

# The great British summer of corruption

David Whyte looks at what surfaced from the murky depths of the police, and the financial and political worlds in 2012

*If it was the riots across English cities that defined the British summer of 2011, then the summer of 2012 – featuring a Royal Jubilee and the London Olympics – was meant to showcase a thoroughly more stable and law-abiding Britain. Yet by June it seemed as if the Great British Summer of 2012 would be remembered for a remarkable and seemingly unending series of cases that exposed the corruption rotting at the core of the British establishment.*

It is worth reviewing the chronology of the key moments of the summer of 2012, if only to reflect upon the scale of this litany of corruption cases that emerged in our police forces, in the financial and banking sector, in the media and in politics. A very brief and recent chronology of those categories of corruption cases are shown in the text box opposite. Be warned: this is only a selective list. Neither the categories nor the content of the box are meant to fully capture all of what has unfolded before us and readers will no doubt have many more examples to add.

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Marc Perelman's book *Barbaric Sport*, published this year to coincide with the London Olympics, seeks to reignite the counter-culture debates of the 1960s which drew attention to the reactionary social and political effect of sporting events. In it, he argues that spectacles such as the Olympics have the effect of organising audiences around the

mass voice of the stadium, renewing nationalist loyalty and reasserting a general concept of competitive 'natural' hierarchies. In short, the general effect of sporting spectacles is to depoliticize, dissipate and weaken popular opposition to the social order.

This was, during the Cold War, a well-worn argument that was applied to critiques of the role of sport in both US and Soviet nationalisms. But might there also be some significance in this

analysis for our understanding of the spectacle of the London Olympics? As any criminology student who has

read George Robb's (2002) *White Collar Crime in Modern England* knows, the Olympic opening ceremony portrait of the era of industrialisation might well have included an army of corrupt bankers and thieving financial traders. A closing ceremony that sought to accurately reflect contemporary British culture might well have included a similar army of thieving bankers and

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## The great British summer of corruption: a chronology

### Police

**3 March** – The Information Commissioner confirms that information about trade unionists in the building industry passed to the clandestine blacklisting organisation the Consulting Association originated in the police/security services.

**23 May** – A serving detective and three former Scotland Yard officers are arrested as part of an investigation into bribery involving members of the Met's anti-corruption unit.

**1 June** – Home Secretary, Theresa May orders inquiry into police corruption in the Stephen Lawrence murder investigation.

**14 July** – According to *The Observer* investigation, documents from a West Midlands police reveal that officers fabricated key elements of the case against Muslim student Rizwaan Sabir, held without charge as a suspected terrorist.

**27 August** – Freddy Patel, the discredited pathologist used by the police in the Ian Tomlinson case is struck off by the BMA for dishonesty.

**12 September** – The Hillsborough Independent Panel publishes its findings about the events around the crush at the 1989 football match that resulted in 96 people dying and 766 being injured.

**15 September** – *The Guardian* reports that nine very senior officers (including three Chief Constables) are being investigated by the IPCC on suspicion of serious misconduct. Sir Norman Bettison, Chief Constable of West Yorkshire is to be the fourth Chief Constable to be investigated, following disclosures by the Hillsborough Independent Panel.

### Finance Sector

**13 June** – Pressure group UK Uncut win judicial review of an alleged £20million 'sweetheart deal' made between HM Revenue and Customs and Goldman Sachs.

**27 June** – Barclays pays £290m (including a record £59.5m fine by the Financial Services Authority) to settle claims that it used underhand tactics to try to rig financial markets and interest rates.

**6 July** – The Serious Fraud Office (SFO) launches criminal investigation into Libor-fixing by the major banks.

**17 July** – A US Senate Committee report finds that HSBC management tolerated widespread money laundering and knowingly engaged in deception (US Senate Permanent Subcommittee on Investigations, 2012).

**15 August** – Barclays, HSBC and Royal Bank of Scotland are subpoenaed in the US over alleged manipulation of global interest rates.

**30 August** – SFO announces criminal investigation into payments made by Barclays to Qatar Holdings as part of an emergency funding deal in 2008.

### News International, public officials and politicians

**20 April** – *The Sun's* royal editor Duncan Larcombe arrested as part of an investigation of illegal payments to police and public officials.

**9 May** – Press report undisclosed meetings between Rebekah Brooks and David Cameron and a 'supportive text message' sent by the Prime Minister after her resignation from News International.

**15 May** – Rebekah and Charlie Brooks charged with perverting the course of justice.

**25 May** – *The Sun's* Whitehall Editor Clodagh Hartley arrested as part of an investigation into illegal payments to public officials.

**30 May** – David Cameron's former Communications Director Andy Coulson arrested on suspicion of perjury.

**24 July** – Andy Coulson and Rebekah Brooks among seven charged with phone hacking.

**29 August** – Former editor of the *The News of the World* Scotland Bob Bird is detained on suspicion of attempting to pervert the course of justice.

traders in slightly flashier suits. But of course they didn't. Those ceremonies were not supposed to be an *accurate* reflection of British culture.

### 'Gigantic schmoozathon'

The Olympics did, however, give us a glimpse of something which came close. There was the side-show spectacle of Rupert Murdoch sitting down to watch the swimming finals as the Mayor of London's guest of honour (with an added twist of a behind the scenes rendezvous with soon to be promoted Minister for Culture Jeremy Hunt). When questioned about how appropriate it was that Murdoch be given the red carpet treatment when this particular guest of honour's firm was currently under criminal investigation, Boris Johnston's aides explained that this was merely part of the Mayor's 'gigantic schmoozathon' to 'shamelessly' promote London. What is remarkable about this response is its honesty; a brutal honesty that provides us with a candid measure of exactly how normalised accusations of corruption against our most prominent politicians now are. Remarkable even more, given that as Mayor of London, Boris Johnson is ultimately responsible for Scotland Yard's investigation into News International. Could this be the depoliticising effect that Perelman rails against? It is the spectacle of the Olympics itself which reduces this most public political conyism to the point that 'schmoozing' can be openly and 'shamelessly' held up as a badge of honour? Or was the London Olympics in this instance a showcase for a new politics of corporatism in which some forms of elite criminality will be tolerated if there is some (unspecified) financial gain for 'London'.

The great British Summer 2012 has given us a glimpse of how embedded – and normalised – corruption is across a large section of the British establishment, to the point that it does not appear as 'corruption' anymore, merely the routine way that our public officials and corporate officers go about their daily business.

It is unthinkable that, in a previous era, a Prime Minister would

not be held to account for evidence of systematic corruption in the police, or would not be expected to answer for the government's failure to prevent the profligate criminality of the financial sector. More unthinkable is that a British Prime Minister would in a previous era remain in situ following a scandal in which a close personal associate and one of his most trusted staff in government were arrested for multiple offences involving bribery, perjury and perverting the course of justice. And yet this seems to be an era in which corruption in politics, in the police service and in business is taken for granted.

### Accountability vacuum

In the absence of a genuine challenge to government, it is becoming increasingly difficult to see how accountability for corruption might be achieved. Independent Police Complaints Commission (IPCC) data shows that of 8,542 allegations of corruption recorded by police forces in three years between 2008 and 2011, less than a tenth were referred to the Commission. Of those, a paltry 21 cases actually resulted in an investigation by the Commission (IPCC, 2012). In other words, much less than one in every 400 reported complaints of corruption in the police are likely to be investigated by the IPCC. This is a figure that makes the charges against senior police officers noted in the text box look very serious indeed. But it also warns us not to hold our breath for those charges to stick.

We find a similar vacuum of accountability in the case of Libor rate-fixing. This is perhaps the greatest single (known) case of deception in the financial industry since the mass rip-offs of pension and mortgage customers in the late 1980s and early 1990s. Yet, beyond a few resignations and failed shareholder rebellions, the prospects

for improving accountability in the sector have all but evaporated. Andrew Tyrie MP, Chair of the Treasury Select Committee noted that the companies' manipulation of Libor rates 'was spotted neither by the FSA nor the Bank of England at the time', pointing out, 'that doesn't look good' (!) and concluding that 'urgent improvements, both to the way banks are run, and the way they are regulated, is needed' (Treasury Select Committee, 2012). The truth is

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Neither are the complex connections of common interest between politicians and

business associates likely to be dealt with by anything more severe than a piecemeal, occasional parliamentary inquiry. Indeed, as UK NGO Democratic Audit has noted recently, there remains a steady stream of accusations about parliamentary corruption that never reach the stage of being formally investigated by parliament (Wilks-Heeg et al., 2012).

Yet Perelman, like the 1968 anti-sport movement, perhaps over-estimates the strength of the hegemonic bind – the false social solidarity – that sport can generate. It will take more than a sporting spectacle to divert our attention from the forms of 'corruption' which are endemic to the British establishment, a phenomenon that is likely to unfold in new and even more pervasive forms long after the memory of the Olympics has faded into posterity.

### Hillsborough

Exactly a month after the Olympics closing ceremony had officially marked the end to the great British summer, the publication of the Hillsborough Independent Panel's findings shocked the national psyche. For here was a meticulously

recorded litany of everything we know to be part of our establishment: the manipulation of evidence and a campaign of covert propaganda against the victims of Hillsborough by the police, a mendacious and ugly press and a cover up that was known at the highest levels. As Gary Lineker on *Match of the Day* railed against this 'national disgrace', it became apparent that a real social solidarity – demanding justice for the victims and survivors – had forced its way into the very heart of the British establishment.

If last summer's legacy is to be the riots – and the impressive energy devoted by researchers, commentators and academics to understanding their root causes which followed – then, given the seriousness and the scale of criminality apparent in the Great British Summer of Corruption, we should at the very least expect the same level of policy analysis and research energy to be devoted to rooting out the causes of a phenomenon that is every bit a part of British culture as a major sporting event, a riot or a Royal jubilee. ■

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