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Is Murdoch to Blame for 'This Whole Fiasco'?

The media magnate denies personal responsibility for the phone-hacking scandal



By Ben W. Heineman Jr.

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The guts of Tuesday's testimony by Rupert Murdoch was his assertion that his employees, not the man himself, were responsible for the extensive phone-hacking and apparent payoffs to police officers.

"Do you accept that ultimately you are responsible for this whole fiasco?" UK lawmaker Jim Sheridan asked.

"No," Murdoch answered.

"You're not responsible? Who is responsible?" Sheridan said.

"The people that I trusted to run [the tabloid], and then maybe the people that they trusted."

In response to questions about whether he was culpable of "willful blindness" or ignoring "knowledge that you could have had and should have had," he said: "We were not ever guilty of that."

Murdoch may or may not be found to have approved or condoned the gamey, apparently illegal practices of *News of the World* -- and possibly of his other UK newspapers housed under News International, which was headed at various relevant times by his longtime friend Les Hinton and his much admired protégé, Rebekah Brooks. The facts on those questions will be developed by a rehabilitated police investigation and by the inquiry, with subpoena power, which a senior UK judge will conduct.

But what is clear is that he failed to clean up his UK news operation six years ago, when the phone of Prince Williams was hacked and a *News of the World* reporter and an outside private investigator were jailed. This failure of the leader of the company makes him directly responsible for "this whole fiasco," because proper action six years ago would have exposed problems in News International, led to company sanctions of responsible individuals, caused a prohibition on improper acts accompanied by an enforced code of journalistic conduct, and prompted leadership from the top to change the culture of those news organizations.

Here is my chain of thought on Murdoch's responsibility.

- After the events became public, it is inconceivable that Rupert Murdoch was not well aware of the instance of illegal hacking of the heir to the throne and of the criminal sanctions imposed on a reporter in his own newspaper. (It isn't every day that one of your reporters is guilty of a crime.)
- There is an iron rule of corporate crisis management for top leaders: "It is our problem the moment we hear about it." Having heard about "it" (the royal hacking and the criminal disposition), the leader of the corporation should have made sure that he actually learned the causes of the individual case, whether those causes were systematic, how many others in the organization were involved, how people would be disciplined, and how systems and culture would be changed.
- For a CEO (and board of directors) who really wanted those questions answered, he would have made sure that there was an independent internal investigator of stature who could blow through bureaucratic and self-protective obfuscation to find the truth. The structure, process, and personnel of such an inquiry were issues that should have been handled at the top of News Corp., with the CEO making clear to all that he wanted all the facts on the table.
- Although the News Corp CEO would not, of course, be involved in the actual inquiry, he would have insisted on regular reports on how the facts were being developed and then on the appropriate actions that flowed from those facts.

It seems quite clear now that Rupert Murdoch and his feckless board took none of those steps. In this deeply important sense, Rupert Murdoch is clearly responsible for the conflagration inside News Corp, contrary to his attempt yesterday to avoid accountability.

Of course, there was a sham internal investigation, led by News International execs and handled by regular outside counsel, which concluded that there were only acts of one rogue reporter. But it is now clear that significant amounts of material indicating widespread hacking were ignored, and that there were improper relationships--including possible bribes and threats -- with investigating police that led to a stunted official inquiry.

But both James Murdoch and his father acknowledged prior to their appearance before the Parliamentary committee that News Corp had failed determine what had been happening in their own organization. According to James, the now-defunct *News of the World* and its immediate corporate parent, News International, had failed to get to the bottom of "repeated wrong-doing that occurred" and "wrongly maintained that that these issues were confined to one reporter." Rupert Murdoch said in his first full page ad last week, "We are sorry for the serious wrongdoing that occurred. We are deeply sorry for the hurt suffered by the individuals affected. We regret not acting faster to sort things out."

Regret? How about responsibility for a failure to heed the warning sign of a reporter guilty of a crime and treat the disease before it metastasized.

As a leader, Rupert Murdoch's statement that he is "not responsible" is not just craven. It is wrong.

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