



Recognition, Growth and Impact



ProPublica Annual Report

2010





The Mission

To expose abuses of power and betrayals of the public trust by government, business, and other institutions, using the moral force of investigative journalism to spur reform through the sustained spotlighting of wrongdoing.



2010 Highlights

When ProPublica's formation was [announced](#) in 2007 it was a novel concept: a non-profit investigative journalism newsroom that would attract world-class talent and seek unprecedented impact by publishing major stories through leading media partners. Today, ProPublica's journalism approach is proven—and being widely replicated—while our organizational model continues to make key strides toward critical mass and sustainability.

In important respects, ProPublica came into its own in 2010.

In only our second full year of operations, ProPublica recorded a number of critical milestones:

- In April, we became the first online news organization to [win a Pulitzer Prize](#);
- We published more than 100 major stories with more than 40 partners, ranging from the New York Times, Washington Post, Los Angeles Times, Chicago Tribune, Boston Globe, Philadelphia Inquirer, Seattle Times and USA Today, to NPR and Frontline, to CBS, NBC and CNN, to the Huffington Post, the Daily Beast, Politico and Yahoo!, to the Atlantic, Newsweek, Consumer Reports and Stars and Stripes;
- Our data applications, especially our "[Dollars for Docs](#)" database of physicians paid to promote prescription drug sales, provided the basis for local stories by more than 100 news organizations across the country;
- In November, our reach for each story we publish first surpassed 100,000 computer screens, as we made significant strides in building an independent publishing platform. Our web site traffic for the year (as measured by page views) was up 119% as we completely redesigned our site, Twitter followers rose 336% and Facebook fans 962%, and we launched very successful iPhone and iPad apps;
- Our number of donors exceeded 1300 for the year, up twelve-fold from 2009, as we raised more than \$3.8 million from donors other than our founders.



Most important, our stories continued to have impact, to spur change. As a result of ProPublica reporting:

IMPACT

- The New Orleans Police Department is now subject to federal monitoring, with three officers convicted and three others still awaiting trial in cases where [our reporting](#) led the way;
- After more than two years of relentless prodding by our reporter, the federal government released, and ProPublica published in accessible [database form](#), comparative data on the quality of dialysis facilities across the country, empowering 400,000 dialysis patients and their families, and unleashing market pressure for improved care;
- We spotlighted flaws and broken promises in the BP claims process. At first frustrating and opaque for residents who had lost business or even their livelihoods, the [process was streamlined](#) and made more efficient and responsive. Time magazine wrote, “score one for ProPublica for forcing BP’s hand”;
- Our national coverage of the damage wrought to homes by defective Chinese drywall [spurred remedial action](#) by Habitat for Humanity in Louisiana and caused home improvement chain Lowe’s to dramatically [increase the money](#) it offered to customers harmed by their use of drywall purchased in their stores;
- Our [debate-shaping coverage](#) of the threat to the nation’s water supplies from unregulated drilling for natural gas continued—now topping 100 stories over 30 months-- and important safety limits were placed on drilling for gas in New York State;
- A federal database of dangerous or incompetent caregivers was overhauled, a warning posted about its limitations and the team overseeing it [replaced](#);
- A [new law was enacted](#) in Illinois tightening standards of informed consent in the administration of psychotropic drugs in nursing homes; and
- The Food and Drug Administration [restricted](#) the use of an MRI drug manufactured by General Electric that has been implicated in harming patients with kidney disease.



Beyond these specific achievements, ProPublica reporting called the attention of citizens and public officials to critical stories like these:

INSIGHT

- Key factors behind the financial panic of 2008, and how the greed of some in the industry delayed the reckoning but [ultimately made it far worse](#);
- The [lax safety culture at BP](#), and how it contributed to the worst oil spill in history;
- The lack of appropriate concern over [traumatic brain injuries](#) to our troops serving in Iraq and Afghanistan;
- The [untold story](#) of the Mumbai attack of November 2008, including one of the conspirators' earlier involvement with American authorities and ties to Pakistani intelligence;
- [How and why](#) the federal government's home loan modification program failed so miserably; and
- The most insightful [coverage](#) anywhere of the continuing litigation over Guantanamo detainees, including one instance where the issuance of two judicial opinions by the same judge on the same point obscured the truth.



Recognition for ProPublica's work

In April 2010, ProPublica reporter Sheri Fink received a **Pulitzer Prize for Investigative Reporting**, the first such award to an online news organization. Sheri's Pulitzer was awarded for her article, "The Deadly Choices at Memorial" on euthanasia in the wake of Hurricane Katrina, published in *The New York Times Magazine* in August 2009.

ProPublica also [received a number of other leading prizes in 2010](#):

Sheri Fink's work also received the **National Magazine Award for Reporting**, the **Dart Award for Excellence in Coverage of Trauma** from Columbia University's Dart Center and the **National Headliner Award** for magazine coverage of a major news event.

Abrahm Lustgarten's reporting on the dangers of hydraulic fracturing in drilling for natural gas won the **George Polk Award** for environmental reporting, the **Stokes Award for Best Energy Writing** from the National Press Foundation and the **Society of Professional Journalists Sigma Delta Chi Award for online investigative reporting**.

T. Christian Miller's coverage of the health claims of Iraq and Afghanistan war contractors received the **Selden Ring Award** for investigative reporting from U.S.C.'s Annenberg School, the **Overseas Press Club Online Journalism Award**, and the **Investigative Reporters and Editors (IRE) Online Award**.

ProPublica reporters Tracy Weber and Charles Ornstein's coverage of nursing oversight in California was a **finalist for the Pulitzer Prize for Public Service** and the **Selden Ring Award** won by T. Miller.

A.C. Thompson's coverage of violence in New Orleans in the wake of Hurricane Katrina was a **finalist for the Goldsmith Prize** for investigative reporting from the Kennedy School of Government. A.C.'s reporting on this same subject also garnered the **Online Journalism Award for innovative investigative journalism** for a small news site, the **IRE Magazine Award**, the **James Aronson Award for Social Justice Journalism** and the **Molly Ivins National Journalism Prize**.

Innovation

ProPublica is a consistent and persistent innovator in how investigative journalism can be most effectively and powerfully practiced today. As a non-profit we share the fruits of our work in ways that a profit-seeking publisher never would.

Here's what we mean by that:

- Our exclusive databases—from “[Dollars for Docs](#)” charting drug company payments to promote prescriptions, to “[Recovery Tracker](#)” detailing stimulus spending—are actively promoted to media across the country, who can and do use them to produce local stories on how these issues play out at the community level. Dollars for Docs yielded more than 75 such stories in the fourth quarter of 2010 alone.
- But we go beyond sharing our databases. Our reporters have hosted conference calls on how to report on issues including oversight of nursing, and have published “reporting recipes” to facilitate local reporting.
- Our [ProPublica Reporting Network](#) of 6300 citizens helps us check on questions ranging from which congressmen are going to the Super Bowl in search of campaign cash to the progress of BP spill claims. We've also actively matched homeowners who can't get action on loan modification requests with local reporters around the country who can shine a light on individual cases—often yielding results, and relief.
- We push hard, of course, to get answers to tough questions. When BP refused to respond regarding the company's safety culture, we then published not only what we had learned without their help, but also [the 68 questions they had left unanswered](#). When we obtained the industry's prepared canned talking points to counter our investigation of dialysis facilities we [published](#) those as well.
- When material is so complex it becomes hard for readers to absorb, we use non-traditional techniques to convey it clearly. Our 2010 coverage of collateralized debt obligations featured a parody of a [Broadway show tune](#), a song and video from “[Auto-Tune the News](#)” and a [comic strip](#).
- When we need to—for instance to gather material for a database or to chart changes to the White House web site—we build our own software. And when we do, our “[Nerd Blog](#)” shares how we did it, and what we've learned. Pickup from those posts has included the official Google Open Source blog.

And this sort of innovation is widely recognized. Our Reporting Network recently received a Special Distinction Award from the Knight Batten Awards for Innovations in Journalism. Our coverage of loan modifications won the Inman News Innovator Award for most innovative media site. The Huffington Post hailed ProPublica CEO Paul Steiger as a “game changer” in media, and ProPublica was also named one of the ten most innovative companies in media by [Fast Company magazine](#), and received the first Edward R. Murrow Award for Media Entrepreneurship.



What Others Said About Our Work

“The Spill,’ a documentary that is a joint presentation of “Frontline” and ProPublica, so compellingly details [BP’s] history of flagrantly violating safety standards [that] made lethal personal injuries and horrific accidents practically inevitable.

“The film... is an old-school, dig-deep production that could have been improved upon only if it had been longer. An hour somehow seems insufficient.”

—[New York Times television review](#), October 25

“We should all be doing more reporting like the extraordinary piece... on the Magnetar trade.... It’s fantastic. It’s horrific. It’s like a really good South Korean monster movie. Except that it really happened, and in the end, after watching all that destruction of value, you, the taxpayer, have to pay for it.”

The Economist “[Democracy in America](#)” blog, April 19

“ProPublica and National Public Radio are doing good work in publicizing the problem [of traumatic brain injuries to soldiers] and in holding Congress and the military accountable. ProPublica’s series ‘Brain Wars: How The Military Is Failing Its Wounded’ and NPR’s broadcast coverage have attracted welcome congressional attention and shined a light on what could be a national disgrace.

“Hats off to ProPublica and NPR for getting [Congress’] attention.”

Durango [CO] Herald [editorial](#), September 9

“ProPublica may be taking heat from the drug companies for exposing their dirty laundry. But [they] deserve our sincere thanks for helping guard our health from drug companies that, on the face of it, should be doing exactly that same thing—and aren’t.”

—[Psychology Today](#), October 23



“I’m a writer and historian who undertook to tackle a complicated financial story; it was hard enough, but the financial world of the 1800s was nowhere near as complex as it is today. I’m thoroughly impressed with both the excellence of your [Magentar] investigation and the significance of the story. This reminds me of nothing so much as the inside trading of nineteenth-century Wall Street—but those historic episodes led to national debates that culminated in financial regulation. This sort of thing should not happen now, and only has because of a deep cultural shift against government oversight. I had thought I understood how badly we needed a correction in that regard, but your story has truly stunned me with the enormity of the problem.

“Well done, and thank you.”

—*T.J. Stiles, author of “Cornelius Vanderbilt, The Last Tycoon”, in an email the day after his book was awarded the Pulitzer Prize*

“[ProPublica’s CDO self-dealing story] rings like a church bell. This is one of the special stories that both bring important new information into the public record *and* clarify a complex problem, all at the same time.”

—[Columbia Journalism Review](#), August 27

“The ProPublica articles [on dialysis] fill the void that our nephrologists, our patient organizations, our primary care physicians, our politicians, our insurance providers, our [Centers for Medicare and Medicaid Services End Stage Renal Disease] program administrators, and even our uninvolved dialysis patients create by turning a blind eye to the plight of the average dialysis patient.”

—*Peter Laird, MD, [HemoDoc blog](#), December 13*



Building ProPublica's Publishing Platform

Partner stories in 2010: 105

Partners in 2010: 48

Page views: 12.7 million, up 119% over 2009

Comprehensive web site redesign, June 2010

Daily email subscribers: more than 40,000, up 200% over 2009

Twitter followers: more than 19,000, up 336% over 2009

Facebook fans: more than 12,000, up 962% over 2009

Members of the ProPublica Reporting Network: more than 6300, up 118% over 2009

iPhone/iPad app downloads: more than 31,000—new in 2010

TechCrunch called our iPad app one of 25 “must haves” and one of 20 that “take advantage of the iPad’s strengths”; gadget blog Dripler called it one of 10 “must haves”

Publishing Partners, 2010

Albany Times-Union	Need to Know (public TV)
Atlantic Monthly	New Orleans Times-Picayune
Bloggingheads TV	Newsweek
Boston Globe	New York Times
Bradenton Herald	Nightly Business Report
CBS News	NPR News
Chicago Tribune	Patchwork Nation
CNN	Philadelphia Inquirer
Consumer Reports	Pittsburgh Post-Gazette
Daily Beast	Planet Money
Dallas Morning News	Politico
Detroit News	PolitiFact
Fresno Bee	St. Petersburg Times
Frontline	San Francisco Chronicle
Health News Florida	Sarasota Herald Tribune
Huffington Post	Seattle Times
KQED Radio	Stars and Stripes
Los Angeles Times	This American Life
Marketplace (public radio)	Tribune Washington Bureau
Memphis Commercial Appeal	USA Today
Minneapolis Star-Tribune	Washington Post
MSNBC.com	Wide Angle (public TV)
National Law Journal	WNYC Radio
NBC News	Yahoo! News

Financial Information, 2010 (rounded to nearest \$1000)

Revenues

Board of Directors contributions and related grants	\$ 6,825,000
Major grants and gifts (\$50,000 and above)	2,598,000
Business Advisory Council contributions	131,000
Online donations	86,000
Other grants and gifts	184,000
Royalties and prizes	8,000
TOTAL	\$9,832,000

Expenses

News salaries, payments and benefits	\$5,926,000
Non-news salaries and benefits	988,000
Personnel support	731,000
Outreach	357,000
Professional fees	44,000
Occupancy and office	938,000
Capital costs	234,000
TOTAL	\$9,218,000

Note: all figures preliminary and unaudited

Officers and Staff

Paul Steiger, editor-in-chief, CEO and president

Stephen Engelberg, managing editor

Richard Tofel, general manager

Debby Goldberg, VP, development

News Staff

Senior Editors: Tom Detzel, Robin Fields, Susan White, and Eric Umansky

Senior Reporters: Jesse Eisinger, Jeff Gerth, Dafna Linzer, T. Christian Miller, Charles Ornstein, Sebastian Rotella, Marcus Stern and Tracy Weber

Reporters: Kim Barker, Jake Bernstein, Sharona Coutts, Michael Grabell, Paul Kiel, Chisun Lee, Abrahm Lustgarten, Olga Pierce, Joaquin Sapien and A.C. Thompson

Reporter-Blogger: Marian Wang

Contributor: Sheri Fink

Director of Computer-Assisted Reporting: Jennifer LaFleur

Director of Research: Lisa Schwartz

Editor of News Applications: Scott Klein

Director of Online Engagement: Amanda Michel

Deputy Editor of News Applications: Krista Kjellman Schmidt

News Applications Developers: Jeff Larson, Dan Nguyen and Al Shaw

Administrative Staff

Director of Finance & Operations: Barbara Zinkant

Director of Communications: Mike Webb

Director of Information Technology: Nicholas Lanese

Operations & Executive Assistant: Gabriela Monasterio

Governance

Board of Directors

ProPublica is overseen by a Board of Directors that includes, besides Mr. Steiger:

Henry Louis Gates, Jr., the W. E. B. Du Bois Professor of the Humanities and the Director of the W. E. B. Du Bois Institute for African and African American Research at Harvard University

Mary Graham, co-director of the Transparency Policy Project at Harvard's Kennedy School of Government and serves as a senior fellow at the school's Ash Institute for Democratic Governance and Innovation

Alberto Ibarguen, president and CEO of the John S. and James L. Knight Foundation and former publisher of the *Miami Herald* and of *El Nuevo Herald*

Gara LaMarche, president and CEO of The Atlantic Philanthropies

Herbert Sandler (chair), co-president (with his wife, Marion Sandler) of the Sandler Foundation; and

Tom Unterman, managing partner, Rustic Canyon Partners and former CFO, Times Mirror Co.

Journalism Advisory Board

ProPublica has named a journalism advisory board to advise ProPublica's editors from time to time on the full range of issues related to ProPublica's journalism, from ethical issues to the direction of its reporting efforts. Its members include:

Jill Abramson, a managing editor of *The New York Times*

Martin D. Baron, the editor of the *Boston Globe*

David Boardman, the executive editor of the *Seattle Times*

Robert A. Caro, historian and biographer of Robert Moses and Lyndon Johnson

John S. Carroll, the former editor of the *Los Angeles Times* and the *Baltimore Sun*

L. Gordon Crovitz, a former publisher of *The Wall Street Journal* and now a partner in Journalism Online

David Gergen, professor of public service at Harvard's John F. Kennedy School of Government and director of its Center for Public Leadership

Shawn McIntosh, the director of culture and change at *The Atlanta Journal-Constitution*

Ellen Miller, the executive director of The Sunlight Foundation

Priscilla Painton, the editor-in-chief of Simon & Schuster

Allan Sloan, a senior editor at large for *Fortune* magazine

Kerry Smith, the senior vice president for editorial quality of ABC News

Cynthia A. Tucker, columnist for *The Atlanta Journal-Constitution*

Business Advisory Council

ProPublica also has a Business Advisory Council, a group of executives who advise on emerging business and technology issues:

Mark Colodny, Chair, Managing Director, Warburg Pincus LLC

Joanna Stone Herman, Vice Chair

Andy Cummins, Founder & CIO, Explorador Capital Management

Maria Gotsch, President & CEO, NYC Investment Fund

Dave Goldberg, CEO, SurveyMonkey

Michael Hansen, CEO, Elsevier Health Sciences

Lori E. Lesser, Partner, Simpson Thacher & Bartlett LLP

Gary Mueller, CEO & Chairman, Institutional Investor

William Pollak, CEO, ALM Media LLC

Davia Temin, President and CEO, Temin & Company

ProPublica's Leading Supporters, 2010

Atlantic Philanthropies

Eli and Edythe Broad Foundation

Carnegie Corporation of New York

Mark Colodny

Dyson Foundation

Barry Feirstein

Ford Foundation

Bill and Melinda Gates Foundation

Mary Graham

William and Flora Hewlett Foundation

John S. and James L. Knight Foundation

Leon Levy Foundation

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Peter Lewis

John D. and Catherine T. MacArthur Foundation

Foundation to Promote Open Society

Pew Charitable Trusts

Sandler Foundation

Skoll Global Threats Fund

Tom Unterman

Woodtiger Fund



The Mission

To expose abuses of power and betrayals of the public trust by government, business, and other institutions, using the moral force of investigative journalism to spur reform through the sustained spotlighting of wrongdoing.

Why now?

The economic crisis of American journalism threatens more than just the business models of newspapers—it undermines the ability of a free press to call the powerful to account. ProPublica is a new kind of institution: a non-profit newsroom, staffed with top talent but unencumbered by legacy costs, and having the sole mission of producing journalism with what we call “moral force.” It could not have been created at a more critical moment.

While the founding fathers feared oppression of a free press by government, today threats to investigative journalism—and the accountability it spurs—are principally economic. Simply stated, the old business model for supporting in-depth reporting no longer works, leading many news outlets to reduce substantially their investigative capacity.

The crisis in publishing is leading directly to a crisis for democracy. Watchdog coverage is being lost where it matters the most.

The consequences are clear: Our history—from the muckrakers Lincoln Steffens and Ida Tarbell in the late 19th Century to Woodward and Bernstein and beyond—demonstrates that a vigilant press is an essential and effective weapon against private and public corruption. Contemporary social science has repeatedly shown that the existence of vibrant and independent journalism is a critical factor in inhibiting abuse of power—and that in the absence of such watchdogs, the public interest suffers.

This essential work requires resources and patience, both in short supply these days in news companies. More than any other journalistic form, investigative journalism takes a great deal of time, anywhere from a few weeks to many months for a major story. As a result, many news organizations now view investigative journalism as an unaffordable luxury in tough economic times.

The internet offsets some of this void. Bloggers and other independent voices on the Web provide fresh content that spawns and fuels national discussion. But most of that content adds opinions rather than facts, and most bloggers lack the resources and training to conduct in-depth reporting. News aggregators—Web sites that post links to items scoured from the Internet—and search technologies can likewise bring the news to new audiences or display it in new ways. They cannot, however, aggregate or display content that is no longer being created.

In short, without a renewed societal commitment to investigative reporting, we cannot sustain the critical role the press plays in exposing corruption, especially of government and corporations, but also of other power centers.

A New Model: ProPublica

ProPublica was founded in late 2007 as an independent, non-profit newsroom with a mission to produce investigative journalism in the public interest. We opened our doors in January 2008, and began publishing that June.

We focus on stories with what we call “moral force.” That is, we produce journalism that shines a light on exploitation of the weak by the strong, and on the failures of those with power to vindicate the trust placed in them. In the best traditions of American journalism in the public interest, our goal is to stimulate positive change, uncovering unsavory practices and abuses of power in order to prod reform.

Our stories are written and published in an entirely non-partisan and non-ideological manner, adhering to the strictest standards of journalistic impartiality. Our publishing model is highly efficient, with more than 80% of our budget dedicated to news, compared to the standard of 10-15% at news organizations burdened with legacy cost and distribution structures.

We are led by some of the best-respected names in U.S. journalism. Paul Steiger, the former managing editor of The Wall Street Journal, is ProPublica’s Editor-in-Chief. Stephen Engelberg, a former managing editor of The Oregonian and former investigative editor of The New York Times, is Managing Editor. Richard Tofel, the former assistant publisher of The Wall Street Journal and former general counsel of The Rockefeller Foundation, serves as General Manager.

Our newsroom includes 33 full-time journalists, with a wide range of background and experience. Some of the team have decades of experience in newspaper reporting; others are at the cutting edge of new electronic techniques for digging out and communicating important information. We’re committed to giving our reporters the financial resources and the time—possibly the greatest luxuries in journalism—to fully investigate leads and stories.

Following up is a crucial part of ProPublica's strategy. Often, a single exposé on television or even a multi-part series in a newspaper reaches only a small part of the audience needed for it to result in public demands for change. By contrast, we are determined to sustain our reporting until we have exhausted the potential for reaching significant numbers of individuals and groups in a position to effect change.

All of our work is displayed and archived on our Web site, propublica.org, our iPhone, iPad and Android apps, our Facebook pages and through our Twitter and RSS feeds. We also distribute our biggest and deepest stories through one or more major media partners—print, television or radio, online, or a combination of them—carefully selected in each case to target key audiences and maximize the potential impact of our work. This process provides an objective assurance of quality, because partners are under no obligation to publish ProPublica's articles. It also gives the pieces much larger distribution and visibility than they would otherwise have.

While often working with and through traditional media, we also place a significant premium on innovation in publishing, and making the most of new tools and approaches to journalism. We build databases and share them with other news organizations, quickly “localizing” important national stories. We employ a Creative Commons license to encourage others to republish our stories for maximum impact. We actively grow a network of thousands of involved citizens who can and do enable us to engage in distributed reporting projects that would be impossible without such crowd-sourcing techniques. We are restless pioneers in most of these innovative approaches, few of which would even be attempted by a for-profit news organization.

Photos Front cover: *Mumbai attack, 2008* (Uriel Sinai, Getty); *Guantanamo prison* (John Moore, Getty); *police shooter, New Orleans, post-Katrina* (Alex Brandon, New Orleans Times-Picayune); *environmental files* (Abraham Lustgarten, ProPublica). page 1: *Lehman Brothers* (Michael Nagle, Getty); *brain injury evacuee* (Michael Probst, AP). page 2: *Guantanamo* (John Moore, Getty); *oil sludge* (John Moore, Getty). page 3: *body in New Orleans post-Katrina* (Eric Gay, AP); *injured contractor* (Francine Orr, Los Angeles Times). page 4: Pulitzer Prize announced (Dan Nguyen, ProPublica). page 6: *Merrill Lynch* (Emmanuel Dunand, AFP/Getty); *oil rigs* (Abraham Lustgarten, ProPublica). page 7: *oil boom* (Chris Graythen, Getty); *Afghanistan after IED* (Joe Raedle, Getty). page 8: *oil spill* (Gerald Herbert, AP). page 15: *drywall* (Chip Litherland, Sarasota Herald-Tribune); *TBI and hydrofracking graphics* (Al Granberg for ProPublica); *police in New Orleans post-Katrina* (Marko Georgiev); *loan modification fair* (Michael Nagle, Getty). Back cover: *Mumbai attack* (Uriel Sinai, Getty); *dialysis* (Roberto Bear Guerra); *foreclosure* (Joe Raedle, Getty); *prisoner at Guantanamo* (Michelle Shepard-Pool, Getty).

Design Sarah Way



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