

Pressure builds for News disclosure

Angus Grigg

British Labour MP Tom Watson is urging the Home Secretary to investigate the relationship between Rupert Murdoch's News Corp and United Kingdom police, as fresh allegations surface about the media giant and piracy in the UK.

Surrey police has confirmed it is investigating the donation of £2000 (\$3090) by the controversial security unit at the heart of the pay television piracy claims. *The Australian Financial Review* and the British Broadcasting Corporation have alleged that Operational Security, a unit within News Corp's technology arm, is alleged to have promoted a wave of high-tech pay TV piracy in an effort to damage News Corp's commercial rivals. News Corp and NDS have strenuously denied the allegations.

NDS said in a statement last week that the £2000 payment was a "one-off" charitable donation; Surrey police says the money was spent on laptops used to fight piracy.

However the *Financial Review* has obtained emails indicating further payments were made to unidentified parties through a special account provided for in NDS budgets for mak-



Labour MP Tom Watson wants an independent investigation.

Photo: AP

ing payments to British police. This paper has identified an internal NDS email sent a year after the Surrey police payment, in which NDS executive Len Withall, a former senior officer with the Surrey police, requests a cash payment of £1000 under the same account.

A month earlier, former Metropoli-

tan police commander Ray Adams, who was the European chief for NDS Operational Security, in an email to an NDS accountant, described the special account in the NDS budget: "This is a contingency sum for police informants. No claims so far. Maybe none this year."

In a letter to Home Secretary

Theresa May, Mr Watson said the special account was a "cause for concern". "Such an arrangement, if found to be true, raises many questions about policing priorities, probity, transparency and relationships with big business," his letter said.

"There is a clear public interest in this ... being investigated outside the internal mechanisms of Surrey police."

Meanwhile, *The Observer* has reported that piracy website thoc.com, which was secretly supported by NDS, offered users detailed information on how to hack rival pay TV companies in a 2001 "e-zine", a downloadable magazine.

The e-zine from the thoc website contained two articles on how to hack the software system used by OnDigital, a rival to News's BSkyB.

The SECA software used by OnDigital was developed by French broadcaster, Canal Plus, a rival of NDS.

The articles describe steps necessary for the hack and explained that a phone call to OnDigital was also required so the company could send a signal to the hacker's set-top box.

"The way to guarantee this is to phone ... and say any of the following,

your card is not working, swap a channel, upgrade your package etc," *The Observer* said, quoting the thoc e-zine.

The BBC's *Panorama* program aired allegations last week that NDS had sought to derail OnDigital by fostering piracy of its pay TV service.

The pay TV company collapsed in 2001 with losses totalling more than £1 billion.

Its downfall was partly attributed to a massive wave of piracy.

Australia's SBS will air the *Panorama* episode tomorrow at 9:30pm.

The allegations have come at a difficult time for News, which is already under investigation by Britain's media regulator Ofcom. The regulator is investigating if Mr Murdoch and his son James are "fit and proper" people to have management control of BSkyB.

The Leveson Inquiry, headed by Lord Justice Leveson, is also investigating News's role in Britain's phone-hacking scandal and its relationship with the police force.

The Australian Communications and Media Authority is monitoring the allegations and is understood to be liaising with the Australian Federal Police.

Documents taken down from the cloud

Ben Woodhead

Thousands of emails detailing a campaign to allegedly promote pay TV piracy by a News Corp subsidiary have been taken down from a document hosting site in the US following correspondence with lawyers for the media giant.

The not-for-profit organisation DocumentCloud removed the emails after News Corp and its subsidiary NDS said the emails contained "confidential and trade secret information". Many of the emails are still available on the afr.com website.

The emails appear to contradict denials from NDS chief Abe Peled and News Corp chief operating officer Chase Carey that News Corp sought to use pay TV piracy to undermine its rivals.

On Saturday, NDS - which has

confirmed the authenticity of the emails through legal correspondence with *The Australian Financial Review* and DocumentCloud - asked that they be removed.

DocumentCloud asked Fairfax Media, publisher of the *Financial Review*, to indemnify it against any future legal action. Fairfax Media declined to give this assurance.

DocumentCloud is a free service operated by journalism organisation Investigative Reporters and Editors at the University of Missouri. It aims to enable newspapers, websites and broadcasters to host documents supporting investigative reports.

The website uses open source - or community developed - technologies to scan and index information, allowing users to quickly search hundreds or even thousands of pages for references to people, places,

dates, company names and key terms.

Media organisations that use the service include News Corp's British masthead *The Times*, as well as *The Guardian*, *The New York Times*, *The Financial Times*, *The Sydney Morning Herald* and the Australian

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Broadcasting Corporation.

The *Financial Review* used DocumentCloud's capabilities to uncover details in NDS emails of a £2000 payment the company made to Surrey Police in the UK in September 2000

"for assistance given to us". The email raised further questions about News Corp's relationship with UK law enforcement agencies. NDS asserted last week the payment was a "one-off charitable donation".

News Corp's UK newspaper division, News International, is already under intense scrutiny for its dealings with police as part of the *News of the World* telephone hacking scandal, in which the now defunct newspaper reportedly hacked the phones of murdered school girl Milly Dowler and many others.

Surrey Police have also faced questions over their relationship with *News of the World* reporters during their investigation into the disappearance of the 13-year-old, whose family reached a £3 million settlement with News International over the phone hacking claims in October 2011.

Since Thursday, News Corp has marshalled its resources to push back against the reports in the *Financial Review* and on BBC program *Panorama*, which detailed allegations of pay TV hacking directed at News Corp's rivals by a secretive unit within NDS.

News Corp is in the midst of a \$US5 billion sale of NDS to global information technology giant Cisco Systems. In Australia, its bid to secure a monopoly position in the domestic pay TV market through the \$1.9 billion acquisition of rival Austar is before the Australian Competition and Consumer Commission.

The NDS emails show that the unit actively engaged in hacking the technologies that Austar and Singapore-backed telecommunications company Optus used during the 1990s and early 2000s to combat piracy.

Ziggy tried to mend fraught ties

Angus Grigg

Former Telstra chief executive Ziggy Switkowski would have been "unsettled" if told that a News Corp subsidiary allegedly promoted piracy against Australian pay TV companies including Foxtel.

Mr Switkowski said yesterday Foxtel's shareholders, which include Telstra, News Ltd and Consolidated Media Holdings, were regularly fighting over the strategic direction of the company. "They [the allegations] are just another matter that would have coloured our judgment," he said. "Frankly, not too much would have surprised us." He said the allegations, if proved correct, were "very, very unsettling."

In the early 2000s, tension between Telstra and News threatened to spill over into the courts. Some in Telstra even wanted to force News to sell its 25 per cent stake in Foxtel. At about the same time, NDS, a News Corp subsidiary, was alleged to have promoted a wave of pay TV piracy in Australia and overseas, an allegation rejected by News Corp and NDS.

Mr Switkowski, who ran Telstra between 1999 and 2004, attempted to mend the Foxtel relationships. There were many "agendas" running at Foxtel in the late 1990s. "Telstra was in a contest with some very sharp operators," Mr Switkowski said. "I would have been unsettled had I known at the time [about the allegations of pay TV piracy]." Pay TV piracy was not an issue he was ever told about, he said.

Martin Pick

1976 - 2012

We pay tribute to our loved and respected colleague Martin, who died suddenly in Melbourne on Saturday 24th March.

Martin joined us in July 2009 and made a great contribution to our firm. He had an exceptionally promising future. His diligence, integrity, intellect and good company will be missed by us all.

We express our sincere sympathy to his family and friends.

The partners and staff of
Amrop Cordiner King

Amrop Cordiner King

Kingston Plant Hire fined for unlicensed waste site at Diggers Rest

On 8 March 2012, KINGSTON PLANT HIRE VICTORIA PTY LTD ("the Defendant") pleaded guilty in the Broadmeadows Magistrates' Court to a charge laid by the Environment Protection Authority ("EPA"). The charge, under section 27A(2)(a) of the Environment Protection Act 1970 ("the Act"), was for depositing industrial waste at an unlicensed site at Duncans Lane, Diggers Rest, between 3 January 2009 and 23 March 2010.

Although the contract between the Defendant and the occupier was to build up the level of the 133,000 square metre site with "clean fill" only, as stipulated by the Hume City Council planning permit, some of the soil deposited by the Defendant contained a small percentage of industrial waste. The waste, which amounted to a total of 300 tonnes, was mainly bricks and concrete but included some other items such as steel cable, terracotta pipe and fibreglass roofing.

On 7 March 2011, EPA issued a clean up notice. In response, the Defendant drew up a remediation plan to deal with waste already deposited. The plan also required the Defendant to inspect each new load to ensure that no further waste accumulated on site. An EPA inspection in November 2011 confirmed that all notice requirements (including the plan) had been complied with.

Without recording a conviction, the Court fined the Defendant \$35,000 and ordered it to pay EPA's costs of \$14,818.20.

Under section 67AC of the Act, the Court also ordered publication of this notice.

