Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

OMB No. 1545-0047

2008

Open to Public Inspection

A For the 2008 calendar year, or tax year beginning and ending

B Check if applicable: Address change [ ] Name change [ ] Initial return [ ] Termination [ ] Amended return [X] Application pending [ ]

Please use IRS label or print or type. See Specific Instructions.

C Name of organization: PRO PUBLICA, INC.

Doing Business As

Number and street (or P.O. box if mail is not delivered to street address): ONE EXCHANGE PLAZA, 55 BROADWAY — Room/suite: 23 FL

City or town, state or country, and ZIP + 4: NEW YORK, NY 10006

F Name and address of principal officer: Paul E. Steiger
Same as Above

D Employer identification number 14-2007220

E Telephone number 917-512-0240

G Gross receipts $ 8,572,220.

H(a) Is this a group return for affiliates? [ ] Yes [X] No

H(b) Are all affiliates included? [ ] Yes [ ] No
If "No," attach a list. (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status: [X] 501(c) (3) ◀ (insert no.) [ ] 4947(a)(1) or [ ] 527

J Website: ▶ WWW.PROPUBLICA.ORG

K Type of organization: [X] Corporation [ ] Trust [ ] Association [ ] Other ▶

L Year of formation: 2007 M State of legal domicile: NY

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities: Pro Publica is a new, independent, non-profit investigative journalism newsroom. (SEE SCHEDULE O)

2 Check this box ▶ [ ] if the organization discontinued its operations or disposed of more than 25% of its assets.

3	Number of voting members of the governing body (Part VI, line 1a)	3	6
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	5
5	Total number of employees (Part V, line 2a)	5	46
6	Total number of volunteers (estimate if necessary)	6	0
7a	Total gross unrelated business revenue from Part VIII, line 12, column (C)	7a	0.
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0.

			Prior Year	Current Year
Revenue	8	Contributions and grants (Part VIII, line 1h)	1,450,000.	8,544,759.
	9	Program service revenue (Part VIII, line 2g)		
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	89.	26,926.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)		535.
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1,450,089.	8,572,220.
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)		
	14	Benefits paid to or for members (Part IX, column (A), line 4)		
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)		4,005,731.
	16a	Professional fundraising fees (Part IX, column (A), line 11e)		
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶		
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	84,566.	2,130,656.
	18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	84,566.	6,136,387.
	19	Revenue less expenses. Subtract line 18 from line 12	1,365,523.	2,435,833.
			Beginning of Year	**End of Year**
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	1,747,979.	4,117,171.
	21	Total liabilities (Part X, line 26)	382,456.	315,815.
	22	Net assets or fund balances. Subtract line 21 from line 20	1,365,523.	3,801,356.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

▶ Signature of officer — Date 7/27/10

▶ Paul E. Steiger, President
Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶ — Date 7/27/10 — Check if self-employed ▶ [ ] — Preparer's identifying number (see instructions)

Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ O'CONNOR DAVIES MUNNS & DOBBINS, LLP.
60 EAST 42ND STREET
NEW YORK, NY 10165

EIN ▶

Phone no. ▶ 212-286-2600

May the IRS discuss this return with the preparer shown above? (see instructions) [ ] Yes [ ] No

See Schedule O for Organization Mission Statement Continuation

Part III | Statement of Program Service Accomplishments (see instructions)

1 Briefly describe the organization's mission: See Schedule O for Continuation
Pro Publica is a new, independent, non-profit newsroom that produces investigative journalism in the public interest. Our work focuses exclusively on truly important stories, stories with moral force. (SEE SCHEDULE O)

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No
If "Yes", describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No
If "Yes", describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses $ 5,234,123. including grants of $) (Revenue $)
SEE ATTACHMENT A

4b (Code:) (Expenses $ including grants of $) (Revenue $)

4c (Code:) (Expenses $ including grants of $) (Revenue $)

4d Other program services. (Describe in Schedule O.)
(Expenses $ including grants of $) (Revenue $)

4e Total program service expenses ▶ $ 5,234,123. *(Must equal Part IX, Line 25, column (B).)*

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	X	
2	Is the organization required to complete Schedule B, Schedule of Contributors?	2	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		X
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities? *If "Yes," complete Schedule C, Part II*	4		X
5	**Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations.** Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? *If "Yes," complete Schedule C, Part III*	5		
6	Did the organization maintain any donor advised funds or any accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		X
9	Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		X
10	Did the organization hold assets in term, permanent, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		X
11	Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? *If "Yes," complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable*	11	X	
12	Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12	X	
13	Is the organization a school as described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		X
14a	Did the organization maintain an office, employees, or agents outside of the U.S.?	14a		X
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the U.S.? *If "Yes," complete Schedule F, Part I*	14b		X
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Part II*	15		X
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Part III*	16		X
17	Did the organization report more than $15,000 on Part IX, column (A), line 11e? *If "Yes," complete Schedule G, Part I*	17		X
18	Did the organization report more than $15,000 total on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		X
19	Did the organization report more than $15,000 on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		X
20	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20		X
21	Did the organization report more than $5,000 on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21		X
22	Did the organization report more than $5,000 on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		X
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5? *If "Yes," complete Schedule J*	23	X	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer questions 24b-24d and complete Schedule K. If "No", go to question 25*	24a		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		X
b	Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? *If "Yes," complete Schedule L, Part I*	25b		X
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	27		X

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
28	During the tax year, did any person who is a current or former officer, director, trustee, or key employee:			
a	Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? *If "Yes," complete Schedule L, Part IV*	28a		X
b	Have a family member who had a direct or indirect business relationship with the organization? *If "Yes," complete Schedule L, Part IV*	28b		X
c	Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? *If "Yes," complete Schedule L, Part IV*	28c		X
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29	X	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? *If "Yes," complete Schedule R, Part I*	33		X
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	34		X
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35		X
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		X

Part V Statements Regarding Other IRS Filings and Tax Compliance

					Yes	No
1a	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable	1a	31			
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0			
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			1c	X	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	46			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			2b	X	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* this return. (see instructions)					
3a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?			3a		X
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?			4a		X
b	If "Yes," enter the name of the foreign country: ▶					
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?			5a		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			5b		X
c	If "Yes," to question 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?			5c		
6a	Did the organization solicit any contributions that were not tax deductible?			6a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			6b		
7	**Organizations that may receive deductible contributions under section 170(c).**					
a	Did the organization provide goods or services in exchange for any quid pro quo contribution of more than $75?			7a		X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			7c		X
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d				
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			7e		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?			7f		X
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?			7g		X
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?			7h		X
8	**Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			8		
9	**Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.**					
a	Did the organization make any taxable distributions under section 4966?			9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?			9b		
10	**Section 501(c)(7) organizations.** Enter: N/A					
a	Initiation fees and capital contributions included on Part VIII, line 12	10a				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b				
11	**Section 501(c)(12) organizations.** Enter: N/A					
a	Gross income from members or shareholders	11a				
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b				
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year N/A	12b				

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Part VI Governance, Management, and Disclosure *(Sections A, B, and C request information about policies not required by the Internal Revenue Code.)*

Section A. Governing Body and Management

For each "Yes" response to lines 2-7b below, and for a "No" response to lines 8 or 9b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

			Yes	No
1a	Enter the number of voting members of the governing body ... 1a 6			
b	Enter the number of voting members that are independent ... 1b 5			
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3		X
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?	4		X
5	Did the organization become aware during the year of a material diversion of the organization's assets?	5		X
6	Does the organization have members or stockholders?	6		X
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a		X
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:			
a	The governing body?	8a	X	
b	Each committee with authority to act on behalf of the governing body?	8b	X	
9a	Does the organization have local chapters, branches, or affiliates?	9a		X
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	9b		
10	Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990	10	X	
11	Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	11		X

Section B. Policies

			Yes	No
12a	Does the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	X	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this is done*	12c	X	
13	Does the organization have a written whistleblower policy?	13	X	
14	Does the organization have a written document retention and destruction policy?	14	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision:			
a	The organization's CEO, Executive Director, or top management official?	15a	X	
b	Other officers or key employees of the organization?	15b	X	
	Describe the process in Schedule O. (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		X
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶NY,DC,IL,NJ,CA

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.

[X] Own website [X] Another's website [X] Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ▶

The Organization - 917-512-0240

ONE EXCHANGE PLAZA, 55 BROADWAY, No. 23 FL, NEW YORK, NY 10006

Part VII **Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Use Schedule J-2 if additional space is needed.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if the organization did not compensate any officer, director, trustee, or key employee.

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
HERBERT M. SANDLER CHAIRMAN	2.00	X						0.	0.	0.
PAUL E. STEIGER PRESIDENT & EDITOR IN CH	40.00	X		X				570,000.	0.	14,242.
HENRY LOUIS GATES, JR. DIRECTOR	1.00	X						0.	0.	0.
ALBERTO IBARGUEN DIRECTOR	1.00	X						0.	0.	0.
JAMES A. LEACH DIRECTOR	1.00	X						0.	0.	0.
REBECCA RIMEL DIRECTOR	1.00	X						0.	0.	0.
RICHARD TOFEL TREASURER, SECRETARY & G	40.00			X				296,370.	0.	24,975.
STEPHEN ENGELBERG MANAGING EDITOR	40.00				X			451,972.	0.	26,642.
DAFNA LINZER SENIOR REPORTER	40.00					X		166,976.	0.	12,132.
JEFFREY GERTH SENIOR REPORTER	40.00					X		150,000.	0.	9,533.
BARBARA ZINKANT DIRECTOR OF FINANCE & OP	40.00					X		111,416.	0.	10,207.
ROBIN FIELDS SENIOR REPORTER	40.00					X		101,373.	0.	3,881.
THOMAS DETZEL EDITOR	40.00					X		97,802.	0.	2,414.

Part VII **Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** *(continued)*

(A) Name and title	(B) Average hours per week	(C) Position (check all that apply): Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
1b Total ▶								1,945,909.	0.	104,026.

			Yes	No
2	Total number of individuals (including those in 1a) who received more than $100,000 in reportable compensation from the organization ▶ 7			
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	3		X
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	4	X	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? *If "Yes," complete Schedule J for such person*	5		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization. NONE

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including those in 1) who received more than $100,000 in compensation from the organization ▶ 0

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Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1 a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations	1d				
	e Government grants (contributions)	1e				
	f All other contributions, gifts, grants, and similar amounts not included above	1f 8544759.				
	g Noncash contributions included in lines 1a-1f: $ 190,734.					
	h **Total.** Add lines 1a-1f ▶		8,544,759.			
Program Service Revenue		Business Code				
	2 a					
	b					
	c					
	d					
	e					
	f All other program service revenue					
	g **Total.** Add lines 2a-2f ▶					
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) ▶		26,926.			26,926.
	4 Income from investment of tax-exempt bond proceeds ▶					
	5 Royalties ▶		35.			35.
		(i) Real / (ii) Personal				
	6 a Gross Rents					
	b Less: rental expenses					
	c Rental income or (loss)					
	d Net rental income or (loss) ▶					
	7 a Gross amount from sales of assets other than inventory	(i) Securities / (ii) Other				
	b Less: cost or other basis and sales expenses					
	c Gain or (loss)					
	d Net gain or (loss) ▶					
	8 a Gross income from fundraising events (not including $ ____ of contributions reported on line 1c). See Part IV, line 18	a				
	b Less: direct expenses	b				
	c Net income or (loss) from fundraising events ▶					
	9 a Gross income from gaming activities. See Part IV, line 19	a				
	b Less: direct expenses	b				
	c Net income or (loss) from gaming activities ▶					
	10 a Gross sales of inventory, less returns and allowances	a				
	b Less: cost of goods sold	b				
	c Net income or (loss) from sales of inventory ▶					
	Miscellaneous Revenue	Business Code				
	11 a Miscellaneous Revenue	900099	500.			500.
	b					
	c					
	d All other revenue					
	e **Total.** Add lines 11a-11d ▶		500.			
	12 **Total Revenue.** Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e ▶		8,572,220.	0.	0.	27,461.

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21				
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	2,052,935.	1,714,497.	338,438.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	1,489,847.	1,442,335.	47,512.	
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	102,575.	79,553.	23,022.	
9 Other employee benefits	162,160.	108,152.	54,008.	
10 Payroll taxes	198,214.	178,110.	20,104.	
11 Fees for services (non-employees):				
a Management				
b Legal	11,482.		11,482.	
c Accounting	25,500.	20,400.	5,100.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other				
12 Advertising and promotion				
13 Office expenses	67,328.	40,433.	26,895.	
14 Information technology	88,475.	74,416.	14,059.	
15 Royalties				
16 Occupancy	609,417.	385,863.	223,554.	
17 Travel	195,362.	194,950.	412.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	12,185.	2,567.	9,618.	
20 Interest	1,212.		1,212.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	141,677.	91,926.	49,751.	
23 Insurance	167,753.	150,065.	17,688.	
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a Recruitment	265,838.	264,088.	1,750.	
b Freelance and Consultin	239,841.	237,227.	2,614.	
c Public Records copies &	131,287.	125,708.	5,579.	
d Telecommunications	79,108.	61,460.	17,648.	
e Repairs & Maintenance	52,887.	26,261.	26,626.	
f All other expenses	41,304.	36,112.	5,192.	
25 **Total functional expenses.** Add lines 1 through 24f	6,136,387.	5,234,123.	902,264.	0.
26 **Joint Costs.** Check here ▶ ☐ if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X | Balance Sheet

			(A) Beginning of year		(B) End of year
Assets	1	Cash - non-interest-bearing		1	
	2	Savings and temporary cash investments	1,031,917.	2	3,322,910.
	3	Pledges and grants receivable, net		3	
	4	Accounts receivable, net	36,704.	4	1,039.
	5	Receivables from current and former officers, directors, trustees, key employees, or other related parties. Complete Part II of Schedule L		5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sale or use		8	
	9	Prepaid expenses and deferred charges	213,274.	9	214,285.
	10a	Land, buildings, and equipment: cost basis 10a 715,614.			
	b	Less: accumulated depreciation. Complete Part VI of Schedule D 10b 141,677.	461,084.	10c	573,937.
	11	Investments - publicly traded securities		11	
	12	Investments - other securities. See Part IV, line 11		12	
	13	Investments - program-related. See Part IV, line 11		13	
	14	Intangible assets		14	
	15	Other assets. See Part IV, line 11	5,000.	15	5,000.
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)	1,747,979.	16	4,117,171.
Liabilities	17	Accounts payable and accrued expenses	331,366.	17	100,119.
	18	Grants payable		18	
	19	Deferred revenue		19	
	20	Tax-exempt bond liabilities		20	
	21	Escrow account liability. Complete Part IV of Schedule D		21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties		23	
	24	Unsecured notes and loans payable		24	
	25	Other liabilities. Complete Part X of Schedule D	51,090.	25	215,696.
	26	**Total liabilities.** Add lines 17 through 25	382,456.	26	315,815.
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ [X] and complete lines 27 through 29, and lines 33 and 34.**			
	27	Unrestricted net assets	661,173.	27	893,457.
	28	Temporarily restricted net assets	704,350.	28	2,907,899.
	29	Permanently restricted net assets		29	
		Organizations that do not follow SFAS 117, check here ▶ [ ] and complete lines 30 through 34.			
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	Total net assets or fund balances	1,365,523.	33	3,801,356.
	34	Total liabilities and net assets/fund balances	1,747,979.	34	4,117,171.

Part XI | Financial Statements and Reporting

			Yes	No
1	Accounting method used to prepare the Form 990: [ ] Cash [X] Accrual [ ] Other			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		X
b	Were the organization's financial statements audited by an independent accountant?	2b	X	
c	If "Yes" to lines 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c	X	
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		X
b	If "Yes," did the organization undergo the required audit or audits?	3b		

SCHEDULE A (Form 990 or 990-EZ)

Department of the Treasury Internal Revenue Service

Public Charity Status and Public Support

To be completed by all section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization: PRO PUBLICA, INC.

Employer identification number: 14-2007220

Part I — Reason for Public Charity Status (All organizations must complete this part.) (see instructions)

The organization is not a private foundation because it is: (Please check only **one** organization.)

1 [ ] A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 [ ] A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)

3 [ ] A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).** (Attach Schedule H.)

4 [ ] A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: ______

5 [ ] An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)

6 [ ] A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 [X] An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

8 [ ] A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

9 [ ] An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete the Part III.)

10 [ ] An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).** (see instructions)

11 [ ] An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.

a [ ] Type I b [ ] Type II c [ ] Type III - Functionally integrated d [ ] Type III - Other

e [ ] By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box .... [ ]

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

		Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	11g(i)		
(ii) A family member of a person described in (i) above?	11g(ii)		
(iii) A 35% controlled entity of a person described in (i) or (ii) above?	11g(iii)		

h Provide the following information about the organizations the organization supports.

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document? Yes	No	(v) Did you notify the organization in col. (i) of your support? Yes	No	(vi) Is the organization in col. (i) organized in the U.S.? Yes	No	(vii) Amount of support
Total									

LHA **For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.** **Schedule A (Form 990 or 990-EZ) 2008**

832021 12-17-08

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")				1450000.	8544759.	9994759.
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 - 3				1450000.	8544759.	9994759.
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						9289396.
6 **Public Support.** Subtract line 5 from line 4.						705,363.

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
7 Amounts from line 4				1450000.	8544759.	9994759.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources				89.	27,461.	27,550.
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 **Total support.** Add lines 7 through 10						10022309.

12 Gross receipts from related activities, etc. (see instructions) 12

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶ [X]

Section C. Computation of Public Support Percentage

14 Public support percentage for 2008 (line 6, column (f) divided by line 11, column (f)) 14 %

15 Public support percentage from 2007 Schedule A, Part IV-A, line 26f 15 %

16a **33 1/3% support test - 2008.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ [ ]

b **33 1/3% support test - 2007.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ [ ]

17a **10% -facts-and-circumstances test - 2008.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ [ ]

b **10% -facts-and-circumstances test - 2007.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ [ ]

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶ [ ]

Part III | Support Schedule for Organizations Described in Section 509(a)(2) (Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 - 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or $5,000						
c Add lines 7a and 7b						
8 **Public support** (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 **Total support** (Add lines 9, 10c, 11, and 12.)						

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

15 Public support percentage for 2008 (line 8, column (f) divided by line 13, column (f)) | 15 | %

16 Public support percentage from 2007 Schedule A, Part IV-A, line 27g | 16 | %

Section D. Computation of Investment Income Percentage

17 Investment income percentage for **2008** (line 10c, column (f) divided by line 13, column (f)) | 17 | %

18 Investment income percentage from **2007** Schedule A, Part IV-A, line 27h | 18 | %

19a **33 1/3% support tests - 2008.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

b **33 1/3% support tests - 2007.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

Schedule B
(Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ **Attach to Form 990, 990-EZ, and 990-PF.**

OMB No. 1545-0047

2008

Name of the organization: PRO PUBLICA, INC.

Employer identification number: 14-2007220

Organization type (check one):

Filers of:	**Section:**
Form 990 or 990-EZ	[X] 501(c)(3) (enter number) organization
	[ ] 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	[ ] 527 political organization
Form 990-PF	[ ] 501(c)(3) exempt private foundation
	[ ] 4947(a)(1) nonexempt charitable trust treated as a private foundation
	[ ] 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule. (Note.** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.)

General Rule

[X] For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, $5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

[ ] For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of **(1)** $5,000 or **(2)** 2% of the amount on Form 990, Part VIII, line 1h or 2% of the amount on Form 990-EZ, line 1. Complete Parts I and II.

[ ] For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than $1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

[ ] For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than $1,000. (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of $5,000 or more during the year.) .... ▶ $ ________

Caution. Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they **must** answer "No" on Part IV, line 2 of their Form 990, or check the box in the heading of their Form 990-EZ, or on line 2 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization

PRO PUBLICA, INC.

Employer identification number

14-2007220

Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	The Atlantic Philanthropies (USA) Inc. 125 Park Avenue 21st Floor New York, NY 10017-5581	$ 25,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
2	Sandler Foundation 121 Steuart Street SAN FRANCISCO, CA 94111	$ 8,000,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
3	California Community Foundation 445 South Figueroa Street Suite 3400 Los Angeles, CA 90071-1638	$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
4	JEHT Foundation 120 Wooster Street New York, NY 10012-5200	$ 25,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
5	John D. and Catherine T. MacArthur Foundation 140 South Dearborn Street Suite 1200 Chicago, IL 60603-5285	$ 250,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
6	Peter G. Peterson Foundation 712 Fifth Avenue New York, NY 10019-4108	$ 49,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

Name of organization	Employer identification number
PRO PUBLICA, INC.	14-2007220

Part I **Contributors** (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
7	Mary Graham 1901 Pennsylvania Avenue, Suite 701 Washington, DC 20006	$ 190,734.	Person ☐ Payroll ☐ Noncash ☒ (Complete Part II if there is a noncash contribution.)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)

Name of organization

PRO PUBLICA, INC.

Employer identification number

14-2007220

Part II Noncash Property (see instructions)

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
7	Donated stock - Washington Post Co Cl B	$ 190,734.	12/02/08
		$	
		$	
		$	
		$	
		$	

Schedule D (Form 990)

Department of the Treasury Internal Revenue Service

Supplemental Financial Statements

▶ Attach to Form 990. To be completed by organizations that answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization PRO PUBLICA, INC.

Employer identification number 14-2007220

Part I **Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor or other impermissible private benefit? ☐ Yes ☐ No

Part II **Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

☐ Preservation of land for public use (e.g., recreation or pleasure)
☐ Preservation of an historically important land area
☐ Protection of natural habitat
☐ Preservation of certified historic structure
☐ Preservation of open space

2 Complete lines 2a-2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

			Held at the End of the Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶ ______

4 Number of states where property subject to conservation easement is located ▶ ______

5 Does the organization have a written policy regarding the periodic monitoring, inspection, violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff or volunteer hours devoted to monitoring, inspecting, and enforcing easements during the year ▶ ______

7 Amount of expenses incurred in monitoring, inspecting, and enforcing easements during the year ▶ $ ______

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III **Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.** Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ ______

(ii) Assets included in Form 990, Part X ▶ $ ______

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ▶ $ ______

b Assets included in Form 990, Part X ▶ $ ______

Part III | Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply):

a ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange programs
e ☐ Other ____________

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV | Trust, Escrow and Custodial Arrangements. Complete if organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV and complete the following table:

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV.

Part V | Endowment Funds. Complete if organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Investment earnings or losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the year end balance held as:

a Board designated or quasi-endowment ▶ ________%

b Permanent endowment ▶ ________%

c Term endowment ▶ ________%

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

		Yes	No
(i) unrelated organizations	3a(i)		
(ii) related organizations	3a(ii)		
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

4 Describe in Part XIV the intended uses of the organization's endowment funds.

Part VI | Investments - Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment		715,614.	141,677.	573,937.
e Other				
Total. Add lines 1a-1e. *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				573,937.

Part VII Investments - Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
Financial derivatives and other financial products		
Closely-held equity interests		
Other		
Total. (Col (b) should equal Form 990, Part X, col (B) line 12.) ▶		

Part VIII Investments - Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
Total. (Col (b) should equal Form 990, Part X, col (B) line 13.) ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
Total. *(Column (b) should equal Form 990, Part X, col (B) line 15.)* ▶	

Part X Other Liabilities. See Form 990, Part X, line 25.

(a) Description of liability	(b) Amount
Federal income taxes	
DEFERRED RENT	215,696.
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25.)* ▶	215,696.

In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48.

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	8,572,220.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	6,136,387.
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	2,435,833.
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net). Add lines 4-8	9	0.
10	Excess or (deficit) for the year per financial statements. Combine lines 3 and 9	10	2,435,833.

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	8,572,220.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV)	2d			
e	Add lines **2a** through **2d**			2e	0.
3	Subtract line **2e** from line **1**			3	8,572,220.
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	0.
5	Total revenue. Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12.)			5	8,572,220.

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	6,136,387.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Losses reported on Form 990, Part IX, line 25	2c			
d	Other (Describe in Part XIV)	2d			
e	Add lines **2a** through **2d**			2e	0.
3	Subtract line **2e** from line **1**			3	6,136,387.
4	Amounts included on Form 990, Part IX, line 25, but not on line **1**:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	0.
5	Total expenses. Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18.)			5	6,136,387.

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b.

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12-23-08

SCHEDULE J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ **Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 23.**

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization: PRO PUBLICA, INC.

Employer identification number: 14-2007220

Part I | Questions Regarding Compensation

			Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. ☐ First-class or charter travel ☐ Travel for companions ☒ Tax indemnification and gross-up payments ☐ Discretionary spending account ☒ Housing allowance or residence for personal use ☐ Payments for business use of personal residence ☐ Health or social club dues or initiation fees ☐ Personal services (e.g., maid, chauffeur, chef)			
b	If line 1a is checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b		X
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2		X
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply. ☐ Compensation committee ☐ Independent compensation consultant ☐ Form 990 of other organizations ☐ Written employment contract ☐ Compensation survey or study ☒ Approval by the board or compensation committee			
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a:			
a	Receive a severance payment or change of control payment?	4a		X
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b		X
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c		X
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.			
	Only 501(c)(3) and 501(c)(4) organizations must complete lines 5-8.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:			
a	The organization?	5a		X
b	Any related organization?	5b		X
	If "Yes," to line 5a or 5b, describe in Part III.			
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:			
a	The organization?	6a		X
b	Any related organization?	6b		X
	If "Yes" to line 6a or 6b, describe in Part III.			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7		X
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III	8		X

Part II **Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use Schedule J-1 if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a.

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
PAUL E. STEIGER	(i)	570,000.	0.	0.	0.	0.	570,000.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
RICHARD TOFEL	(i)	296,370.	0.	0.	0.	0.	296,370.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
STEPHEN ENGELBERG	(i)	297,000.	0.	154,972.	0.	0.	451,972.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
DAFNA LINZER	(i)	166,976.	0.	0.	0.	0.	166,976.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
JEFFREY GERTH	(i)	150,000.	0.	0.	0.	0.	150,000.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
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	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

NonCash Contributions

▶ To be completed by organizations that answered "Yes" on Form 990, Part IV, lines 29 or 30.

▶ Attach to Form 990.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization: PRO PUBLICA, INC.

Employer identification number: 14-2007220

Part I Types of Property

	(a) Check if applicable	(b) Number of contributions	(c) Revenues reported on Form 990, Part VIII, line 1g	(d) Method of determining revenues
1 Art - Works of art				
2 Art - Historical treasures				
3 Art - Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities - Publicly traded	X	1	190,734.	Market value of shares
10 Securities - Closely held stock				
11 Securities - Partnership, LLC, or trust interests				
12 Securities - Miscellaneous				
13 Qualified conservation contribution (historic structures)				
14 Qualified conservation contribution (other)				
15 Real estate - Residential				
16 Real estate - Commercial				
17 Real estate - Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ▶ ( )				
26 Other ▶ ( )				
27 Other ▶ ( )				
28 Other ▶ ( )				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgment 29

		Yes	No
30a During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?	30a		X
b If "Yes," describe the arrangement in Part II.			
31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	31		X
32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?	32a		X
b If "Yes," describe in Part II.			
33 If the organization did not report revenues in column (c) for a type of property for which column (a) is checked, describe in Part II.			

832141
03-11-09

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

▶ Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization: PRO PUBLICA, INC.

Employer identification number 14-2007220

Form 990, Part I, Line 1, Description of Organization Mission:
Our work focuses exclusively on truly important stories, stories with 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 service, we aim to stimulate positive change, uncovering unsavory practices and abuses of power in order to prod reform. We do this in an entirely non-partisan and non-ideological manner, adhering to the strictest standards of journalistic impartiality.

Form 990, Part III, Line 1, Description of Organization Mission:
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 service, we aim to stimulate positive change, uncovering unsavory practices and abuses of power in order to prod reform. We do this in an entirely non-partisan and non-ideological manner, adhering to the strictest standards of journalistic impartiality.

Form 990, Part VI, Section A, line 10: Pro Publica has its Form 990 prepared by an outside accounting firm and has established the following review process to ensure that the information reported is complete and accurate. When the Form 990 has been prepared, reviewed by management and is ready to be filed with the Internal Revenue Service, it's submitted

Supplemental Information to Form 990

▶ Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No. 1545-0047
2008
Open to Public Inspection

Name of the organization	Employer identification number
PRO PUBLICA, INC.	14-2007220

electronically to members of Pro Publica's governing body for any comments prior to its submission. The governing body is provided with at least one week to review the prepared Form 990 and provide their comments. Any comments are then grouped, summarized and provided to the audit committee for their review. Each issue is documented and addressed until the return is finalized and approved for filing.

Form 990, Part VI, Section B, Line 12c: Pro Publica had a conflict of interest policy in place as of October 1, 2007, a code of ethics for journalists in place as of January 1, 2008 and a whistleblower⊘s policy and a document retention policy in place as of February 6, 2008. The codes of ethics and whistleblowers policies are given to each new hire, who certify that they have read and understood the policies. Going forward the code of ethics will be given to all staff at the beginning of each calendar year to read and similarly certify. Our board members and officers also go through the same process with respect to the conflict of interest policy. The document retention policies are part of the accounting manual which was written and approved as of February 6, 2008.

Form 990, Part VI, Section B, Line 15: Pro Publica is an employer "at will". Employees do not have contracts. Salaries for the CEO, officers and key employees are set by the Board. The board uses the services of a law firm (Caplin & Drysdale, who specialize in not for profit issues) for guidance on all matters of compensation.

The same benefits were provided for all employees in 2008 that included medical insurance coverage at 90% of premiums paid for single employees and

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

▶ Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization: PRO PUBLICA, INC.

Employer identification number: 14-2007220

75% for families. Pro Publica paid 100% coverage for enhanced short term and long term disability and long term care coverage and unemployment insurance. Pro Publica also offers a 403B pension plan to all employees and pays a 5% match up to legally permissible limits.

Form 990, Part VI, Section C, Line 19: Pro Publica makes all of its governing documents, conflict of interest policy, and financial statements available to the public on the Pro Publica web site.

Form 990, Part XI, Line 2c:
Pro Publica has an audit committee that assumes responsibility for the oversight of the audit of its financial statements and selection of an independent accountant.

Form 990, Schedule A, Part I, Line 7:
Explanation for Filing an Amended Form 990:
Pro Publica, Inc. ("Pro Publica") is amending Form 990, Return of Organization Exempt From Income Tax for the year ended December 31, 2008 to properly report its public charity status on Schedule A, Part I and to complete the appropriate support schedule.

Pro Publica is an organization exempt from income tax under section 501(c)(3) of the Internal Revenue Code and is further classified as a public charity described in section 509(a)(1) of the IRC.

SCHEDULE O (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

▶ Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization: PRO PUBLICA, INC.

Employer identification number: 14-2007220

During the preparation process of the initial return, Schedule A, Part I, Box 9 was inadvertently checked indicating that Pro Publica was a public charity described in 509(a)(2) of the IRC. Pro Publica is therefore filing an amended return to properly report its public charity status as classified in its tax determination letter that was issued by the Internal Revenue Service.

Since Pro Publica is within the first five years advance ruling, the Computation of Public Support Percentage is not required to be completed and therefore is not affected by this error. The amended and original returns are otherwise identical.

ATTACHMENT A

From 990, Page 2, Part III, Line 4a

ProPublica formally commenced operations on January 1, 2008. Our first months were largely devoted to recruiting. After having received more than 1400 unsolicited resumes, by mid-year 2008 we had established a newsroom that included 28 working journalists, all of them dedicated to investigative reporting on stories with significant potential for major impact—the largest investigative news operation in the nation. They came to ProPublica from newspapers, magazines, television news, web sites, non-profits and freelance work.

ProPublica reporters and editors develop story ideas collaboratively, actively soliciting ideas from readers as well. One in four members of our news staff is a past winner of the Pulitzer Prize. (At the same time, five of our 17 reporters as of year-end 2008 were under 30 years of age.) In all, members of our staff have previously won virtually every major journalism award, including seven Pulitzers and six George Polk Awards; our editors have supervised reporting that has won a Pulitzer on more than 20 separate occasions. Already, one of our investigations has been named a finalist for the 2009 Goldsmith Prize for Investigative Reporting awarded each year by the Shorenstein Center at Harvard's Kennedy School.

We began publishing in June 2008. Between then and the end of 2008, we published 37 long-form stories with 22 different publishing partners. Those partners included:

- 60 Minutes;
- The New York Times;
- The Los Angeles Times;
- USA Today;
- The Atlanta Journal-Constitution;
- The Albany Times-Union;
- The Denver Post;
- The Newark Star-Ledger;
- The San Diego Union-Tribune;
- BusinessWeek;
- The Huffington Post;
- Politico;
- Newsweek.com;
- MSN;
- Slate;
- Salon;
- The Nation magazine;
- Reader's Digest; and
- WNYC Radio.

From a donor's perspective, one advantage of ProPublica's model is that these publishing partnerships provide an objective assurance of story quality. Partners are under no obligation to publish ProPublica articles; that they do so demonstrates market acceptance of the strength of ProPublica's work. ProPublica's need to appeal to its partners also offers an assurance of continuing editorial discipline.

Each story we publish is distributed in a manner designed to maximize its impact. To date, that means that many of our major "deep dive" stories—often weeks and sometimes months in the making-- have been offered exclusively to a traditional news organization, free of charge, for initial publication or broadcast. Each story is also published on our own web site, sometimes after an appropriate period of exclusivity for our publishing partner. Shorter, less ambitious stories and daily posts originate on our site. The site also features outstanding investigative reporting produced by others, sometimes with our highlighting, annotation or follow-up, thus making our site both more of a destination and a tool to promote more good work in this field. We distribute our web content directly, and also through RSS feeds and a daily e-mail. Subscriptions to our RSS feed and the e-mail continued to grow every day following launch, tripling from late June to mid-December 2008. We maintain an active presence in social media, including Twitter and Facebook.

We support each major story we publish with an active and aggressive communication effort of our own, including regularly contacting reporters, editors and bloggers, encouraging them to follow-up on our reporting, and to link to our site and our work.

ProPublica Investigations and Their Impact

A number of ProPublica's first major, continuing investigations have already had significant impact. Here are the stories behind those stories:

<u>Threats from unregulated natural gas drilling to our nation's drinking water</u>
Publishing partners: BusinessWeek, Politico, Albany Times-Union, Denver Post, San Diego Union-Tribune, WNYC radio, New York Sun
Number of ProPublica follow-up stories in 2008: 16
Reporter: Abrahm Lustgarten

In 2005, at the urging of the Bush Administration and Vice President Dick Cheney's energy task force, Congress exempted energy companies' deep-drilling activities (called "hydraulic fracturing" or "hydrofracking") both from the federal law that protects the nation's drinking water and from monitoring by the Environmental Protection Agency. State regulators, pressed into the breach, tended to use a light hand. They were swayed in part by company assurances, supported by a 2004 EPA study that the drilling process was safe. They allowed the industry to keep from the public the most basic aspects of its operations, including the identity of the chemicals it was blasting two miles into the ground.

But ProPublica reporter Abrahm Lustgarten's reporting showed that the 2004 study was deeply flawed. On July 22, 2008, Lustgarten broke a major story in the Albany Times Union and on WNYC, New York City's public radio station. New York Gov. David Paterson, he noted, was preparing to allow extensive drilling for natural gas on millions of acres of land surrounding New York City's reservoirs. But, as Lustgarten revealed, New York officials had failed to ask some of the most basic questions about the process, which forces a mixture of sand, water and chemicals into rock that contains tiny bubbles of gas.

State environmental officials assured legislators there had never been "one instance of drinking water contamination" from the type of drilling planned for New York. In fact, as Lustgarten reported, New Mexico and Colorado officials had already identified hundreds of incidents in which they suspected toxic chemicals from waste pits near oil and gas wells had leached into the ground water. New York officials could not say how the state and the industry planned to handle millions of gallons of hazardous fluids produced by the drilling.

Even before the story appeared, and just four days after speaking to Lustgarten and a reporter from WNYC, state officials sent a letter to the companies asking what chemicals would be used in the drilling, the first time such a request had ever been made by New York. Then, on the day the story was published, Gov. Paterson acted, saying that the drilling would go forward only when the state was satisfied it was safe. He ordered officials to hold hearings across the state and re-examine the 16-year-old environmental impact statement. Soon after, New York announced that it would not grant permits for well drilling unless the companies disclosed the identities of the chemicals they used. The companies said that they would delay the New York project, one of the nation's biggest, because of a change in the "regulatory environment."

ProPublica did not stop there. Lustgarten dug into the issue, visiting wells in other states where the drilling process was well advanced. Some companies, he learned, took careful steps to prevent spills and leaks. But others were less rigorous, storing toxic material in hastily constructed pits that leaked into the groundwater. He traveled extensively in Wyoming and Colorado, assembling a picture of patchwork regulations that varied widely from place to place.

In November Lustgarten wrote an in-depth article, a version of which appeared in a four-page spread in BusinessWeek, detailing contamination cases across seven states. He showed through reviews of state records and interviews with residents that cancer-causing substances were appearing in people's drinking water wells. In some cases people were getting sick in areas with drilling and the gas companies were settling with them for millions of dollars. He wrote about a hospital nurse who almost died after treating a drill rig worker who was splashed with the secret fluids, and spent several days with EPA scientists who were alarmed over the situation but lamented they were almost powerless to do anything about it.

Then in December Lustgarten teamed up with The San Diego Union Tribune for a story that took a close look at the Colorado River, the source of water for cities like Los

Angeles and San Diego. Officials in those California cities, Lustgarten learned, were alarmed by plans for extensive gas drilling along the river. Each gas well needs millions of gallons of water, much of which has to be treated to remove contaminants. Lustgarten reported that no one in state, federal or regional circles was looking at the cumulative effect of drilling on a river that winds through seven states and is the source of drinking water for one in 12 Americans.

Six months after the first story was published, the landscape dramatically shifted. Newspapers and wire services across the country began to examine the effects of gas drilling on the environment. Members of Congress from Colorado and New York jointly proposed legislation that would end the exemption from the Safe Drinking Water Act. An editorial calling for disclosure of the drilling chemicals appeared in the Denver Post, shortly after it ran one of ProPublica's stories on page one. Other editorials appeared in the Rocky Mountain News, Grand Junction Sentinel and Durango Herald.

ProPublica's hydrofracking stories were among six finalists for the 2009 Goldsmith Prize for Investigative Reporting awarded each year by the Shorenstein Center at Harvard's Kennedy School.

<u>Nurses and other medical professionals practicing in California despite criminal records</u>
Publishing partner: Los Angeles Times
Number of ProPublica follow-up stories in 2008: 5
Reporters: Charles Ornstein and Tracy Weber

One nurse bilked Medicare out of $3 million and had been sitting in federal prison for more than year. Another had sex with a child. Yet when reporters Charles Ornstein and Tracy Weber found them, the nurses had spotless records with the California Board of Registered Nursing—free to work in any hospital, clinic or nursing home in the state.

Dozens of other nurses with criminal records had been able to practice for years before regulators took action against them. Nurse Janet Lee Jones racked up 14 convictions dating back to 1996, the year after she was licensed, before the board caught up with her in 2007. It turns out that California's nursing board—which oversees more nurses than any other state--had never checked whether more than 40% of the 344,000 nurses it licensed had committed crimes.

Weber and Ornstein analyzed all of the accusations filed and disciplinary actions taken by the board since 2002—more than 2,000 files. They found that more than 115 nurses had three or more criminal convictions before the board acted against them. Twenty-four nurses had at least five. Among the convicted were an attempted murderer, as well as petty thieves, drug dealers, bail jumpers and embezzlers.

The state's slow action on these crimes often left patients in danger. After racking up several convictions, one nurse secured three more jobs, showing up for work at each drunk or otherwise impaired. It took several more years before her license was revoked.

The reporters dug further and found scores of convicted nurses the board had never disciplined—or didn't even know about. They pored through stacks of court records, newspaper clippings and personnel records. They compared the names and addresses in the nursing board's database with those on California's Megan's Law sex offender Web site, uncovering at least three nurses with clean records who were convicted of serious sex crimes.

From there, the reporters delved into the nursing board's sister agency, the Bureau of Vocational Nursing and Psychiatric Technicians. They found 27 nurses who were disciplined in 2007 alone who had toted up three or more convictions before regulators acted. One vocational nurse disclosed to the bureau repeatedly that he had been convicted of a sex crime with a minor. But it was years before the board acted.

The investigation began appearing in October 2008 in the Los Angeles Times on the ProPublica's web site. Ornstein and Weber, formerly of the Times, began working at ProPublica in August 2008. Their investigation continues, and further stories are planned.

But the reporting to date has already triggered sweeping changes. The registered nursing board immediately sought—and received permission—to collect fingerprints from 146,000 nurses so that it could perform background checks on them for the first time. These fingerprints also will allow authorities to alert the board to future arrests.

In justifying the new requirement, nursing board officials wrote that the Times-ProPublica "articles packaged information in a different way and in a different light than the board had done in the past. Moreover, these articles raised the issue with respect to specific licensees with notable criminal histories that the board had never disciplined."

The board also immediately changed its license renewal form to ask all nurses whether they had been convicted of crimes. The vocational nursing board plans to gather fingerprints from more than 75,000 of its licensees who have never undergone background checks—a direct result of the investigative reports. The two nursing agencies quickly began acting against nurses mentioned in the stories, including a woman who stole drugs from the county jail where she worked and peddled them to an undercover deputy.

The California Department of Consumer Affairs, which oversees the state's professional licensing agencies, ordered a broader review and found that criminal background checks had not been done on nearly 300,000 health professionals. These include thousands of therapists and psychiatric technicians who care for patients in the most intimate settings.

Lax standards in hiring and retention of federal air marshals
Publishing partner: USA Today
Number of ProPublica follow-up stories in 2008: 5
Reporter: Michael Grabell

Each day, millions of air passengers fly with the belief that, should a terrorist slip aboard their plane, a U.S. Air Marshal could be there to protect them. The marshals, some 3-4,000 strong since the 9/11 attacks, portray themselves as an elite force, with superior judgment and precision shooting skills needed to defuse an attack at 30,000 feet.

But who, really, are these air marshals? ProPublica reporter Michael Grabell asked that question after spotting a few back-page news briefs about air marshals who had been charged with crimes or drunken driving. Months later, after battling the secretive Transportation Security Administration for documents, interviewing scores of air marshals and scouring thousands of pages of court and employment records, Grabell had an answer. It was not reassuring.

Dozens of air marshals had been charged with crimes, including 18 felonies. Hundreds had been accused of misconduct. Cases included smuggling drugs past airport security, aiding a human trafficking ring, child sex abuse, bribery, domestic violence and solicitation to commit murder.

Who was responsible? The offending air marshals, to be sure, but Grabell also found that the TSA itself shared blame for slipshod background checks, eroded hiring qualifications and complaisant disciplinary practices. His ProPublica story was published as the front-page feature story in USA Today on November 13, 2008. After first dismissing the problems as "a few bad apples", but then facing ridicule even in the comments section of his own intra-agency blog, Robert Bray, the air marshals director, sent an all-staff email saying he was "personally and professionally embarrassed" by the reports of misconduct and called on the service to improve, pledging publicly to "root out and report... misconduct or criminal behavior". Rep. Ted Poe, R-Texas, a member of the House aviation subcommittee, said air marshals convicted of drunken driving should be fired and promised to follow up in the 111th Congress. Editorial writers in Las Vegas and Orlando opined for better background checks, training and pre-employment psychological tests.

<u>Sarah Palin and the "Bridge to Nowhere"</u>
Number of ProPublica stories in 2008: 4
Reporter: Paul Kiel

Nor is such significant impact limited to stories published through leading partners. Impact is also possible—and has already been achieved—with stories published directly on ProPublica's web site.

When Gov. Sarah Palin was introduced to the world as the Republican vice presidential nominee in late August 2008, she arrived a virtual unknown on the national stage. She claimed she was an outsider and a reformer, and to prove that point, she stressed that she was a champion of earmark reform since her state had become synonymous with earmark abuses. "I told Congress, 'Thanks, but no thanks,' on that Bridge to Nowhere," she said – and repeated dozens of times on the campaign trail over the following months. However, that wasn't quite right, as media reports soon noted: Palin had actually supported the $398 million project to link Ketchikan (pop. 7,400) with its airport on Gravina Island (pop. 50) during her 2006 run for governor.

But the true tale of Palin's role in the "Bridge to Nowhere" project went curiously unexamined. In a series of pieces published on ProPublica.org, reporter Paul Kiel showed how hollow Palin's boast was. To begin, he reported, the project of connecting Gravina Island and Ketchikan was ongoing and would be mainly supported by federal dollars. But beyond that, her half-hearted intervention had wasted millions in taxpayer dollars. Kiel reported that millions had actually been spent on the project – more than $26 million, to be precise, in order to construct a gravel road that led through wilderness to a bridge that would never be built. Kiel's reporting was cited dozens of times, including on the CBS Evening News, on which he was interviewed.

Working off the original appropriation language and interviews with Alaska state transportation officials and federal officials, ProPublica's Kiel revealed that the logic behind completing the project was classic Washington. Reformers, harnessing public outrage in 2005 over hundreds of millions of dollars going to a remote bridge in Alaska while New Orleans' bridges remained damaged, had succeeded in stripping most of the earmarks for the project. But as Kiel reported, they hadn't gotten them all. One earmark had remained unmarred. It said that the money had to be used for "earthwork and roadway construction." Rather than return money for a cancelled project, Alaska's transportation department, overseen by Palin, built a road leading from the airport to an empty beach on nearly deserted Gravina Island. That story was followed up by CNN, which showed the terminus of the "access road" from the air: a neat, vacant cul-de-sac. A spokeswoman for the governor claimed on camera Palin had had no choice in the matter, an assertion belied by Kiel's reporting, which quoted federal and state officials saying Palin could have cancelled the project at any time. Polls showing a precipitous drop in Palin's credibility were a reflection of the significant impact of this sort of reporting.

Form **8868** (Rev. April 2009)
Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

▶ **File a separate application for each return.**

OMB No. 1545-1709

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** and check this box ▶ [X]
- If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** (on page 2 of this form).

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only ▶ [ ]

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Electronic Filing (e-file). Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for a corporation required to file Form 990-T). However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit *www.irs.gov/efile* and click on *e-file for Charities & Nonprofits.*

Type or print	Name of Exempt Organization	Employer identification number
	PRO PUBLICA, INC.	14-2007220
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. ONE EXCHANGE PLAZA, 55 BROADWAY, No. 23 FL	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. NEW YORK, NY 10006	

Check type of return to be filed (file a separate application for each return):

- [X] Form 990
- [ ] Form 990-BL
- [ ] Form 990-EZ
- [ ] Form 990-PF
- [ ] Form 990-T (corporation)
- [ ] Form 990-T (sec. 401(a) or 408(a) trust)
- [ ] Form 990-T (trust other than above)
- [ ] Form 1041-A
- [ ] Form 4720
- [ ] Form 5227
- [ ] Form 6069
- [ ] Form 8870

- The books are in the care of ▶ The Organization - ONE EXCHANGE PLAZA, 55 BROADWAY, No. 23 FL - NEW YORK, NY 10006

  Telephone No. ▶ 917-512-0240 FAX No. ▶
- If the organization does not have an office or place of business in the United States, check this box ▶ [ ]
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) ____ . If this is for the whole group, check this box ▶ [ ] . If it is for part of the group, check this box ▶ [ ] and attach a list with the names and EINs of all members the extension will cover.

1 I request an automatic 3-month (6-months for a corporation required to file Form 990-T) extension of time until August 15, 2009 , to file the exempt organization return for the organization named above. The extension is for the organization's return for:

▶ [X] calendar year 2008 or

▶ [ ] tax year beginning ____ , and ending ____ .

2 If this tax year is for less than 12 months, check reason: [ ] Initial return [ ] Final return [ ] Change in accounting period

3a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	$
b	If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	$
c	**Balance Due.** Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	$ N/A

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.