14/10/2011 13:51

01622791731

CHAMPION FINANCIAL

PAGE 02

NI Group Limited D. Larcombe First Statement "DL1" 14 October 2011

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

## WITNESS STATEMENT OF DUNCAN ROBERT PRICE LARCOMBE

- (1) State who you are and provide a brief summary of your career history in the media.
- I have been working as The Sun's Royal Editor since January 2011. Prior to that, I spent 14 months as the paper's Defence Editor. Between 2005 and 2009, I worked as Royal Correspondent, having joined the paper on staff in October 2002. The Sun is the only national paper I have worked for but after leaving university I worked for three years on the Kent and Sussex Courier.
- (2) Explain how you understand the system of corporate governance to work in practice at the newspaper where you are employed ("your newspaper") with particular emphasis on systems to ensure lewful, professional and ethical conduct.
- 2 All reporters at The Sun are given a copy of the staff handbook which outlines the expectations of employees. We are also periodically given copies of the Press Complaints Commission (the "PCC")'s code of conduct, as and when it is updated.
- The NI Staff Handbook makes it clear that there is an expectation on reporters at The Sun to adhere to the PCC guidelines in the course of their employment. I have also been given a copy of the company's standards of business conduct (the "SBC") which outlines the standards that are expected of all employees and there is a new NI payments policy which has been distributed to me in hard copy and which I have signed for. I understand that a copy of the SBC has been included in a bundle of documents provided to the inquiry on NI Group Limited ("NI")'s behalf.
- More generally, in my experience the culture at the paper is one in which legal and ethical issues, when they arise, are openly debated and discussed. So, for example, when ethical issues arise on stories I am working on, I will often discuss these with the news desk before taking a decision. From time to time Senior Editors will also liaise with the PCC to discuss a story before it is published. For example, when Princes William and Harry were

14/10/2011 13:51

01622791731

CHAMPION FINANCIAL

PAGE 03

on a flying course at an RAF base in Shropshire in 2009, they rented a wing of a large stately home. But before we ran the story, my then Managing Editor, Graham Dudman, and I discussed whether the PCC would be unhappy with us identifying the stately home for security reasons. The property in question was unique in the area around the RAF base and there was a concern that the Princes' address would be identified if we gave too much detail away in the story. As a result of discussions Graham Dudman had with the PCC, we agreed to tone down the story and did not identify the property as part of a stately home.

- It is fairly common for reporters to consult with the in-house legal team when working on stories which have the potential for legal problems. If a reporter is writing a story that may have legal sensitivities, it is custom for them to put "PLEASE LEGAL" at the top of the copy, indicating that the news desk should then forward the copy to an in-house lawyer prior to publication. The lawyer will then usually contact the reporter directly to raise any issues or concerns they may have. For example, in the run up to the recent royal wedding I had a story that the King of Cambodia was the only foreign royal not to have returned an RSVP after receiving a wedding invitation. On this occasion I was keen to check with the lawyers whether they felt we could describe this as a "sensational snub" by the King of Cambodia. We discussed the background to the sourcing and what official calls I had made, and they gave the story a green light. All of the reporters are expected to heve, and frankly do have, a reasonable grasp of media law and what issues you need to address before you can publish a story. But the in-house lawyers are there as a back-up and as experts who can be approached over any concerns.
- (3) Explain your role in ensuring that the corporate governance documents and all relevant policies are adhered to in practice. If you do not consider yourself to be responsible for this, please explain who you consider to hold that responsibility and why.
- Although I have the title of "editor", I am not a manager, nor do I have any staff working under me. The Sun has roughly 35 staff reporters. They all report directly to the news desk team, which consists of eight staff whose job it is to co-ordinate, oversee and run the daily work of news-gathering. The news desk is headed by whoever is acting as News Editor that day, depending on the rota. Every day the news desk team produces a news list of stories that they are putting up for the next day's paper. The News Editor then takes this list into the morning conference where the following day's paper is discussed with the Editor and other senior staff.
- As Royal Editor, I am on a par with any other reporter. I do not sit on the news desk. Like the other news reporters on the paper, I am expected to report to the news desk on a daily basis. I do not sit in on the daily news conference with senior editorial staff and have never done so. I am expected to brief and be briefed by members of the news desk on a daily

basis. They may ask me to look into tips and stories they have been given, and I will go to them with stories, tips or suggestions from my own knowledge of my specialist area.

- 8 I am not therefore responsible for ensuring that policies and guidelines are adhered to other than in relation to me. It is my understanding that the role of ensuring that policies and guidelines are adhered to would lie with the News Editor and senior editorial staff, such as the Deputy Editor, the Managing Editor and the Editor.
- (4) Explain whether the documents and policies referred to above are adhered to in practice to the best of your knowledge.
- 9 As far as I am aware these guidelines and rules form a framework for how reporters on the paper carry out their day-to-day roles.
- (5) Explain 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.
- I can recall that after the original phone hacking arrests all reporters were briefed by desk heads on News International's zero tolerance approach to law breaking by members of staff in the course of their work. However, the initial arrest in the phone hacking case did not directly affect royal reporting at The Sun. Throughout it we maintained a good working relationship with the palace and it is my view that they were well aware that, although we were part of the same news organisation. The Sun and the News of the World were entirely different entities, each working quite independently of the other; there was never any editorial overlap or sharing of information on stories.
- In recent weeks it is fair to say that a number of new measures have been introduced. All editorial staff have been briefed by the new chief executive, Tom Mockridge, on what he expects from his team and reminded that phone hacking and other illegal activities are totally unacceptable. We have also all been briefed on the new Bribery Act and given a copy of Ni's payments policy document which, as I noted above, we all had to sign for. In addition, a 24-hour phone line has been set up for NI staff to report any allegations of illegal activity by colleagues and an independent internal investigation into the legal aspects of journalistic practices across all NI titles is underway.
- (6) Explain where the responsibility for checking sources of information (including the method by which the information was obtained) lies: from reporter to royal editor to Editor, and how this is done in practice (with some representative examples to add clarity).
- As a reporter, responsibility for checking sources and the validity of the information they provide lies with me as a first point of call. Checking sources is an aspect of my job that I take extremely seriously.

- Whenever dealing with a tipster I ask myself: who are these people, how reliable is their information and how do they know what they know? In most cases it is relatively easy to answer all these journalistic questions very quickly. People normally say who they are and how they know what they know, and from that it is usually easy to reach a conclusion as to how reliable they are.
- 14 While the responsibility for checking a source lies with the reporter, the news desk will often want to discuss where a story is coming from. They may not demand to know names, but it is not unusual for them to ask "How confident are you of your source? Do they check out?" The most common question they ask is "Have you stood it up yet?" by which they mean have I put in a cail to the palace to get formal conformation that the story is true?
- 15 I pride myself on having built up an excellent working relationship with the royal press offices. I have daily contact with them and we never run a story involving a member of the royal family without checking it with the royal media teams prior to publication. In nearly all cases this would mean a simple phone call to the press officers at the palace or Clarence House. On odd occasions it may be by text message or e-mail. They are good at offering guidance in the majority of cases (although this guidance is always on a strictly "off the record basis"), which makes the process of double-checking information from other sources pretty straight forward.
- Every exclusive story is checked with the palace or Clarence House press office. They will not mislead the press, and I have never known them "leak" a story ahead of its publication in The Sun. Based on that, putting a "check call" into the palace is a cast iron way of ensuring a story is true.
- The only real exception to this is that the Royal press offices do not comment on stories relating to health matters of the Royals, including pregnancies before they have been formally announced. So, for example, if I were to ring them to say I had a tip that the Duchess of Cambridge was pregnant, I would expect them to reply, "We do not comment on matters of health". The logic for this is simple. If they said for guidance, "No she is not pregnant", then reporters could simply put in a call every week of the year, until finally the reply came back "no comment".
- 18 Some illustrative examples of the checking process are set out below.
  - (i) In 2009, a tipster rang the news desk to say that he had "explosive pictures" of Prince William and his then girlfriend Kate Middleton on holiday. The news desk passed me the tipster's number straight away and within minutes I had spoken to the tipster and agreed to meet him in West London that afternoon. However, from the nature of what we were being offered, I had immediate concerns about who the tipster was and how he had acquired these pictures. I waited outside Paddington Station for the tipster, but he did not turn up at the time we agreed.

Given my concerns, I contacted Clarence House press office and told them we were being offered pictures and suggested they check with their principals as to whether any pictures or a camera had gone missing or been mislaid. The tipster then turned up outside Peddington Station, as arranged, and showed me pictures on a camera memory stick that he claimed to have "found in the street". I found it very suspicious and explained that if the memory stick was stolen we would not be able to publish the pictures and that the police would almost certainly be informed. Despite this, the tipster insisted he had found them.

I brought the tipster back to the office to meet the deputy editor, the picture editor and the head of news. The tipster was asking for £25,000 for the pictures and agreed to hand them over to us so that we could check them out. Clarence House then got back in touch with me and said that Pippa Middleton's car had been broken into earlier that day and that her camera, containing the holiday pictures, was in a handbag that had been stolen. As a result of that information we agreed to hand over to the police the memory stick, and the address and details of the tipster. He and another man were arrested the following day. I then made a witness statement to the police and the tipster pleaded guilty to the theft at a later date.

- (ii) In May 2011, a colleague had received a tip that Prince William and Kate Middleton were buying a property in Regent Park Mews. I e-mailed Miguel Head, their press secretary, with all the detail I had asking if it was true. He replied later that day saying the tip must be a hoax. As a result we never ran the story and the matter was dropped.
- (iii) In September 2011, it was being suggested in America that the Duchess of York was buying a house in LA, and was quitting Britain for good. I put this via text message to James Henderson, the PR man who deals with the Duchess. He texted back saying he had checked with her and there was no truth in the rumour. As a result, we took this guidance in good faith and dropped the story.

As far as I am concerned, these are examples of how I am expected to check out tips that come into the paper, whilst using my relationship with the palace to ensure that we are not duped into publishing hoaxes or stepping outside the law. That said, I am not senior enough at the paper to make these decisions without constant contact with my line managers.

(7) Explain the extent to which a royal editor is aware, and should be aware, of the sources of the information which make up the central stories featured in your newspaper each day (including the method by which the information was obtained).

- 19 I am always aware of the sources of my own stories. As noted above, whilst I have the title of Royal Editor, I do not have any staff working under me and I do not have any input on stories put up by other members of staff.
- (8) Explain the extent to which you consider that ethics can and should play a role in the print media, and what you consider 'ethics' to mean in this context.
- I have always seen it as an immense privilege to work on a national newspaper and have tried to conduct myself in an ethical manner. I have always understood ethics in this context to refer to those requirements governing how we should behave, over and above that which is required by law. Ethics cover every aspect of the job and can mean different things in different contexts. For example, at a press conference where the parents of a missing teenager will be questioned, ethics require reporters to show respect and sensitivity to those parents. When I covered the Soham Murders, for example, I always attended these press conferences in shirt, tie and suit. As and when it was my turn to ask a question, I tried to be gentle rather than aggressive, and tone the questions in such a way that would not contribute to the parents' grief.
- 21 In the royal world, athics often governs what we report. For example, we often get advance notice of where members of the Royal family will be visiting, but we do not write this until the palace have given us the go-ahead, because of security concerns.
- Other examples relate to the work I have done behind-the-scenes to ensure there is no repeat of the "dark days" when Princess Diana was aggressively pursued by photographers. In 2007, I played a role in ensuring that The Sun agreed not to publish pictures of Kate Middleton unless she was with Prince William and therefore under the protection of trained officers. It is my recollection that this stance was made clear by News International shortly after the time she was pictured with dozens of cameramen and photographers outside her property (January 2007).
- 23 In addition, when I became Royal Editor in January 2011, I met with a number of freelance photographers and underlined that we would not publish pictures where there had been a pursuit, harassment or invasion of privacy of members of the royal family. This, I believe, proved particularly important in the run up to the royal wedding, when a premium was placed on any picture of the couple. To back this up, I made an agreement with Clarence House that I would check every picture sent to us of members of the royal family to ensure that the above principles had been followed. On a number of occasions this agreement has meant that pictures that have been published elsewhere have not been published by The Sun.
- (9) Explain the extent to which you, as royal editor, felt any financial and/or commercial pressure from the proprietors of your newspaper, the Editor or anyone else, and whether any such pressure affected any of the decisions you made as royal editor.

- Working on a national daily paper can be a very pressured environment. The pressure I am under is to ensure that The Sun maintains leading royal coverage, but I think that this pressure is what makes us good reporters, not bad reporters.
- (10) Explain the extent to which you, as a royal editor, had a financial incentive to print exclusive stories.
- As Royal Editor, I am expected to come up with exclusive stories that is part of the job. In September every year NI staff are awarded a small bonus in relation to their performance in the previous year. Whilst I have been paid this bonus for the past three years, it never directly relates to individual stories, but is more a reflection of overall performance covering all aspects of my employment.
- (11) Explain whether, to the best of your knowledge, your newspaper 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: If so, please provide 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.
- 26 To the best of my knowledge I have never paid or used a private investigator as a source of stories, or otherwise. And, although I have dealt with police officers over the course of my career, I have never paid them, nor been asked to by my employers.
- I use the words "to the best of my knowledge" because it is no secret that The Sun offers members of the public payments in return for information. These "sources" are more often than not members of the public with information they believe would be of interest to The Sun. For example, a Sun reader may ring the paper after spotting a celebrity on a beach in the Caribbean. In these instances we would pay a "tip off" fee if the information led to a story or picture making it into the paper. This is done strictly on an "on publication" basis. We do not pay cash up front for stories because the vast majority of calls the news desk takes from members of the public turn out to be wrong, a hoax or duff tips. So far as I am aware, none of these tipsters has been a private investigator.
- (12) Explain what your role was in instructing, paying or having any other contact with such private investigators and/or other external providers of information.
- 28 Please see my answer to question 11 above.
- (13) If such investigators or other external providers of information were used, explain 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).

- 29 I am not aware of any policies or protocols relating to the use of private investigators.
- (14) If there was such a policy/protocol, explain whether it was followed, and if not, what practice was followed in respect of all these matters.
- 30 Please see my answer to question 13 above.
- (15) Explain 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. What factors were in play in deciding to depart from the protocol or practice?
- 31 Please see my answer to question 13 above.
- (16) Explain the extent to which you are awars of protocols or policies operating at your newspaper in relation to expenses or remuneration paid to other external sources of information (whether actually commissioned by your newspaper or not).
- Payments are regularly made to freelance journalists, photographers and press agencies. There are also regular occasions when we pay individuals who come to us with information and stories. There have been several occasions when I, as Royal Editor, have paid people money for stories or pictures that have ended up in the paper. Some of these people have become regular "tipsters" while others may only have been a one-off.
- In all cases, payments have to be authorised by the news desk as our line managers. If the payment is more than £1,000 it is my understanding that the payment then has to be authorised personally by the Editor or the Managing Editor. In the vast majority of cases, the payments are made to known and trusted sources with a proven track record.
- For "tipsters", payments are usually discussed prior to a story being published but the tipster is told it really depends on how well the story makes the paper. A front page story is obviously worth more than a back of the book page lead, but there is no set figure for a payment; it is based on negotiations. Once a story has been published what normally happens is the tipster then sends us their name, address and bank details and I would approach the news desk to try and agree a figure with them. Once everyone is happy, I then put the story details and the tipster's details into the Editorial Commissioning System (the "ECS"). The news editor then signs off the payment and the money usually goes into the tipster's bank four weeks or so later. The vast majority of payments I have dealt with are for small payments of no more than £500.
- 35 Very occasionally (I would say on average no more than once a year), I have had to pay cash for a story, without putting a tipster's details through the ECS, because the tipster has

insisted on it. For example, I once got a cash payment of £500 authorised by the news desk because the tipster claimed he did not want his wife to know he had sold a story to The Sun, and so he did not want any paperwork turning up at their house, or money arriving in their joint account. Similarly, I once dealt with a woman who did not want her boyfriend to know she had spoken to The Sun about a royal story. On both occasions, the news desk was responsible for recording details of these payments.

- 36 Payments to freelance journalists, photographers and press agencies are all dealt with through the ECS.
- (17) Explain the practice of your newspaper in relation to payment of expenses and/or remuneration paid to other external sources of information (whether actually commissioned by your newspaper or not).
- 37 Please see my answer above.
- (18) In respect of editorial decisions you have made to publish stories, explain the factors you have taken into account in balancing the private interests of individuals (including the fact that information may have been obtained from paid sources in the circumstances outlined under paragraph 11 above) against the public interest in a free press. You should provide a number of examples of these, and explain how you have interpreted and applied the foregoing public interest.
- On a weekly basis I have to make decisions balancing up the private interests of individuals against the public interest. I am of the view that the royals have a right to privacy whilst the public has a right to know who they are, what they are doing and how they are behaving. Striking this balance is, in my view, the art of the job of the Royal Editor. Some examples of recent decisions I have made in this context are set out below:
  - (i) On the Thursday after the royal wedding one of our photographers took a picture of the Duchess of Cambridge pushing an empty supermarket trolley in the car park of a supermarket near her home in North Wales. The palace stated that it would have preferred that we had respected Kate's privacy and asked that we did not run the picture. They were also concerned that our publication of a picture of Kate near her home in North Wales might be seen as a green light for freelance photographers to hound her on a daily basis.

Having discussed these concerns with Clarence House, I took the view that on this occasion the public interest in publishing the picture outweighed the private interests of the individual concerned. It was the first picture of Kate since two billion people worldwide had seen her marry into the royal family. In my view, the sight of her pushing her own supermarket trolley gave a natural and extremely telling indication of the real Kate. She did not have a team of flunkies. Despite the global

wedding spectacle, here she was going about a mundane, ordinary task which is typical of the woman that I, as Royal Editor, know.

On this basis, we ran the pictures but not without a follow-up conversation with Clarence House in which I agreed that from then on we would not set foot on the island where William and Kate live unless there was a strong news-related reason for us to be there. This follow up conversation was by telephone with Miguel Head, the Duchess of Cambridge's press secretary. It took place the day after we ran the pictures on or around 6 May 2011.

This kind of compromise is typical of the behind-the-scenes conversations I have with the royal media teams on a regular basis. Since that picture was published we have turned down several pictures offered to us by freelance photographers taken in the area of William and Kate's home. Whilst in reality it is not actually my call to make these kinds of unofficial agreements with the palace, I have found that the news desk and the Editor are satisfied with my judgement over my own specialist area.

- (ii) The week before the royal wedding, I became aware that Kate Middleton and her family had booked the entire fifth floor of the Goring Hotel for the night before the wedding, and that the hotel had spent thousands doing the rooms up. I had the story and a whole selection of pictures of the rooms in question. However, when I ran this past Miguel Head he requested we hold the story on the grounds of security. He said the police had concerns about that information being in the public domain at that stage. We agreed that if we held the story, Miguel would let us know when those concerns had been resolved. Three days later, once the palace said the police no longer had security concerns, we ran the story on our front page. It was a risk holding the story, but the risk of us losing the scoop was outweighed by the security concerns raised by those who job it is to protect the Middleton family.
- (iii) After the royal wedding, I became aware of the exact location where William and Kate would be honeymooning ahead of their departure. But whilst that was a great scoop, when I checked with the palace they requested that we did not reveal the location until the couple were on their way back home. They reised concerns that if we wrote the story, freelance photographers from all over would head there and ruin their holiday. Once again I took the decision, following discussions with the news desk and Clarence House, to let this scoop go on the grounds that in this instance the private interests of the couple outweighed the public interest in revealing where they were staying ahead of the honeymoon.
- (19) Explain whether you or your newspaper ever engaged in or procured others to engage in 'computer hacking' in order to source stories, or for any reason.

## For Distribution To CP's

14/10/2011 13:51 01622791731

CHAMPION FINANCIAL

PAGE 12

I have no knowledge of computer hacking being used in order to source stories and have 39 never engaged or procured others to engage in computer hacking.

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

Signed .	
	rale-la

A13990685/1.0/14 Oct 2011