

Investigative Journalism and the Changing News Business

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Thank you to the Commission staff for inviting me to be here today—and thank you to the Commission, and particularly Chairman Leibowitz, for sharing the concern that many of us feel about the state of the news business, and the implications for democratic governance.

I am a career reporter and editor, by trade a natural adversary of government (a civil one, I hope), rather than a collaborator with it. But I welcome the chance to tell you what I see out there as I engage in the daily direction of a news organization.

Let me begin, as some of our stories do, with an anecdote. On Sunday, July 12, 2009, the *Los Angeles Times* published on its front page and on four full inside pages an article headed, [Problem nurses stay on job as patients suffer](#).

Of the many extraordinary things about this story, one stands out: it was written and principally reported by two reporters, Charles Ornstein and Tracy Weber, who do not work for the *Times*. They work at ProPublica, a New York–based nonprofit and nonpartisan team of investigative journalists founded in 2008 and funded by philanthropy, including major support from the Sandler Foundation. Just a few years ago, there would have been a very slim chance that a paper of the *Times*'s standing would have devoted so much prime real estate to anything not entirely of its own origination and execution.

How the world has changed! Over the past year, the *Times* and ProPublica have collaborated on two dozen exclusive stories on more than a half dozen subjects, and almost certainly will on more. And how good it has been for the people of California that these two organizations did find a way to work together!

Nor is this story unique. Weber and Ornstein have previously won the Pulitzer Prize—as has fully a quarter of our news staff at ProPublica. They joined a staff we recruited from

around the country, and the early results are in: In the 16 months since we began publishing, ProPublica has published in exclusive partnerships with nearly 40 other news organizations—from those two dozen pieces in the Los Angeles Times to half a dozen in the New York Times, from more than 10 with Politico to another half dozen in the Washington Post, to multiple stories also in USA Today, on CBS's Evening News and ABC News, in the Denver Post and on the Huffington Post, on public radio's Marketplace and its WNYC, in Business Week and the Chicago Tribune, and in metro papers like the Albany Times-Union, Pittsburgh Post-Gazette and Newark Star-Ledger, and on web sites such as Slate, MSN and Salon. When we began, people wondered if such leading news organizations would accept articles from a non-profit web-based upstart like ourselves. More than 150 major stories later, I think that has been established.

The California nursing piece detailed how the state board that licenses nurses was failing horribly to do its job. Specifically, the board was taking an average of 3.5 years—and sometimes as much as six years—to remove the licenses of nurses convicted of stealing drugs from their patients, of beating their patients, or of being in a stupor from drugs or alcohol while their patients faced emergencies. If these nurses were fired from one hospital for such misdeeds, they simply took their licenses down the street to another hospital, often to begin a new cycle of mistreatment and endangerment.

The day after the *Times* published these revelations, Governor Arnold Schwarzenegger fired a majority of the nursing board's members and replaced them with a new slate whom he charged with curing the system. Will they succeed? It's far too early to tell, although the board has been granted subpoena power, has finally begun to set enforcement priorities, and has more than doubled the number of cases it initiates. ProPublica will continue to monitor their progress.

I tell this story not to brag on myself—as the editor of ProPublica—or even to praise my brilliant colleagues Ornstein and Weber, who are the ones who deserve credit. The point is to show the importance of this kind of work: journalism intended to shine a spotlight on abuse of power and failure to uphold the public interest, and by so doing to give the public the information needed to produce positive change.

We used to be able to count on robust metropolitan dailies to provide a steady flow of this valuable work. Now, while many newspapers continue to do as much of it as they can, the destruction of the business model they once depended on and the resultant shrinkage and even shuttering of newspapers around the country are robbing the American people of an important bulwark of our democracy.

This change, of course, is just one of the many effects of a revolution in the way we get our news and information, caused by the dazzling rise of the Internet. This revolution has transformed the typical large and mid-size metro newspaper from a hugely profitable locally dominant player turning out a must-have product for vast swaths of society, into an at-best break-even business with the dismal prospect of flattening or shrinking revenues. Newspapers are in the position of producing, at legacy expense, a

product that is liked but considered not needed by college graduates over the age of 40—while increasingly ignored by everyone else.

That sounds terrible, and to many of my friends in print journalism, where I spent a 40-year career, it is terrible. Moreover, while the details are different, much is similar at network television news and at the serious magazines.

At the same time, however, it's important to remember that this revolution has also brought many, many positives to society already, with many more likely to come in the future.

So the answer is not to reverse the revolution. You couldn't if you tried.

Nor is it to save newspapers. As major studies by the Knight Commission on Information Needs of Communities and Columbia University have wisely concluded, the goal should be to extend the benefits of the revolution more broadly and to assure the continuation of journalism.

The negatives of the revolution are easy to see.

Newspapers are shrinking staffs and news space. The Seattle *Post-Intelligencer* has gone Web-only, while the *Rocky Mountain News*, among others, has closed. Great old newspapers, like the *Philadelphia Inquirer*, have been operating in bankruptcy proceedings, as have entire chains, like Tribune. Even the New York Times Company has been losing money much of the past year and has had to borrow at junk-bond rates from a Mexican industrialist.

In total, in just the last two calendar years, newspapers have bought out or laid off nearly 47,000 workers.

Staff cuts have hit two areas particularly hard: investigative reporting and foreign reporting, in part because these are among the most expensive types of coverage. The *Boston Globe*, the *Baltimore Sun*, *Newsday* and many others have shut their once-proud foreign bureaus entirely. While ProPublica is focused on investigative reporting, I believe that creative solutions are also badly needed to provide the kind of competitive, in-depth international reporting of politics and economics these newspapers once offered.

Much closer to home, however, look what the trends mean in one small place: Trenton, the capital of New Jersey, where I got my first paying job in journalism. A few years ago there were more than 50 reporters covering the Trenton state house. Now, I'm told, there are less than a quarter as many. This means that not only is there corruption that won't be reported, but also that politicians, lobbyists, and others who might have toed the line before will now be tempted to cross it, because nobody will be watching.

Multiply that by 50 states and you have the bad that the Internet revolution has wrought. But there is plenty of good.

The first is speed. Clearly, we are getting much important news faster. The first detailed information about this past summer's brutal crackdown against dissidents in Iran came not from reporters but from ordinary Iranian citizens, who were "tweeting" and e-mailing from the scene of the horror. Reporters were kept away and had to wait to verify the sickening reports.

Then there is access to extraordinarily detailed information across a wide range of subjects, from weather reports for travelers to game scores and summaries for sports fans of out-of-town teams.

Consider also another kind of ubiquity. Last year, a young self-taught Internet genius named Amanda Michel mobilized hundreds of politically active citizens to supply info for her "Off the Bus" report on the *Huffington Post* Web site. When Candidate Obama voiced the notion that some folks who were losing out in the global economy were clinging to such things as religion and guns to compensate, Michel's network captured it and we soon all heard about it. Without that network, we might never have known, because reporters weren't invited into the area where Mr. Obama spoke.

Michel now works for ProPublica and has put together a team of more than 2,700 volunteers who do similar reporting for us. Careful sifting and sorting of reports from this army permits us, for instance, to track progress on 500 representative federal stimulus projects in real time, even though our own news staff numbers just 32.

The rise of the Web has also produced a torrent of opinion. Some is a mixed blessing—folks riffing in their pajamas about news they wouldn't know about but for the reporting of traditional media, and giving it an often angry, often exaggerated spin to fit their particular vision of the world.

But some is of real value: finding connections that no one else has spotted, or keeping the heat on an important story, as Josh Marshall of Talking Points Memo, and his then-colleague Paul Kiel (now a colleague of mine), famously did a few years ago with the story about the politically motivated firings of US attorneys.

Given examples like these, some prophets of Web paradise argue that in the future there will be no need not only for newspapers—there will be no need for organizations of trained professional journalists.

Not so fast.

The process of finding and communicating what we used to call news may no longer require newspapers—at least not as we have known them, as seven-day-a-week, ink-on-paper compendiums of new information on a broad range of subjects. But the process will still require journalism and journalists, to smoke out the most difficult-to-report

situations, to test glib assertions against the facts, to probe for the carefully contrived hoax. These are reporting activities that take a great deal of time, money, and skill.

The example of the Ornstein-Weber piece in the *Los Angeles Times* on how inept the California board was in removing licenses from felonious nurses amply demonstrates the importance of journalism and of journalistic organizations like the *Times* and ProPublica. Without such people and institutions, there is no way such a report would have emerged on the Web.

It took many painstaking months to assemble the evidence necessary to demonstrate that it was taking the board unconscionable lengths of time to dig into these cases. Scores of people needed to be tracked down and asked if they had any information related to what our reporting had appeared to uncover. Few bloggers have the luxury of such time. Reporters risked being sued for libel or slander if they misidentified any of the miscreant nurses or mischaracterized their behavior. Few bloggers can afford to lose—or even to defend—a libel case. Databases needed to be built, analyzed, and made Web-friendly. Few bloggers have the quantitative or technical skills to do this.

For decades, newspapers and, to a lesser extent, magazines and television, have provided the reporting, editing, legal guidance, and training necessary for information as crucial as that of the *Los Angeles Times* report to get before the public. Some of those institutions will succeed at morphing into more Web-friendly forms and will carry on their roles as department stores of news. Public radio and television are likely to play a larger role, as they increasingly pour efforts into their Web sites and produce text and still photography to go along with audio and video. I suspect they will all be joined by a number of new news organizations spawned purely on the Internet.

Carrying the retailing metaphor forward, I also think the relative role of boutiques will rise, both for-profit and not-for-profit. Quality magazines, Web-based national entries and new hyperlocal sites all have the potential to extend the practice of investigative or “accountability” journalism. It will be years, though, if then, before they will make up for the losses incurred in the last year or two. To a significant extent, we are witnessing a series of emerging market failures in the ability of traditional news organizations—or even the for-profit market as a whole—to produce such critical kinds of reporting as investigative journalism, or international reportage, or perhaps even state house coverage. Such market failures will, I believe, require a range of solutions, some of them non-market and non-profit.

At ProPublica, we strive, in the realm of accountability journalism, to play a meaningful role in this process. Our news staff may number just 32, but at that it is the largest investigative staff in the nation, and there are some things we believe we are uniquely positioned to accomplish.

Two more examples may suffice:

Our coverage of the risks to the nation's water supplies from hydraulic fracturing, a promising means of drilling for natural gas, has set off a national debate, now reaching to the halls of Congress. More than 50 exclusive ProPublica stories on hydrofracking have already run in five leading metro newspapers, two major online sites, a national magazine, and on public radio, as well—like all of our stories-- as on our own site, ProPublica.org. That is a range, and a persistence, that traditional news organizations increasingly are unable to match.

At the same time, we can empower other journalists as well. On August 5, for instance, ProPublica launched its Recovery Tracker, a database enabling anyone to review federal stimulus spending down to the county level. In the weeks that followed, local reporters around the country dug into the database and produced stories on the impact of the spending in their communities. Such stories, each of them based on original reporting and the use of ProPublica's database, were published by 70 local newspapers and Web sites.

To be sure, we benefit considerably from tax deductibility for contributions made to us, and we face the fairly urgent need to diversify our sources of funding—both to meet the Internal Revenue Service's test for "public charities" and as a matter of sound practice for an institution intent on financial sustainability. We believe that current laws and regulations are sufficient to make this goal achievable. We received our tax exemption within five months of the public announcement of our project, notwithstanding our announced intention to provide exclusive stories to profit-seeking publishers. And in just over two years, we have received funding commitments, beyond our original donors, of more than \$2.3 million from more than 60 donors. That said, fund-raising is probably our greatest remaining challenge—beyond, of course, the imperative to sustain and constantly improve the level of our journalism. What we are seeking to create, in going the non-profit route, is nothing less than a new class of cultural institution in this country, but one at least as vital to the maintenance of our way of life, and our aspirations, as any that now exists.

Our efforts, I know, do not lessen the pain being suffered among other journalists today. They do not, by themselves, remove the threat to accountability, and thus to our democracy, posed by the business challenges of the press. But they are a start, and they hold, I believe, real promise.

Again, thanks for asking me to share these views.