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Tabloid Hack Attack on Royals, and Beyond

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IN NOVEMBER 2005, three senior aides to Britain's royal family noticed odd things happening on their mobile phones. Messages they had never listened to were somehow appearing in their mailboxes as if heard and saved. Equally peculiar were stories that began appearing about Prince William in one of the country's biggest tabloids, News of the World.

The stories were banal enough (Prince William pulled a tendon in his knee, one revealed). But the royal aides were puzzled as to how News of the World had gotten the information, which was known among only a small, discreet circle. They began to suspect that someone was eavesdropping on their private conversations.

By early January 2006, Scotland Yard had confirmed their suspicions. An unambiguous trail led to Clive Goodman, the News of the World reporter who covered the royal family, and to a private investigator, Glenn Mulcaire, who also worked for the paper. The two men had somehow obtained the PIN codes needed to access the voice mail of the royal aides.

Scotland Yard told the aides to continue operating as usual while it pursued the investigation, which included surveillance of the suspects' phones. A few months later, the inquiry took a remarkable turn as the reporter and the private investigator chased a story about Prince William's younger brother, Harry, visiting a strip club. Another tabloid, The Sun, had trumpeted its scoop on the episode with the immortal: "Harry Buried Face in Margo's Mega-Boobs. Stripper Jiggled... Prince Giggled."

As Scotland Yard tracked Goodman and Mulcaire, the two men hacked into Prince Harry's mobile-phone messages. On April 9, 2006, Goodman produced a follow-up article in News of the World about the apparent distress of Prince Harry's girlfriend over the matter. Headlined "Chelsy Tears Strip Off Harry!" the piece quoted, verbatim, a voice mail Prince Harry had received from his brother teasing him about his predicament.

The palace was in an uproar, especially when it suspected that the two men were also listening to the voice mail of Prince William, the second in line to the throne. The eavesdropping could not have gone higher inside the royal family, since **Prince Charles** and the queen were hardly regular mobile-phone users. But it seemingly went everywhere else in British society. Scotland Yard collected evidence indicating that reporters at News of the World might have hacked the phone messages of hundreds of celebrities, government officials, soccer stars — anyone whose personal secrets could be tabloid fodder. Only now, more than four years later, are most of them beginning to find out.

AS OF THIS SUMMER, five people have filed lawsuits accusing News Group Newspapers, a division of Rupert Murdoch's publishing empire that includes News of the World, of breaking into their voice mail. Additional cases are being prepared, including one seeking a judicial review of Scotland Yard's handling of the investigation. The litigation is beginning to expose just how far the hacking went, something that Scotland Yard did not do. In fact, an examination based on police records, court documents and interviews

with investigators and reporters shows that Britain's revered police agency failed to pursue leads suggesting that one of the country's most powerful newspapers was routinely listening in on its citizens.

The police had seized files from Mulcaire's home in 2006 that contained several thousand mobile phone numbers of potential hacking victims and 91 mobile phone PIN codes. Scotland Yard even had a recording of Mulcaire walking one journalist — who may have worked at yet another tabloid — step by step through the hacking of a soccer official's voice mail, according to a copy of the tape. But Scotland Yard focused almost exclusively on the royals case, which culminated with the imprisonment of Mulcaire and Goodman. When police officials presented evidence to prosecutors, they didn't discuss crucial clues that the two men may not have been alone in hacking the voice mail messages of story targets.

"There was simply no enthusiasm among Scotland Yard to go beyond the cases involving Mulcaire and Goodman," said John Whittingdale, the chairman of a parliamentary committee that has twice investigated the phone hacking. "To start exposing widespread tawdry practices in that newsroom was a heavy stone that they didn't want to try to lift." Several investigators said in interviews that Scotland Yard was reluctant to conduct a wider inquiry in part because of its close relationship with News of the World. Police officials have defended their investigation, noting that their duties did not extend to monitoring the media. In a statement, the police said they followed the lines of inquiry "likely to produce the best evidence" and that the charges that were brought "appropriately represented the criminality uncovered." The statement added, "This was a complex inquiry and led to one of the first prosecutions of its kind." Officials also have noted that the department had more pressing priorities at the time, including several terrorism cases.

Scotland Yard's narrow focus has allowed News of the World and its parent company, News International, to continue to assert that the hacking was limited to one reporter. During testimony before the parliamentary committee in September 2009, Les Hinton, the former executive chairman of News International who now heads Dow Jones, said, "There was never any evidence delivered to me suggesting that the conduct of Clive Goodman spread beyond him."

But interviews with more than a dozen former reporters and editors at News of the World present a different picture of the newsroom. They described a frantic, sometimes degrading atmosphere in which some reporters openly pursued hacking or other improper tactics to satisfy demanding editors. Andy Coulson, the top editor at the time, had imposed a hypercompetitive ethos, even by tabloid standards. One former reporter called it a "do whatever it takes" mentality. The reporter was one of two people who said Coulson was present during discussions about phone hacking. Coulson ultimately resigned but denied any knowledge of hacking.

News of the World was hardly alone in accessing messages to obtain salacious gossip. "It was an industrywide thing," said Sharon Marshall, who witnessed hacking while working at News of the World and other tabloids. "Talk to any tabloid journalist in the United Kingdom, and they can tell you each phone company's four-digit codes. Every hack on every newspaper knew this was done."

Bill Akass, the managing editor of News of the World, dismissed "unsubstantiated claims" that misconduct at the paper was widespread and said that rigorous safeguards had been adopted to prevent unethical

reporting tactics. "We reject absolutely any suggestion or assertion that the activities of Clive Goodman and Glenn Mulcaire, at the time of their arrest, were part of a 'culture' of wrongdoing at the News of the World and were specifically sanctioned or accepted at senior level in the newspaper," Akass wrote in an e-mail.

He accused The New York Times of writing about the case because of a rivalry with a competing media company.

In February, the parliamentary committee issued a scathing report that accused News of the World executives of "deliberate obfuscation." The report created a stir yet did not lead to a judicial inquiry. And Scotland Yard had chosen to notify only a fraction of the hundreds of people whose messages may have been illegally accessed — effectively shielding News of the World from a barrage of civil lawsuits. The scandal appeared to be over, especially for Coulson, who had been hired by the Conservative Party to help shape its message in the run-up to the general election. In May, when David Cameron became prime minister, he rewarded Coulson with the top communications post at 10 Downing Street.

But the hacking case wouldn't go away. Two victims notified by Scotland Yard sued the paper and negotiated agreements, one for a million pounds. Emboldened, lawyers began rounding up clients and forcing the Metropolitan Police (known as Scotland Yard) to reveal whether their names were in Mulcaire's files. Cases are being brought by a member of Parliament, a woman who was sexually assaulted when she was 19 and a prominent soccer commentator who happens to work for one of Murdoch's companies. "Getting a letter from Scotland Yard that your phone has been hacked is rather like getting a Willy Wonka golden ticket," declared Mark Lewis, a lawyer who won the first settlement.

"http://topics.nytimes.com/top/reference/timestopics/organizations/t/time_inc/index.html? inline=nyt-orgTime to queue up at Murdoch Towers to get paid."

FOR DECADES, London tabloids have merrily delivered stories about politicians having affairs, celebrities taking drugs and royals shaming themselves. Gossip could end careers, giving the tabloids enormous power. There seemed to be an inverse relationship between Britain's strict privacy laws and the public's desire to peer into every corner of other people's lives. To feed this appetite, papers hired private investigators and others who helped obtain confidential information, whether by legal or illegal means. The illicit methods became known as "the dark arts." One subspecialty involved "blagging" — getting information by conning phone companies, government agencies and hospitals, among others. "What was shocking to me was that they used these tactics for celebrity tittle-tattle," said Brendan Montague, a freelance journalist. "It wasn't finding out wrongdoing. It was finding out a bit of gossip."

Steve Whittamore, a private investigator who worked for numerous tabloids, himself became the subject of headlines in 2005, after the authorities seized records from his home that revealed requests by hundreds of journalists for private information. "There was never an instance of me doing anything other than what I was asked," said Whittamore, who now runs a **Web site** that tracks local crime. He eventually pleaded guilty, though no journalists were ever charged. Among Whittamore's clients was News of the World, where he worked for 19 reporters and editors.

Rupert Murdoch purchased the once-sleepy Sunday tabloid in 1969. Although the paper was not immune to the industry's decline — its circulation is now 2.9 million, down from 4 million a decade ago — it remains a powerful presence. Sex scandals aside, the paper has exposed wrongdoing resulting in dozens of criminal convictions.

Murdoch unabashedly uses his London papers — which also include The Sun, The Times of London and The Sunday Times — to advance a generally conservative, pro-business line. Beginning in the late 1970s, his papers supported Margaret Thatcher and the Conservative Party, attacking her Labor Party rivals in editorials and news articles. Years later, Labor's Tony Blair assiduously courted and won Murdoch's backing for his more-centrist politics. "You had huge influence as editor," said Phil Hall, who ran News of the World from 1995 to 2000.

One standout at News International was Andy Coulson, who made his name as a young reporter in the early 1990s writing for The Sun's showbiz column. A native of blue-collar Essex in southern England, Coulson had a sharp instinct for what readers wanted. He famously once asked Prime Minister Tony Blair and his wife, Cherie, whether they were members of the mile-high club. In 2000, Coulson moved to News of the World as second in command under the editor, Rebekah Brooks. When she left three years later, Coulson, only 34 at the time, was the obvious choice to succeed her.

WHEN A BOTTLENOSE whale became stranded in the Thames River in January 2006, the London tabloids raced to put reporters and photographers on boats. One News of the World reporter watched in horror as a wet-suit-clad rival from The Sunday Mirror jumped into the freezing water while a colleague snapped pictures. Back at News of the World, editors were not happy.

"If he doesn't get into that river and get a picture of us saving the whale by pushing it out to sea," one journalist recalled Coulson saying of his reporter, "he doesn't need to bother coming back." Not to be outdone, Coulson dispatched another reporter to the North Sea to "find the whale's family."

The episode was vintage Coulson, who ruled the newsroom with single-minded imperiousness: get the story, no matter what. Reporters donned lingerie to infiltrate suburban swinger parties. Others were deployed within the paper's headquarters, on the sprawling News International campus in East London, seemingly for the amusement of editors. One reporter was ordered to spend 24 hours inside a plastic box, in the newsroom, to emulate a stunt by the magician David Blaine.

Despite the earlier arrest of the private investigator Steve Whittamore, the dark arts were still widely in use. Former reporters said both the news and features desks employed their own investigators to uncover medical records, unlisted addresses, phone bills and so on. Matt Driscoll, a former sports reporter, recalled chasing a story about the soccer star Rio Ferdinand. Ferdinand claimed he had inadvertently turned off his phone and missed a message alerting him to a drug test. Driscoll had hit a dead end, he said, when an editor showed up at his desk with the player's private phone records. They showed Ferdinand had made numerous calls during the time his phone was supposedly off. Driscoll was disciplined for supposed inaccuracies and later dismissed; he proceeded to win 800,000 pounds in court, which found he had been bullied by Coulson and other editors.

Around the newsroom, some reporters were getting stories by surreptitiously accessing phone messages, according to former editors and reporters. Often, all it took was a standard four-digit security code, like 1111 or 4444, which many users did not bother to change after buying their mobile phones. If they did, the paper's private investigators found ways to trick phone companies into revealing personal codes. Reporters called one method of hacking "double screwing" because it required two simultaneous calls to the same number. The first would engage the phone line, forcing the second call into voice mail. A reporter then punched in the code to hear messages, often deleting them to prevent access by rival papers. A dozen former reporters said in interviews that hacking was pervasive at News of the World. "Everyone knew," one longtime reporter said. "The office cat knew."

One former editor said Coulson talked freely with colleagues about the dark arts, including hacking. "I've been to dozens if not hundreds of meetings with Andy" when the subject came up, said the former editor, who spoke on condition of anonymity. The editor added that when Coulson would ask where a story came from, editors would reply, "We've pulled the phone records" or "I've listened to the phone messages."

Sean Hoare, a former reporter and onetime close friend of Coulson's, also recalled discussing hacking. The two men first worked together at The Sun, where, Hoare said, he played tape recordings of hacked messages for Coulson. At News of the World, Hoare said he continued to inform Coulson of his pursuits. Coulson "actively encouraged me to do it," Hoare said.

Hoare said he was fired during a period when he was struggling with drugs and alcohol. He said he was now revealing his own use of the dark arts — which included breaking into the messages of celebrities like David and Victoria Beckham — because it was unfair for the paper to pin the blame solely on Goodman. Coulson declined to comment for this article but has maintained that he was unaware of the hacking.

Reporters knew they would be rewarded or ostracized based on their ability to beat the competition. It made for an unusual pecking order. On top was Neville Thurlbeck, whose fervor for scoops was legend. He was acquitted of bribing a police officer for information. But in another case, the paper was found to have violated the privacy of the subject of his front-page story headlined "Sick Nazi Orgy." The paper's parent company paid a 60,000 pound settlement, and Thurlbeck retained his title as chief reporter.

Clive Goodman, the veteran royals reporter, seemed to be on the opposite trajectory. In the 1990s, Goodman crushed competitors with exclusives on Princess Diana. Now, clad in a waistcoat and wearing a pocket watch, he cut the figure of an old-school Fleet Street character whose best stories were behind him. If Glenn Mulcaire, the paper's top investigator, could help him break stories by hacking into the messages of the royal household, Goodman could revive his career.

ON THE MORNING of Aug. 8, 2006, Scotland Yard detectives arrived with a search warrant at News of the World. For six months, officials had tracked Clive Goodman and Glenn Mulcaire as they hacked into the voice mail of the royal household, according to people with knowledge of the investigation. One royal aide's voice mail was called 433 times, records show. In the newspaper's lobby, detectives faced resistance from executives and lawyers for the paper over searching the newsroom, former police officials said. As word of the detectives' arrival ricocheted around the office, two veteran reporters stuffed reams of documents into

trash bags, one reporter recalled, and hauled them away. The precaution proved unnecessary. Detectives limited their search to Goodman's desk. "We only had authority to do that desk," a senior Metropolitan Police official said. "We were nervous about doing any extra search."

At the same time, other detectives descended on Mulcaire's modest home in Cheam, a southwestern suburb of London. Inside, the police found what one investigator called "a massive amount of evidence" — dozens of notebooks and two computers containing 2,978 complete or partial mobile phone numbers and 91 PIN codes; at least three names of other News of the World journalists; and 30 tape recordings made by Mulcaire. Both Mulcaire and Goodman were arrested that day, charged with conspiracy to intercept communications without lawful authority. News of the World editors said they were stunned by the arrests and vowed to conduct an internal investigation.

At Scotland Yard, the task of investigating the case fell to the counterterrorism branch, which was responsible for the security of the royal family. It was an extraordinarily busy time for the unit, which was dealing with the aftermath of the 2005 London transit bombings and was now involved in a complex surveillance operation of two dozen men believed to be plotting to bomb transoceanic airliners. Several former senior investigators said the department was dubious about diverting resources. "We were distracted, obviously," one former senior Scotland Yard investigator said. Scotland Yard also had a symbiotic relationship with News of the World. The police sometimes built high-profile cases out of the paper's exclusives, and News of the World reciprocated with fawning stories of arrests.

Within days of the raids, several senior detectives said they began feeling internal pressure. One senior investigator said he was approached by Chris Webb, from the department's press office, who was "waving his arms up in the air, saying, 'Wait a minute — let's talk about this.' "The investigator, who has since left Scotland Yard, added that Webb stressed the department's "long-term relationship with News International." The investigator recalled becoming furious at the suggestion, responding, "There's illegality here, and we'll pursue it like we do any other case." In a statement, Webb said: "I cannot recall these events. Police officers make operational decisions, not press officers. That is the policy of the Metropolitan Police Service and the policy that I and all police press officers follow."

That fall, Andy Hayman, the head of the counterterrorism branch, was in his office when a senior investigator brought him 8 to 10 pages of a single-spaced "target list" of names and mobile phone numbers taken from Mulcaire's home. It read like a British society directory. Scotland Yard officials consulted with the Crown Prosecution Service on how broadly to investigate. But the officials didn't discuss certain evidence with senior prosecutors, including the notes suggesting the involvement of other reporters, according to a senior prosecutor on the case. The prosecutor was stunned to discover later that the police had not shared everything. "I would have said we need to see how far this goes" and "whether we have a serious problem of criminality on this news desk," said the former prosecutor, who declined to speak on the record.

Scotland Yard officials ultimately decided the inquiry would stop with Mulcaire and Goodman. "We were not going to set off on a cleanup of the British media," a senior investigator said. In fact, investigators never questioned any other reporters or editors at News of the World about the hacking, interviews and records show. A police spokesman rejected assertions that officials failed to fully investigate. He said the department

had worked closely with prosecutors, who had "full access to all the evidence." A former senior Scotland Yard official also denied that the department was influenced by any alliance with News of the World. "I don't think there was any love lost between people inside the investigation and people in the press," the former official said.

In addition to the royal household, Scotland Yard alerted five other victims whose names would appear in the indictment of Mulcaire. Of the remaining hundreds who potentially had their phones broken into, the police said they notified only select individuals with national-security concerns: members of the government, the police and the military.

On Aug. 24, 2006, George Galloway, a member of Parliament, was alerted by a detective that his messages had been hacked. Galloway said the detective urged him to change his PIN code. But when Galloway asked who had accessed his phone, the man from Scotland Yard "refused to tell me anything."

WITH THEIR HEADS bowed, the private investigator Glenn Mulcaire and the reporter Clive Goodman stood in a London courtroom on Jan. 26, 2007, and apologized to the princes and their aides for the "gross invasion of privacy." The men were awaiting sentencing after having each pleaded guilty to one count of conspiracy to intercept communications of the royal aides. But there was no pretense that the abuse was confined to that single count. Mulcaire admitted to hacking the messages of the five other victims: Gordon Taylor, chief executive of the Professional Footballers' Association; Simon Hughes, a member of Parliament; the model Elle Macpherson; Max Clifford, a powerful public-relations agent; and Sky Andrew, who represented some of England's biggest soccer stars.

The judge concluded from this that Mulcaire had not just worked with Goodman, who wrote exclusively about the royal family, but also with "others at News International." In Mulcaire's defense, his lawyer told the judge that his client thought others were hacking, "which for him was one of the reasons why he did not believe it was illegal." Goodman's lawyer noted that his client, too, "lived his life in a world where ethical lines are not always so clearly defined or at least observed." Both men were sentenced to several months in prison and were dismissed by News of the World. Andy Coulson resigned, accepting "ultimate responsibility" for the hacking during his watch.

Not long after, the parliamentary committee opened hearings on the matter. On March 6, Les Hinton, then the executive chairman of News International, told members that as far as he was aware, Goodman was "the only person" at the paper who knew about the hacking. "I believe absolutely that Andy did not have knowledge of what was going on," Hinton said. Goodman and Mulcaire proceeded to sue the paper for wrongful dismissal. Court records show that News International paid 80,000 pounds to Mulcaire. Goodman received an undisclosed amount. Both men, who signed confidentiality agreements, declined to be interviewed for this article.

That May, Coulson was hired to head the communications team of the Conservative Party. The position was colloquially known as chief spin doctor, and filling it with a tabloid editor was not without precedent. Years before, Tony Blair had chosen a former political editor at The Mirror to perform the job for the Labor Party.

In Coulson, the Tories also got someone with inside connections to Rupert Murdoch's influential media empire, whose support the Tories were trying to wrest from Labor and Prime Minister Gordon Brown.

FOR NEWS OF THE WORLD, the events that summer seemed auspicious. Goodman and Mulcaire were no longer at the paper, evidence remained filed away at Scotland Yard and countless people had no idea their phone messages might have been hacked. But like the many secrets News of the World famously exposed, the paper's own would not stay hidden. Less than six months later, in early 2008, trouble was reignited by a lawyer for Gordon Taylor, the soccer association executive whose phone Mulcaire had admitted to hacking. The lawyer, Mark Lewis, said he believed that he could explicitly link the eavesdropping to an article the paper had prepared a year earlier alleging an affair between Taylor and his assistant. Both Taylor and the woman had adamantly denied the affair, but News of the World claimed it obtained the story through "proper journalistic inquiry." Lewis ultimately persuaded the paper to kill the story, but the phrase stuck with him. He now suspected "improper" was a more fitting description.

In the spring, Lewis met with Tom Crone, the chief legal counsel for News International, to try to settle the matter without going to court. "We thought it had all gone away," Crone said, according to three people with knowledge of the meeting.

"I want 250,000 pounds," Lewis told Crone.

Crone laughed and walked out. (Crone declined to discuss details of the meeting but disputed that Lewis asked for that amount.)

Lewis, who is 45, hardly fit the profile of a high-powered London lawyer with the resources and gumption to take on News International. He worked in the more proletarian city of Manchester, where he sometimes showed up at the office wearing black jeans and a punk T-shirt, his hair a spiky peroxide blond. Nonetheless, shortly after the meeting, he filed a lawsuit on Taylor's behalf against News International and Mulcaire. Lewis's suspicions on the eavesdropping were confirmed later that year, when Scotland Yard was compelled to produce the relevant evidence it had collected at Mulcaire's home. A draft of the paper's unpublished article about Taylor's alleged affair indicated it was based on a voice mail message he had received from his assistant. Lewis said the message went: "Thank you for yesterday. You were great." The paper assumed "she was talking about shagging," Lewis explained. In reality, she was referring to a speech Taylor gave at her father's funeral. "The story had been made up," Lewis said.

Other items turned over by Scotland Yard pointed to additional journalists at News of the World. One was an e-mail containing the transcript of hacked messages that had been sent by a reporter at the paper. The e-mail opened, "This is the transcript for Neville." There was only one Neville on staff: Neville Thurlbeck, the paper's chief reporter, who helped write the original story on Prince Harry's strip-club escapades. (The paper has said Thurlbeck had no knowledge of the e-mail.) Another item was a contract signed by an editor for Mulcaire to work on a story about Taylor. Also turned over was the audiotape that Mulcaire made instructing a journalist on how to access Taylor's voice mail. (It's unclear whether investigators tried to figure out his identity. Dialing the phone number deduced by listening to the tape led The Times to a reporter, but one who may not have worked at News of the World.)

On June 27, 2008, the judge in the case ordered Mulcaire to identify the journalist and release other information. Within 24 hours, the paper's lawyers called Lewis to settle. Taylor received a 700,000-pound settlement, which included legal expenses. Two of Taylor's associates whose phones were also hacked received additional money. The package approached one million pounds. The settlement remained under wraps until July 9, 2009, when The Guardian broke the story. Within the week, Max Clifford, the public-relations chief who had also been named as a victim in the Mulcaire indictment, announced on the BBC that he was going to sue.

WHILE OCCASIONAL articles appeared about the various goings-on at News of the World, the scandal was somewhat of a nonscandal in the other tabloids. But The Guardian, a Labor-oriented paper with an undisguised disdain for Murdoch's publications, aggressively pursued the hacking episode. Its exclusive on the Taylor settlement prompted the parliamentary committee to convene new hearings. John Whittingdale, the committee's chairman and a Tory, said he felt misled by News International executives who testified two years before that Goodman and Mulcaire acted alone. At the new hearings that July, Coulson maintained he had been unaware of the illegal activities. "I have never condoned the use of phone hacking, and nor do I have any recollection of incidences where phone hacking took place," he said.

As television cameras rolled, Adam Price, a committee member, pointed to the paper's story about the lapdancing message Prince William had left on his brother's phone. As editor, Price asked Coulson, you "would not have checked the provenance of that story?"

"Not necessarily, no," Coulson replied, "and I do not remember the story."

Two months later, his former boss, Les Hinton, who was now running Dow Jones, testified by video-conference from New York. Hinton rejected suggestions by committee members that the payments made to Goodman and Mulcaire after their dismissals were intended to buy their silence. "I cannot actually see what silence there was left" after months of police investigation, said Hinton, who declined to comment for this article.

During a recent interview, the committee chairman reread portions of that testimony, pausing to laugh at Hinton's repeated "I do not recall" or "I do not know" responses. "This was just a masterful performance by Les Hinton," Whittingdale said. "We all sat in awe."

When the committee released its findings this past February, it criticized the police, saying Scotland Yard officials had evidence that merited a wider investigation. The committee reserved its harshest words for News International executives, whom it assailed for "collective amnesia." Tom Watson, a committee member, later said that the eavesdropping "went to the heart of the British establishment, in which police, military, royals and government ministers were hacked on a near industrial scale."

THAT SAME MONTH, a judge hearing the lawsuit by the public-relations executive Max Clifford ordered Mulcaire to name any journalist for whom he hacked into Clifford's phone. The names discovered in Mulcaire's files had been redacted by the police. The lawsuit was something of a professional twist for Clifford, who often brokered stories between the tabloids and people looking to capitalize on their exploits

with celebrities, earning him a reputation as the master of the "kiss and tell." He had a particularly productive relationship with News of the World until 2005, he said, when he had a falling out with Coulson over a story about a client using cocaine. Not long after, Clifford's phone was hacked by Mulcaire. "I was the source of many of their biggest stories, and suddenly that source was gone," Clifford said. "So I was a prime candidate. It's common sense. Night follows day." But before Mulcaire could obey the order to testify, Clifford dropped his lawsuit. Clifford declined to comment on details of his decision, except to say that his feelings changed after a meeting with Rebekah Brooks, the former News of the World editor who became chief executive of News International. "We sat down and we had lunch," Clifford said, "and it took us no time to sort it all out."

News International agreed to pay Clifford one million pounds in exchange for feeding the paper exclusive stories over the next several years.

The company had been able to prevent Mulcaire's testimony. But when The Guardian published details of Clifford's lucrative deal, the litigation floodgates opened. More than three years after Scotland Yard closed the official investigation, solicitors and barristers now scrambled to bring new cases against News International and the police. Charlotte Harris, who represented Clifford, said that because of the way Scotland Yard handled the cases, "it has fallen upon the potential victims to make their own inquiries." As a first step, potential plaintiffs needed to get confirmation from Scotland Yard on whether their names or phone numbers were found among the evidence. Scotland Yard initially promised prosecutors it would alert everyone named in the files, but it didn't. One of Harris's other clients, the victim in a high-profile sexualassault investigation seven years ago, wrote to the police in January to see if her name was in the files. The woman suspected her phone may have been hacked because details about her life appeared in News of the World and other tabloids during coverage of her ordeal. She had been convinced the police or her friends were selling the information. Two months after writing to the police, she received a letter confirming that her number had been found among Mulcaire's records. The letter said the evidence did not necessarily mean her messages had been accessed and suggested she contact her phone-service provider, "who may be able to assist further." The woman and other potential hacking victims said that by sitting on the evidence for so long, the police have made it impossible to get information from phone companies, which do not permanently keep records. "It was disingenuous, to say the least, for Scotland Yard to say that," the woman said. The police recently confirmed that the phone numbers of two friends were also found in Mulcaire's records, she added. "I think I could have been spared a lot of angst about who I could trust and who I couldn't trust had they told me," she said.

Three plaintiffs are jointly seeking a judicial inquiry into Scotland Yard's handling of the hacking case. The plaintiffs, who include a former deputy assistant commissioner of the Metropolitan Police, say their rights were violated when the police failed to inform them that their names were found in Mulcaire's documents. The former official, Brian Paddick, scoffed at Scotland Yard's explanation that the appearance of his name didn't necessarily mean that he was hacked. "It's a mealy-mouthed way of saying, 'We're not telling you any more, that maybe something happened but we can't be bothered to investigate,' "he said. A police spokesman said the department has been "as open as possible whilst maintaining and protecting individuals' personal information and respecting privacy." Andy Hayman, who ran the case for Scotland Yard, has since

retired. He declined to comment for this article. He is currently a columnist for The Times of London, where he has written in defense of the police investigation and maintained there were "perhaps a handful" of hacking victims. The paper is owned by News International.

BY THE SPRING of this year, News International's papers had firmly switched their support from Labor to the Tories. An avalanche of unforgiving coverage culminated on April 8, one month before the general election, in a Sun story headlined "Brown's a Clown." Brown's strategists assumed that Murdoch's motives were not purely ideological. They drew up a campaign document conjuring Murdoch's wish list should David Cameron become prime minister. Among the top items they identified was the weakening of the government-financed BBC, one of Murdoch's biggest competitors and long a target of criticism from News International executives. On May 11, David Cameron officially assumed the position and elevated Coulson to the head of communications. Within the week, Rupert Murdoch arrived at 10 Downing Street for a private meeting with the new prime minister. Cameron's administration criticized the BBC in July for "extraordinary and outrageous waste" during difficult financial times and proposed cutting its budget.

At News of the World, editors said they had imposed a policy of zero tolerance of hacking. Whittingdale, the head of the select committee, said he was also assured by News International executives that hacking would not be permitted. "We have seen no evidence to suggest that it is still continuing," he said. But in recent months, News of the World executives were notified of another suspicious episode. A phone company had alerted a television personality that someone called her mobile phone in a possible unauthorized attempt to access her voice mail, according to two people with knowledge of the incident. A court order ensued, compelling the phone company to divulge the source of the call. The number was traced to a reporter at News of the World. The paper said the journalist "has been suspended from reporting duties" while it conducts an investigation.

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