

IN THE MATTER OF THE LEVESON INQUIRY

WITNESS STATEMENT OF
RICHARD DAVEY WATSON

I, **RICHARD DAVEY WATSON**, of BBC Television Centre, Wood Lane, London, W12 7RJ,
WILL SAY:-

- A. Insofar as the matters set out in this statement derive from my own knowledge, they are true. Where matters are not within my personal knowledge, they are true to the best of my information and belief and derive from the sources stated.
- B. In order to assist the Leveson Inquiry I have set out the questions asked of me in the letter dated 11 August 2011 and provided my answers beneath them.

1. Who you are and a brief summary of your career history in the media

- 1.1 I am a Correspondent for BBC Two's flagship daily news and current affairs programme, Newsnight. I specialise in investigations for the programme and regularly contribute reports for other BBC outlets. I cover a wide range of stories for Newsnight; some are short filmed reports made in one or two days, driven by the news agenda; others are off-diary, longer films which aim to place original material into the public domain. Many of these longer projects are investigative in nature.
- 1.2 As a Correspondent, I am not a line manager to any staff on Newsnight. However sometimes I work in a team with less experienced journalists who I make sure are aware of editorial policies at the BBC. My line manager is the Editor of Newsnight.
- 1.3 I started my career as a geologist before moving into journalism at the BBC in 1991 after covering the first Gulf war for the professional magazine 'New Civil Engineer'. From 1991 to 1993 I was a correspondent for BBC South, reporting business, transport and industry stories from regional newsrooms in Bristol, Southampton and Plymouth. During this time I delivered several high profile investigations into the international

arms trade to Iran and Iraq. I became a Reporter on the weekly BBC current affairs strand 'The Money Programme' in 1993, again specialising in investigative work. In 1996 I became a Reporter for a variety of network current affairs programmes including BBC Radio 4's investigative strand, File on 4, and Panorama. I joined Newsnight in 1998.

1.4 Since the 9/11 attacks in America, my major area of interest has been reporting British and international terrorism and extremism. I have written a detailed account of the rise of extremism in Britain and have made many films on this subject for Newsnight and other programmes such as Panorama and File on 4. Two of my films for Newsnight have won Royal Television Society awards. I received a Sony radio award for an investigation into corruption in the European Commission.

2. How you understand the system of corporate governance to work in practice at the organisation where you are employed with particular emphasis on systems to ensure lawful, professional and ethical conduct

2.1 The BBC's Editorial Guidelines are the core system at the BBC to ensure the lawful, professional and ethical conduct of its journalists. They cover a range of topics including accuracy, impartiality, fairness and privacy, as well as setting out circumstances when matters should be referred up to an editor, an editorial policy advisor or a legal advisor. The Editorial Guidelines also incorporate the Ofcom Code because Ofcom regulates the BBC (except on issues of accuracy and impartiality).

2.2 In practice, all of my stories for Newsnight are approved by my Editor before broadcast. If they are of particular significance or sensitivity they will also be referred to the Deputy Director of News and/or the Director of News. If I am working on a sensitive investigation I will often speak with an Editorial Policy advisor and a Programme Legal Advice lawyer well in advance of publication. If one of my stories is re-versioned for other BBC outlets (for example, BBC Radio 4's PM programme or the News at Ten O'clock), I will also ensure that the editors responsible for those programmes are aware of any editorial or legal issues. The purpose of my discussions with senior editorial figures and advisors is to ensure the BBC has fully considered the arguments for and against including legally difficult or editorially controversial material in a report.

- 2.3 Newsnight holds a morning meeting every day to discuss the forthcoming programme. That meeting is an opportunity to discuss potentially difficult legal or editorial issues. There are other meetings throughout the day attended by senior journalists from a range of BBC News programmes, including the editor of the day on Newsnight (a senior journalist responsible for Newsnight's output that night). Significant points of discussion from these meetings are then reported back to Newsnight journalists.
- 2.4 Finally, the BBC has an editorial complaints process which enables members of the public to complain about BBC content for inaccuracy, lack of impartiality etc. If a complaint is received about one of my stories, I will draft the response to the complainant in conjunction with the Deputy Editors or Editor of Newsnight. If a complainant is unhappy about the outcome of a complaint made to the programme or to the BBC Editorial Complaints Unit, then an appeal can be made to the BBC Trust which is responsible for ensuring the BBC serves the public interest. Amongst its other duties, the Trust's Editorial Standards Committee is responsible for assisting the Trust in securing editorial standards.
- 3. What your role is in ensuring that the corporate governance documents and all relevant policies are adhered to in practice. If you do not consider yourself to have been/be responsible for this, please tell us who you consider to hold that responsibility and why**
- 3.1 I am responsible for ensuring that I comply with all relevant Editorial Guidelines and policies in relation to my own stories. I often work as part of a team which includes less experienced members of staff. I am not their line manager but I believe I am responsible, to a degree, to ensure these members of staff are adhering to relevant editorial policies and guidelines, for example in the areas covering fairness, affording a right of reply to individuals, understanding defamation and contempt issues, and general safety risks. If I am preparing a longer filmed investigative report I will usually be working alongside a senior Newsnight producer, sometimes with a more junior producer or researcher in support, a camera operator and a picture editor. Discussing legal and editorial issues and problems with the team and with Newsnight's Editor or two Deputy Editors in the context of the Editorial Guidelines and best practice is central to what we do before, during and after filming takes place.

3.2 In addition, I have my own sense and understanding of ethical and professional standards, which are consistent with the BBC's Editorial Guidelines or the Ofcom Code.

4. Whether the documents and policies referred to above are adhered to in practice, to the best of your knowledge

4.1 In relation to the stories that I work on, I believe that the BBC's Editorial Guidelines and policies are adhered to in practice.

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

5.1 I am not aware of the BBC's Editorial Guidelines or policies changing as a result of phone hacking. I am aware, however, that the Editorial Guidelines and Guidance were updated last year as the last set of Guidelines was formally updated in 2005. Prior to that, I recall there being refinements to the Guidelines after Hutton.

6. Where the responsibility for checking sources of information lies (including the method by which the information was obtained): from reporter to news editor to editor, and how this is done in practice (with some representative examples to add clarity)

6.1 I take responsibility for my own stories and that means I take responsibility for my sources of information as well. Checking and corroboration is central to the task of assessing the reliability of any story, especially one based on confidential sources. Many factors are relevant: how well I know a source, their background, whether a source might have an axe to grind, whether I have approached them for information or they have approached me, and what their track record is in relation to the information they have previously given me. If they are not well known to me, I will run various database searches on them as a first step (for example, press archive searches, Google, company searches) to find out as much as I can about them. If possible, without breaching confidentiality where it is a confidential source, I will speak to other sources to see if the primary source's information can be corroborated. It is important to assess information which detracts from a story as well as information which tends to

confirm it, both negative and positive evidence must be assessed. Once I have a profile of a source, the next stage is to question them in detail about their information, how they have come about it and what else they might know. This process is routine for all difficult stories, and all the more so where based on confidential sources.

- 6.2 As an example, I was contacted several years ago by a confidential source alleging that a senior officer in the Ministry of Defence was very critical of progress in the so called war on terror at a time when the British and American administrations were praising it highly in public. I was told that the officer had recently been part of an MoD delegation to Pakistan and we were shown his written report from that research trip. At face value, the document was highly controversial and would, if published, be embarrassing for the British government, suggesting that their public message was very different from the professional advice being delivered in secret. The document we were shown concluded that 'the wars in Afghanistan and particularly Iraq have not gone well' noting that the Iraq war 'has acted as a recruiting sergeant for extremists from across the Muslim world'. Additionally, the MoD officer wrote that Pakistan's intelligence service, the ISI, was playing both sides, writing: 'indirectly Pakistan (through the ISI) has been supporting terrorism and extremism – whether in London on 7/7 or in Afghanistan or Iraq'.
- 6.3 The first test to be applied was 'is this in the public interest?'. We were of the view that it was very much in the public interest to disclose what appeared to be a more realistic view of progress in the war on terror than that being disseminated through public channels. The second test to be applied was 'is the source credible?'. The source was well known to me for ten years and someone I knew had been reliable in the past and who had a detailed knowledge of the events from first hand experience. The third test we applied was 'is there any corroboration?' There was, we had been shown documentary evidence supporting our source's account. Therefore the final test we applied was 'are the documents genuine?'. We went to great lengths to research the confidential markings on the documents to source them correctly and then to research the background of the author, whose name we knew (though we chose not to disclose it because of his alleged links with MI6). We took the view that naming the author was not essential to the story and may not have been in the public interest. All this checking was carried out in consultation with my editor at Newsnight and advisors from the BBC's Editorial Policy department.

6.4 I discuss the nature of my sources with my producer and editor, and the Editorial Policy department and the legal department if necessary. The more significant or sensitive a story, the more in-depth a discussion I will have with my producer and editor about my source/s. If my source is confidential, I will usually only name the source to my editor, in confidence. If I am relying on a single, confidential source though (as allowed for by the BBC's Editorial Guidelines), I will always look for corroboration.

7. To what extent someone in your role is aware, and should be aware, of the sources of the information which make up the central stories featured in your news broadcasts each day (including the method by which the information was obtained)

7.1 As stated above, I am responsible for my own stories and therefore I am 100% aware of who my sources are.

8. The extent to which you consider that ethics can and should play a role in the print and broadcast media, and what you consider 'ethics' to mean in this context

8.1 Ethics are at the heart of journalism and should play a central role in both the print and broadcast media. Journalists should be scrupulous in following best practice in order to ensure that they conduct themselves in a professional and ethical way. This is particularly important in relation to sources and fairness in dealing with individuals connected with a story. In my opinion, the question of public interest as opposed to 'interesting for the public' is central to determining what actions are justifiable in obtaining and broadcasting a story. Sometimes it is necessary to intrude upon someone's privacy. Occasionally a certain amount of deception is unavoidable in order to obtain a story. Techniques such as secret recording and undercover filming are powerful ways of gathering evidence of wrongdoing but these intrusive techniques should only be used if evidence cannot be obtained openly without subterfuge. As the BBC's Editorial Guidelines make clear, in cases where intrusions into privacy and deception are considered justifiable in the public interest, because of the overwhelming importance of putting material into the public domain, they must be kept to a minimum. The BBC has strict protocols about using these techniques and authorisation must be obtained at a senior editorial level. There must be a solid public interest justification for acting in these ways. In my own personal view, many newspaper and online stories

which centre on allegations or evidence about people's private lives do not meet the bar of 'public interest' and therefore the use of deception to obtain them is hard to justify.

8.2 I appreciate that in terms of regulation, broadcasters are subject to stricter rules and controls, particularly when compared with the way that the print media are regulated. In my view, I do not think that press regulation has been adequate in the past and given the recent events with phone hacking, regulation of the print media and the role of the PCC clearly needs to be looked at and improved upon. The question is how to strike the right balance without restricting the freedom of the press.

9. The extent to which you felt any financial and/or commercial pressure from anyone within your organisation and whether any such pressure affected any of the decision you made (such evidence to be limited to matters covered by the Terms of Reference)

9.1 I have never felt any financial or commercial pressure while working as a journalist at the BBC.

10. The extent to which you had a financial incentive to provide exclusive stories (NB. It is not necessary to state your precise earning)

10.1 I have never been provided with a financial incentive to provide exclusive stories while working as a journalist at the BBC.

10.2 Though one of my objectives is to break stories and provide original journalism to the BBC, there is no specific monetary award tied to achieving that particular objective, rather it is expected of me in order to perform satisfactorily in my role. Before the freeze was put on the payment of bonuses a few years ago, I was awarded small bonuses like other BBC staff, for performing well overall and achieving all of my performance objectives. I specifically recall being awarded a small bonus on the two occasions I won an RTS award and I sometimes received small bonuses for performing well in other years.

11. Whether, to the best of your knowledge, your organisation 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 (NB. You are not required to identify individuals, either within your organisation or otherwise)

11.1 In respect of private investigators I recall one occasion on which they were used to assist with a programme I was involved in. Two freelance security experts were contracted for two days' work during research for a BBC Panorama film I was working on in 2008. I did not make the arrangement, but I understand that other members of the Panorama production team contacted two young Asian men who agreed to travel to Plymouth to find out, discreetly, if a suspected Islamist extremist was leading prayers at a local community centre. I had received information from a confidential source that this alleged extremist was linked to Nicky Reilly, the young man with learning difficulties who attempted to bomb a restaurant in Exeter. We were interested to find out if he had in some way groomed Nicky Reilly and led him down the extremist path; we were trying to corroborate the source's story. We knew the prayer meetings were small and outsiders without the correct appearance would attract suspicion. We were already working with two researchers on the project but we could not send these people into the meeting to observe because one was a woman, and women were not permitted to attend, and our second researcher was white British and would not have been a plausible participant. The two young Asian security experts, who ran their own small security business, could attend the meeting without arousing suspicion and report back to us. They did so and reported that the alleged extremist was at the meeting but after some consideration Panorama dropped that line of inquiry and we moved on to cover other story-lines for our film. I understand that the two young men were paid £150 per day for two days work.

11.2 I have not paid or given payments in kind to the police, public officials, mobile phone companies or others with access to the same for information and nor am I aware of the BBC doing so.

11.3 On occasions, Newsnight will engage the services of external freelance journalists, specialist researchers or experts to assist with research work for specific stories, but I have not paid outside sources for providing documents or tip-offs. For example, when we needed an analyst to examine handwriting on a document we contracted a forensic consultant to write a report on a normal commercial basis. Where I need assistance from specialist journalistic researchers who may have excellent knowledge and contacts in some fields then we sometimes contract them on a freelance basis. For example, I often work with a trusted freelance journalist who assists with some of my extremism investigations because she has language skills and good contacts. In these cases, a short term contract or freelance terms of trade will be issued by the BBC at a standard journalistic rate of pay, often between £200 to £300 a day. The terms of the contract and terms of trade differ depending on what the freelancer is engaged to do however, a freelance producer's contract, for example, requires them to comply with the BBC's Editorial Guidelines and report to the Editorial Head. The general freelance terms of trade require the freelancer to comply with all relevant laws and regulations, and if required they must also comply with the BBC's Editorial Guidelines and any other relevant policy. In addition, I make it clear that any freelance working with me must adhere to the BBC's Editorial Guidelines. Research provided by freelance journalists is carried out in close cooperation with Newsnight and I assess the information in a similar way to information provided by other sources, seeking corroboration and confirmation.

12. What your role was in instructing, paying or having any other contact with such private investigators and/or other external providers of information

12.1 I had no contact with the private security experts mentioned above at 11.1. A Panorama producer commissioned the work and arranged payment through the normal channels at the BBC.

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)

13.1 I am not aware of any policy/protocol at the BBC which specifically deals with the use of private investigators or other external providers of information.

13.2 In relation to the hiring of two freelance security experts during research for a Panorama film, set out above, I did not have direct contact with them. However, it is my understanding after speaking to the programme's producer that they were told not to do anything unethical because that would contravene the BBC Guidelines. They were not asked to use deception or to secretly film or record the meeting. They were simply asked to attend the prayer meeting and report back to the production team.

13.3 As described in my answer to 11.3 above, the BBC requires freelance journalists and researchers to sign short term contracts or freelance terms of trade.

14. If there was such a policy/protocol, whether it was followed, and if not, what practice was followed in respect of all these matters

14.1 Please see my answers to questions 11 to 13 above.

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. What factors were in play in deciding to depart from the protocol or practice?

15.1 Please see my answers to questions 11 to 13 above.

16. The extent to which you are aware of protocols or policies operating in your organisation in relation to expenses or remuneration paid to other external sources of information (whether actually commissioned by your organisation or not). There is no need for you to cover 'official' sources, such as the Press Association

16.1 I am aware that the BBC's Editorial Guidelines allow for some payments to be made but only reimbursement for expenses or disturbance fees such as when an interviewee needs to travel to a BBC studio for filming (see for example, payments to MPs).

16.2 As mentioned in my answer to Q11 above, on occasion I will engage the services of a freelance journalist or other outside expert. They will be contracted on a proper basis for work carried out and usually paid on the basis of a daily rate. Approval for such arrangements must be given by my editor.

16.3 I also meet with various sources for a meal or light refreshment, the costs of which I claim back in accordance with the BBC's hospitality expenses policy.

17. The practice of your organisation in relation to payment of expenses and/or remuneration paid to other external sources of information (whether actually commissioned by your organisation or not). There is no need to cover 'official' sources such as the Press Association

17.1 Please see my answer to question 16 above.

18. In respect of editorial decisions you have made to publish stories, 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

18.1 My news stories usually focus on strong public interest matters such as terrorism, extremism, corruption or other criminal conduct, and the negligence of public authorities or individuals in influential public positions. If a story I am covering focuses on a particular individual, I will consider who that person is, the public nature of the position they hold, what they have done or are alleged to have done and whether any of the information I am proposing to broadcast is private in nature or may involve intrusion into aspects of an individual's life which he/she would not ordinarily expect to end up being referred to in a national broadcast. I will balance those considerations against the public interest in broadcasting the story, in particular for example, whether I am exposing criminal behaviour, incompetence, negligence or generally raising awareness of matters of clear public interest. All of these considerations are covered in the privacy chapter of the Editorial Guidelines.

- 18.2 An example to illustrate this balance comes from an investigation I was running into British supporters of Al Qaeda. A British citizen from Luton had been given the codename Q during the prosecution of several British citizens accused of planning to blow up targets in the UK with a fertiliser bomb. Q was described in court as the man who also sent the leader of the London bombers, Mohammed Sidique Khan, for terrorist training in Pakistan. Q had been under surveillance by MI5 but had not been charged with terrorist offences. There was a clear public interest in tracing him and asking him about his links with Sidique Khan and the terrorist facilitation network he was said to be running. Using several confidential sources, we discovered this man's true identity and traced him to a Luton café which he owned. We knew the only chance to put the allegations to him would be to confront him, unannounced, at his work address – a 'doorstep' in the jargon. All doorsteps need prior approval by senior BBC editorial figures and must be cleared by an editorial policy advisor. The prime test is 'can the interview or information be gained through less intrusive means?' The answer in this case was clearly no, and permission was given to doorstep Q after covertly watching his movements. All these actions were of course intrusive to Q's privacy, but there was an overwhelming public interest in exposing this man which Newsnight did during a doorstep operation which was broadcast in my final film.
- 18.3 In accordance with the fairness provisions of the BBC's Editorial Guidelines and the Ofcom Code, if I am making allegations against an individual I will approach them pre-broadcast for a right of reply. This provides the individual with an opportunity to raise any objections in addition to informing and potentially changing the story that I am proposing to broadcast. My producer and the editor of Newsnight would be fully aware of my proposed story and if the allegations were serious or sensitive then it is likely that I would have already consulted with advisors from the BBC's editorial policy unit and a BBC lawyer.
- 18.4 Sometimes obtaining a right of reply fundamentally changes the way we report a story. When I was working on my Panorama investigation into Islamist extremism a confidential source told me that elements within the police and government were effectively spying on parts of the Muslim community to build up a database of those vulnerable to radicalisation. This had long been a fear within the Muslim community. I was told that a researcher working with a charitable youth project aimed at dissuading vulnerable young British Muslims from being caught up in extremism was trying to gather confidential information about people on the edge of extremism. My source believed the researcher's aim was to pass this information to the police or the Security

Service. When I contacted the researcher for a right of reply, she strongly denied the allegations and said it would endanger her life and breach her privacy. I had to consider whether naming her was necessary in all the circumstances and whether I could justify placing her name in the public domain in the light of the warnings I had received. In that particular instance I decided that naming her was not essential to the story.

- 18.5 A further example of this balance came with an investigation into student visa fraud under Britain's Points Based System. Under PBS, thousands of highly questionable colleges sprung up to offer all kinds of advanced degrees – some from run down premises above high street shops. We had been told by several sources that the UK Border Agency was failing to exercise adequate control and that the fraudsters were running rings around the government. Private colleges for overseas students were allocated a certain number of places by the UKBA. They were only supposed to issue Visa Letters for the number of approved places they were given. A confidential source told us that one college in west London only had approval for less than 100 students but was selling thousands of Visa Letters from a secret office in Wembley Park. Armed with these documents, students were then securing student visas for three years and many simply vanished into the black economy. The only realistic way to obtain the evidence necessary to expose this scam was to go undercover. To buy a Visa Letter, our undercover researcher would have to pose as a prospective student with a false identity. The use of deception was authorised by the BBC's Editorial Policy unit for the investigation. We set up a covert observation point from opposite the target office and sent our undercover operator in to negotiate. We filmed the entire transaction and bought a Visa Letter for £200, proving that those selling the letters were part of a wider scam netting the fraudsters hundreds of thousands of pounds. Clearly broadcasting the faces of those selling the documents could be an invasion of their privacy and we deceived them with our fake identity. But the public interest in exposing this – and the UKBA's inability to stop similar scams – outweighed these considerations and we broadcast the results of our investigation.

19. **Whether you or your organisation, to the best of your knowledge, ever engaged in or procured others to engage in 'computer hacking' in order to source stories, or for any reason**

19.1 I have never engaged in myself or asked someone else to engage in computer hacking in order to source stories or for any reason. Also to the best of my knowledge, I am not aware of anyone in the BBC engaging in computer hacking or procuring someone else to engage in computer hacking.

20. If you cannot answer these questions, or take the view that they could be more fully answered by someone else, you must nonetheless provide answers to the extent that you can, and to the extent that you cannot you must provide the inquiry as soon as possible with names of those who would be able to assist us further.

I confirm that the contents of this statement are true.

Signed



Date

13/10/11

Richard Davey Watson