useful to hear views from media figures who get direct feedback from readers, viewers and listeners each day.

Relationships with politicians

43. There has long been a close relationship between politicians and the press. My experience is that politicians try to use the press to their advantage, for example by making announcements to a paper whose political views are aligned with their political party. In the UK, there is a perception that politicians need the backing of the tabloid press and that politicians react to tabloid headlines. In any event, I see a job of the press as being to probe politicians and their policies: what any politician might want does not influence and has never influenced my editorial decision-making.
44. Given my position, I come into contact with a range of politicians, at their instigation. For example, just after I was appointed Editor of the Daily Mirror, the then Prime Minister Tony Blair invited me to 10 Downing Street. One of the first things he asked me was when I was going to sack one of my journalists who had been a consistent critic of the government and Mr Blair in particular. Of course I did not react to it. I met Mr Blair in a variety of forums 10 to 15 times until he left office. Similarly, I visited Gordon Brown at the Treasury and later at No. 10 on a number of occasions. I was also invited to Chequers by Mr Brown on two occasions, which I accepted. I have met Prime Minister David Cameron privately twice. First, not long after he had taken over as Conservative Party leader. And secondly, just before the General Election I attended a private lunch with Mr Cameron (and the then Director of Communications and Strategy for the Conservative Party, Andrew Coulson), along with Trinity Mirror Chief Executive Mrs Bailey and the Editors of the Sunday Mirror and Sunday People, Tina Weaver and Lloyd Embley. Ed Miliband, David Miliband, Ed Balls and Yvette Cooper also attended my 50th birthday party in June 2011 (in a pub).
45. I often meet politicians and public figures over breakfast, lunch or dinner. There is an assumption that the press will pay and this has become customary. Accordingly, I pick up the bill, reclaiming it from Trinity Mirror. It is possible that politicians might disclose information to me in the course of the conversation, but there is no expectation that I would

publish any of that information and in any event it may well not be newsworthy. As I said previously, it is often a general discussion under Chatham House rules and a way of taking the temperature on issues of the day and the political hinterland.

46. I also interact with public officials, including politicians, at the annual Labour Party conference, which the Daily Mirror attends. Traditionally, Trinity Mirror hosts an event for politicians and delegates at the conference and this year hosted a pub quiz. Politicians are also amongst those invited to our parties, along with many other people.

The sourcing of stories and information

47. Matters 6 and 7 ask me to cover the following issues:

6. *where the responsibility for checking sources of information (including the method by which the information was obtained) lies: from reporter to news editor / showbiz editor / royal editor to editor, and how this is done in practice (with some representative examples to add clarity); and*
7. *to what extent an editor is aware, and should be aware, of the sources of the information which make up the central stories featured in the Daily Mirror each day (including the method by which the information was obtained).*

48. Journalists are bound ethically to protect confidential sources of information. I note that Clause 14 of the Code and section 10 of the Contempt of Court Act 1981 justify non-disclosure. I do not expect my journalists to divulge their confidential sources to me, just as they would not expect me to divulge my confidential sources to them. In general, I would therefore say that the responsibility for checking sources lies with the individual journalist who has the relationship with the source (including me, when this is my relationship).

49. I am not always privy to the method by which a journalist has obtained information from a source. But, this all comes back to the fundamental point that everyone is expected to work within the law and the Code. To the best of my knowledge and belief, my journalists (like me) do comply with the law and the Code and I must trust them to do so. In the absence of any reason to call this relationship of trust into question, I do not believe that I should necessarily (or in some cases, properly) be aware of my journalists' sources and methods. However, on occasion I will become personally involved if the story is particularly controversial: I have given examples below.

50. As regards my responsibilities, I am ultimately responsible for the stories that are published in the Daily Mirror. I must therefore be satisfied that the stories that we publish are accurate and lawfully obtained. Since, in my experience, acting within the law in obtaining

stories happens in practice, our focus is on establishing accuracy, always against the backdrop of the law.

51. As explained earlier, each story is unique. There is no formal protocol for the journalistic inquiries which must be undertaken before a story becomes potentially fit for publication. In practice, sources and stories are checked in a number of ways. I take a number of factors into consideration in my editorial decision-making, including the track record of the source (when known to me), the journalist's reliability and experience, the extent to which the story has been cross-referenced and cross-checked against other available information, and whether the nature of the story means that particular caution should be exercised. If there are potential legal issues I will take advice from our legal department. I take care to ensure that more junior reporters with less experience and less developed track records are properly supervised. This normally entails a more senior reporter – or perhaps one of the Desk team – sitting at their shoulder as they go about collating information and writing the story. I will often get regular updates on the younger reporters' progress.
52. When we are given information relating to a public individual such as a celebrity or a politician, or relating to a public body such as a government department, one of my staff usually contacts the relevant spokesperson to run the story by him or her. In some cases, the spokesperson will confirm the story; in other cases, he or she will deny it, but this does not necessarily determine whether it is true and whether we will publish it. There are very few black and white stories; each one comes with its own nuances and complications.
53. Here are two representative examples (without disclosing the identity of any source):

(1) Example A

In April 2006 we learned that the then Deputy Prime Minister was having an affair with his diary secretary. This was an extraordinary allegation that would have a major impact on government, as well as the individuals involved. I asked who the source was as the story involved a very senior public figure. Even when I was told I was highly sceptical as the source had simply phoned into our newsdesk and told us this remarkable story. We interviewed the source, who also had photographic evidence, at great length and cross-referenced various dates and events to check as far as we could that all the facts added up. The first time we put the allegation to the Deputy Prime Minister he denied it and said he would sue the Daily Mirror. When we went back to him the following day with further evidence, he confirmed

it was true and later gave us a statement. He also asked to be given time to go home and tell his family, which we were happy to give.

(2) Example B

In June 2008 a source told us that Madonna's marriage to Guy Ritchie was in trouble and that they had begun discussing a separation. We checked this with Madonna's PR representatives, who denied the story was true. We published it anyway and, in a PR offensive, Madonna's representatives fed a rival newspaper with what turned out to be untrue stories about how strong the couple's marriage was. On 15 October, the couple announced their marriage was over. We were subsequently nominated for Scoop Of The Year at the 2009 British Press Awards.

54. In addition, in order to illustrate the bigger picture that our job is not straightforward, my experience is that many organisations, like government departments, obfuscate the position as part of their day-to-day function. Dealing with government departments can be tricky. We have regular run-ins with the Ministry of Justice, for instance, who find it very difficult to give a straight answer to most of our inquiries.
55. For example, in March 2010 we had obtained an exclusive story that one of James Bulger's killers had been recalled to prison. When we called the Ministry of Justice for comment at 7pm they said they would come back with a statement. They did so at 8.24pm, but simultaneously released to the Press Association, which deliberately capsized our exclusive. A Ministry of Justice spokesman said later: *"Plans to release a statement to the Press Association regarding Jon Venables were drawn up early on 2 March 2010. This decision was taken by the Secretary of State in light of the high level of public interest in this case and was to be issued once the victim's family had been informed. We did not break an exclusive as this was never going to be an exclusive story for any media outlet."* That last line was particularly vexing. There has always been a reasonable expectation that calls to any government department requesting comment will remain confidential.
56. These examples illustrate that getting to the facts of any story is a process that is sometimes fraught with difficulties. This makes decisions to publish all the more complicated. They show how we do not just publish what a source may be telling us, however reliable that source may be, without further checks.

Editorial decision-making

57. Matter 18 asks me to explain, in respect of editorial decisions I have made to publish stories, the factors I have taken into account, including the fact that information may have been obtained from paid sources, in balancing the private interests of individuals against the public interest in a free Press. I have been asked to provide a number of examples and to explain how I have interpreted and applied the public interest.
58. In practice, there is a distinction between public individuals (in other words, people who are figures in the public eye) and private individuals (by which I mean general members of the public). We tend to be much more mindful of private individuals than public figures. Where private individuals are thrust into the media spotlight, we give careful consideration as to how we deal with them. In contrast, the majority of public figures have put themselves and information about themselves in the public domain. Many court publicity and are represented by agents, PR people and lawyers. Of course, this does not make their private interests irrelevant, but where for example they put forward a public persona that does not tally with their private activities, the public interest scales will tip more readily towards publication.
59. Paying sources or subjects for information and interviews has been a staple of TV, newspapers and popular magazines for many decades. There is sometimes an expectation by members of the public – and more often celebrities – that they are paid for information or their time. Most journalism is part of commerce and sells a product. Those who provide information for that product know that their stories' 'value' may help sell more of that product, so they wish to share in that commercial upside. The fact that a source has been paid may be an added factor in my decision-making process as one may need to understand the motives of the source (e.g. perhaps a disgruntled relative of a public figure).

60.



(2) Example B

We were preparing a human interest feature about a woman who chose to leave her adoptive parents to go back to the birth mother who had given her up. The woman and her birth mother co-operated. The adoptive parents did not want to be interviewed so we took the decision to pixellate their faces in a picture we had been given by the woman and we did not name them.

(3) Example C

In January 2007 former Education Secretary Ruth Kelly complained to the PCC that the Daily Mirror had breached her son's privacy. She had decided to send him to a private school because of his learning difficulties, despite having similar state-funded schools near her home, and we published that fact. In deciding to publish the story I was mindful to balance the public interest in the decision of a senior government figure with direct responsibility for a particular area of policy, with that of the privacy of her child. In our article we were at pains not to identify the child – not even his or her sex and age – or where the school was located.

The PCC, in rejecting the complaint, agreed that the issues raised in the article were *"a matter of considerable public interest"*. The fact that the complainant did not feel that the current state system could meet her child's requirements raised questions about the nature of publicly funded schooling: *"The fact that a Cabinet minister – who had previously been Secretary of State for Education and Skills – had elected to remove her child from the state system to be enrolled in a private school raised important issues for public debate"*, the PCC said, continuing: *"Even if government policy included an acceptance of private schooling for those with special needs, the fact that the complainant did not feel that the current state system could meet her child's requirements raised questions about the nature of publicly funded schooling and its ability to cater for children with special needs – including those whose families would not be able to pay for private schooling."*

Financial / commercial pressure and incentives

61. Matters 9 and 10 ask me to cover issues relating to financial and commercial pressure and incentives, namely:

9. the extent to which I, as an editor, felt any financial and / or commercial pressure from the proprietors of the Daily Mirror or anyone else, and whether any such pressure affected any of the decisions I made as editor (such evidence to be limited to matters covered by the Terms of Reference); and

10. the extent to which I, as an editor, had a financial incentive to print exclusive stories.

62. The newspaper business is a highly competitive industry. The major financial pressure is on the bottom line, as the cost of newsprint is increasingly expensive and advertising revenues are down. Although the Daily Mirror achieves strong sales, we are selling fewer newspapers and seeing much more media online. The financial pressure unquestionably affects my decisions as Editor. For example, if a story is happening abroad, I have to carefully consider whether to send a reporter there. For example, in a recent case, I felt that the £5,000 cost was unjustifiable. However, I have never felt any pressure to act in breach of the law or the Code or otherwise to act improperly.

63. I try to protect my team as much as possible from the financial and commercial pressures that I face as Editor by taking responsibility for this side in front of Trinity Mirror. I do not want my staff to be distracted by these pressures; I want them to be focussed on their jobs and to feel secure in them. Journalism tends to be a vocational career for many and people come into it because they are passionate about it.

64. I do not have any financial incentive to print exclusive stories. My annual bonus as Editor is subject to a maximum cap and is based on Trinity Mirror's overall operating profits, with underpins for the performance of the Daily Mirror and (since 2006) meeting key individual targets (which have not related to the printing of exclusive stories).

Private investigators and other external providers of information

65. Matters 11 to 15 ask me to cover the following issues:

11. whether, to the best of my knowledge, the Daily Mirror used, paid or had any connection with private investigators in order to source stories or information and / or paid or received payments in kind for such information from the police, public officials, mobile phone companies or others with access to the same; and if so, details of the numbers of occasions on which

such investigators or other external providers of information were used and of the amounts paid to them;

- 12. what my role was in instructing, paying or having any other contact with such private investigators and / or other external providers of information;*
- 13. if such investigators or other external providers of information were used, what policy / protocol, if any, was used to facilitate the use of such investigators or other external providers of information (for example, in relation to how they were identified, how they were chosen, how they were paid, their remit, how they were told to check sources, what methods they were told to or permitted to employ in order to obtain the information and so on);*
- 14. if there was such a policy / protocol, whether it was followed, and if not, the practice that was followed in respect of all these matters; and*
- 15. whether there are any situations in which neither the existing protocol / policy nor the practice were followed and what precisely happened / failed to happen in those situations, and what factors were in play in deciding to depart from the protocol or practice.*

Private investigators

66. During my time as Editor of the Daily Mirror we have used, on occasion, the services of private investigators. I have not directly commissioned or had direct contact with them. They would, of course, have been paid for their services, but I would not be involved in their instructions, have knowledge of what they were doing or be involved in the nuts and bolts of their payment.
67. After controversy surrounding the activities of private investigators emerged in earnest in 2011, I was verbally instructed to halt the use of such investigators by Mirror Group Managing Director Mark Hollinshead. This was communicated verbally to our content desk executives by myself at the first available opportunity.

Other external sources

68. To the best of my knowledge, I have never made, authorised or been privy to any payments to members of the police or those with access to the police, or received payments in kind from them for stories or information. I am not aware of the Daily Mirror having done so. This applies also to employees of mobile phone companies and those with access to the police and mobile phone companies. However, on occasion we have paid public sector employees (connected with the health and prison services) for information about prisoners or prison conditions, or conditions in health facilities. There is no set protocol and

decisions are made on the merits of each story. I would not be involved directly in the nuts and bolts of those payments. I only become involved to the extent that my authorisation is required.

69. During my time as Editor of the Daily Mirror we have also used the services of search agencies, although I have not had direct involvement with them.

Expenses / remuneration of external sources of information

70. Matters 16 and 17 ask me to cover the following issues:

16. the extent to which I am aware of protocols or policies operating at the Daily Mirror in relation to expenses or remuneration paid to other external sources of information (whether actually commissioned by the Daily Mirror or not), other than 'official' sources, such as the Press Association; and

17. the practice of the Daily Mirror in relation to payment of expenses and / or remuneration paid to other external sources of information (whether actually commissioned by the Daily Mirror or not), other than 'official' sources, such as the Press Association.

71. Trinity Mirror has a system for the approval of payments to external sources of information, the bulk of which are news and picture agencies. Desk heads have an authorisation level to make individual payments of a certain amount before they consult me. I have authorisation to approve individual payments of up to a further amount. Anything higher and I consult with Managing Director Mark Hollinshead to seek his approval. He in turn has a limit before he has to consult with the Chief Executive. As explained above, I am not directly involved in the nuts and bolts of payment arrangements. I only become involved if it is necessary to approve a financial payment above a certain level.

Computer hacking

72. Matter 19 asks me to cover whether I or the Daily Mirror (to the best of my knowledge) ever used or commissioned anyone who used 'computer hacking' in order to source stories, or for any other reason. I have never to the best of my knowledge had anything to do with 'computer hacking'. Certainly I have never hacked any computer, nor have I commissioned any computer hacking. To the best of my knowledge, the same applies across the Daily Mirror.

Documents

73. The Notice includes a request to me to provide any policies or protocols to which I have referred and any details or documents relating to 'expenses' paid to private investigators and / or other external sources of information. In the latter request, I have interpreted 'expenses' as referring to 'payments' for information or stories and understand 'other external sources of information' to be those identified by the Inquiry, namely police, public officials, mobile phone companies or others with access to the same. I understand that the Inquiry is asking for anything that I have to hand.
74. As set out above, I understand that Trinity Mirror is producing the Code in its current form to the Inquiry (see Category B, Tab 1). In relation to other documents, I understand that Trinity Mirror is providing policies and also details relating to payments to external sources of information (as identified by the Inquiry). As explained above, I am not myself involved in the details of such payments, unless my authorisation is required. To the best of my knowledge, having checked, I do not myself hold to hand documents responding to the Inquiry's request.

Signed.



Richard David Wallace

Dated: 3 October 2011