'News of the World' Shuts Down: Who Should Take the Blame?

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Rupert Murdoch should fire Rebekah Brooks for failing to create a culture where reporters respected the law

In shuttering The News of the World, the Murdochs, for the moment, have tried to divert attention from the big question: who within News Corp is culpable?

If the news stories are true—that as many as 4,000 (!!) celebrities, politicians, sports stars, and regular people had their phones illegally hacked over a period of nearly a decade—then that culpability is likely to run high into News International, the UK holding company for the Murdoch news properties (including The Times, The Sunday Times, and The Sun) and perhaps into the global media conglomerate, News Corp.
And, if British authorities actually have the courage to conduct a rigorous investigation without fear or favor, then two likely high-up targets are Rebekah Brooks, editor of *The News of the World* before assuming her current job as head of News International, and James Murdoch, who is News Corp’s deputy chief operating officer with special responsibility for UK activities.

Had News Corp acted like a normal corporation, it would have undertaken an internal investigation at least five years ago when *The News of the World* was revealed as hacking Prince Williams phone, leading to the jailing of its "royals" reporter. How widespread was the practice, who was responsible, how bring the practice to an end? Of course, News International and News Corp did nothing of the sort.

Now, if UK authorities have nerve, the Murdochs have lost control of the situation.

One immediate question is what should News Corp do about Rebekah Brooks, supposedly a great Rupert favorite. She claims not to have known about the apparently endemic hacking. Rupert Murdoch is quoted as saying he will not sacrifice the "innocent."

But proper practice is that senior executives are terminated not just for acts of commission (which would be the case if she knew and directed the hacking—which she denies). They are also rusticated for acts of omission—in this case, allegedly, for failing to create a culture in *The News of the World* which systematically observed the law rather than, as appears to be the case, systematically skirting or violating the law through widespread hacking.

Corporations are not as strict as the Navy, where the captain of the ship is relieved of command for the significant failures of a single member of the crew (e.g. relieved if the helmsman runs the ship on the rocks, even if the captain is asleep). Usually, senior corporate officers are not held accountable for the single act of a single person. But when an improper practice goes on for too long and involves too many, then, even if there is no direct knowledge (a big question in this case), the officer is sacked for failure of leadership—for failure to create the right culture.

Many are calling for Ms. Brooks' head. But, even if her claim of ignorance is true, there appear to be solid grounds for letting her go on this equally important theory of alleged leadership failure to create a culture of lawfulness and integrity.

Some argue that she knows too much to be terminated (she wouldn't be summarily fired but asked to leave, presumably with some type of financial package based on long years of service). Yet, unless she is planning to lie to enforcement authorities, she will be asked the same hard questions by good prosecutors or other investigators whether she is still employed by News Corp or not. She will surely understand why she had to fall on her sword.
So, on this theory of omission, one good place to start in facing up to individual culpability would be for Rupert Murdoch to accept Rebekah Brooks’ resignation immediately and commit not just to close *The News of the World* but to root out all those culpable for illegality.

This could begin to lance the boil of the hacking scandal, although it may just be too late to regain any control. The obvious issue, however, is whether it also puts the lance straight into James Murdoch.

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