

# THE IRE JOURNAL

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This edition's cover package focuses on the challenges of investigating business, including getting documents unsealed, analyzing data and finding sources.

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**Cover photo by**  
Wendy Gray, *The IRE Journal*

## THE IRE JOURNAL

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## FROM THE IRE OFFICES

# Demand for training in business arena leads to partnerships, resources



BRANT HOUSTON

Keeping government and business accountable is the mission of investigative journalism. Government always receives attention because its meetings and records are supposed to be public. But businesses often require more intense effort since many of its decisions and activities are done in private.

Thus, over the past three years, we at IRE have been focusing on improving our training and resources for probes into businesses.

We understand that every journalist – not just business reporters – needs to know the basic resources, methods and approaches to digging deeper into a business, whether it's a publicly traded company or a privately held corporation.

In fact, a survey last year of more than 200 business reporters and their editors found that they believed investigative projects were one of the areas in which news business sections needed the most improvement. They also said they needed more training to do those pieces.

We not only devote our feature focus in this *IRE Journal* issue to business coverage, but we also will continue presenting panels and collecting tipsheets at our conferences and seminars that examine business investigations. Further, we will continue teaming up with other journalism organizations that specialize in business coverage.

We already have had a successful collaboration with the Donald W. Reynolds Center for Business Journalism at the American Press Institute ([www.businessjournalism.org](http://www.businessjournalism.org)).

Led by long time business journalist Andrew Leckey, the institute has fanned out around the country to offer a series of business seminars to small groups of journalists. With the tremendous help of IRE's volunteer trainers and speakers, we have participated in more than 20 of those seminars, offering sessions in computer-assisted reporting and the online and database resources particularly useful for business investigations.

You can find our basic PowerPoint presentation for those sessions at [www.businessjournalism.org/bizjournalism/ComputerAssistedReportingPPT\\_IRE.pdf](http://www.businessjournalism.org/bizjournalism/ComputerAssistedReportingPPT_IRE.pdf) or at the IRE Resource Center in our tipsheets.

A second thriving collaboration is with the Lorana Sullivan Foundation and the London-based Centre for Investigative Reporting. Sullivan was an investigative business journalist in the U.S. and Great Britain who, when she died, left an endowment for journalism training. As stated on the Web site, her foundation was established as twin charities, in New York and Britain, "to enhance the role and education of women in business and financial reporting, and generally to improve the standards of investigative journalism." The foundation ([www.investigativereporting.org.uk/html\\_2004/IR\\_lorana\\_info04.htm](http://www.investigativereporting.org.uk/html_2004/IR_lorana_info04.htm)) also offers fellowships and scholarships.

In the last two years, IRE has collaborated with the Centre, headed by investigative journalists Gavin MacFadyen and Michael Gillard, on two conferences in London. This fall we are again working with them on a conference at Columbia University in New York on investigative business journalism and offering as speakers some of the top business journalists in the world.

In the future, we hope to work closely with the Society of American Business Editors and Writers, who is also based at the Missouri School of Journalism, and whose board has several IRE members.

In the meantime, we will add to the resources on our Web site, which includes tipsheets and databases on covering business. Members can find resources by going directly to our beat page at [www.ire.org/resourcecenter/initial-search-beat.html](http://www.ire.org/resourcecenter/initial-search-beat.html), or by going to the data library where we have federal databases that can provide ideas and context for stories nationally, locally and regionally.

Among the databases that have received use by our members are: SBA business and disaster loans; federal contracts data; IRS exempt organizations; Securities and Exchange Commission administrative proceedings; and wage and hour enforcement records. Also, you can link to the Resource Center to see the stories that have emerged from analysis of that data.

*Brant Houston is executive director of IRE and the National Institute for Computer-Assisted Reporting. He can be reached through e-mail at [brant@ire.org](mailto:brant@ire.org) or by calling 573-882-2042.*

## IRE and NICAR make plans for upcoming conferences

IRE and NICAR have set dates and locations for three conferences.

The conferences will offer tips on doing investigations in the Latino community and the Americas, digging into border and immigration issues, cultivating sources, producing better broadcast investigations, holding government and business accountable and using computer-assisted reporting techniques.

Hands-on computer training will be offered, ranging from sessions on spreadsheets and databases to mapping and statistical software.

The 2006 Computer-Assisted Reporting Conference will be March 9-12 at the Hilton Newark Gateway Hotel in Newark, N.J.

The 2006 IRE Conference will be in the Dallas/Fort Worth area, June 15-18 at the Renaissance Worthington Hotel.

The 2007 IRE Conference will be June 7-10 at the Arizona Biltmore Resort & Spa in Phoenix.

For more information about these conferences and making your hotel reservations, please visit [www.ire.org/training/conferences.html](http://www.ire.org/training/conferences.html).



## IRE Journal wins Award of Excellence

The *IRE Journal* won an Award of Excellence in the small staff category in the 17th Annual APEX Awards for Publication Excellence.

"We are pleased that the high quality of *The IRE Journal* has once again been recognized

in a national contest," said Brant Houston, IRE's executive director. "It is also a recognition of the work of a small dedicated staff and of the IRE members who generously volunteer to write for *The Journal* each year."

The APEX awards, a competition for writers, editors, publications staff and business and nonprofit communicators, are based on excellence in graphic design, editorial content and the success of the entry in achieving overall communications effectiveness and excellence.



## Endowment fund shows ongoing support, pledges

IRE has received more than \$200,000 in pledges and support for its endowment fund drive for the last fiscal year.

Included in this support is:

- Jackie Murray, Dawn Pellechi, Elaine Renner and Sandy Renner, daughters of the late Tom Renner. They donated \$10,000 to establish the Tom Renner Award Fund honoring outstanding crime reporting as part of the annual IRE awards. Tom Renner was on the IRE Board of Directors, including a term as president. (See *The IRE Journal* anniversary story in July/August).
- The Nicholas B. Ottaway Foundation, which for the past two years has supported minority fellowships to IRE's Computer-Assisted Reporting Boot Camps. The Foundation pledged \$100,000 over five years to establish the Nicholas B. Ottaway Fellowships for Minority Journalists, which will be aimed at increasing IRE's diversity membership. Fellows will attend IRE's boot camps at the Missouri School of Journalism and get a jump-start in CAR techniques.
- The Gannett Foundation, which has a long history of supporting IRE and its training programs, pledged \$100,000 over four years to endow support for IRE's annual CAR conferences.

Each of these donations and pledges will be partially matched by the John S. and James L. Knight Foundation.

For more information on donating to one of the above funds or to start a new fund, please contact Jennifer Erickson, IRE development officer, at 573-884-2222 or [jennifer@ire.org](mailto:jennifer@ire.org).

## Readers offer insight for publication survey

*IRE Journal* readers recently completed a survey that will help make the *Journal* more useful.

The goals of the survey were to gain a better of understanding of exactly who *Journal* readers are, and to gather information for attracting advertisers.

Readers were asked to provide general demographic information about themselves, and were asked detailed questions seeking information about purchasing habits.

All of the information provided will be kept anonymous and will not be shared with any other organizations for mail or telephone sales contacts.

Any questions or concerns about the survey should be directed to Bill Falls ([billfalls@ire.org](mailto:billfalls@ire.org)).



## MEMBER NEWS

**M**arcus Baram has joined *The Wall Street Journal* as an assistant news editor.

Previously, he was the news editor of *The New York Observer*. ■ **Alicia Blaisdell-Bannon** of the *Cape Cod (Mass.) Times* has won the top award for arts and entertainment writing from the American Association of Sunday and Feature Editors.

■ **Walt Bogdanich** of *The New York Times* has won a Loeb Award for "Death on the Tracks," an investigation of railroads. ■ **Catherine Crawley** has earned a doctorate in communications from the University of Tennessee-Knoxville and has taken a position as assistant professor of communications at Southern New Hampshire University.

■ **Chris Cuomo** of ABC News: Primetime was on the team that won a Gerald Loeb Awards for television deadline reporting from the UCLA Anderson School of Management. ■ **Reese Dunklin** of *The Dallas Morning News* has won a Livingston Award for national reporting for "Runaway Priests: Hiding in Plain Sight," a series about priests who leave allegations and charges of sexual abuse for new parishes in other countries. ■ **Daniel Foley**, associate professor of journalism at the University of Tennessee-Knoxville, has won a Radio and Television News Directors Foundation Fellowship to work at WXIX-Cincinnati.

■ **Michael Gartland** of *The (Charleston, S.C.) Post and Courier* has won an International Reporting Project fellowship to report on, and from, Indonesia, and **Dave Michaels** of the *The Dallas Morning News* received a fellowship to cover Libya.

■ **Kelly Guckian** of the *San Antonio Express-News* has been promoted from database researcher to database editor. ■ **George Haj** has been named a deputy managing editor of the *Houston Chronicle*. He was previously assistant managing editor/business. ■ **Nigel Jaquiss** of *Willamette Week* (Portland, Ore.) won the Alt-Weekly award in investigative reporting from

CONTINUED ON PAGE 34 >

Send Member News items to Pia Christensen at [pia@ire.org](mailto:pia@ire.org) and include a phone number for verification.

Kat Wade | San Francisco Chronicle



Three weeks after Arnav Mukherjee was delivered by Caesarean section, he remains in an incubator with constant care from a nurse at University of California San Francisco's Children's Hospital.

# INFANT DEATHS

## Mapping project logs decade of mortality for poorest residents, polluted areas

BY ERIN MCCORMICK  
SAN FRANCISCO CHRONICLE

**O**n the map of infant death, Tuli Hughes lives in a red zone.

Within yards of her house in San Francisco's most impoverished corner, six babies have died in four years. Hughes has suffered five doomed pregnancies.

Yet the Fijian-American mother resides in a city

that studies have ranked the lowest in the nation in infant mortality. Within a few miles of her home, survival rates for babies are among the best in the United States, but the infant mortality rate in her ZIP code compares with that in Bulgaria or Jamaica.

Twenty years after U.S. health officials vowed to solve the glaring health disparities leaving babies in certain neighborhoods at far greater risk of death than the general population, two of us at the *San Francisco Chronicle* decided to examine why they had failed.

My colleague Reynolds Holding and I started our project with a map logging 10 years of infant mortality rates in ZIP codes up and down California. That map wound up serving as a guide in a yearlong investigation that took us from the most impoverished corners of the San Francisco

Kat Wade | San Francisco Chronicle



Snoop Hubert, 4, and Larry Spiller, 6, play at India Basin Shoreline Park near Pacific Gas & Electric's plant in Hunter's Point in San Francisco.

Bay Area to the pesticide-soaked fields of the Central Valley and then into the polished corridors of the booming neonatal intensive care industry.

The research resulted in a five-part series showing that while concentrating national efforts on medicine and technology, health care leaders have overlooked evidence that pollution and the stress of inner-city life may be a threat to many newborn babies.

It also illustrated how some of the medical marvels aiding the survival of the smallest and sickest babies – infants born as many as 16 weeks early – fail to reach more than 1,000 of the infants who die in California each year because of a breakdown in the state's health care delivery system.

Along the way, we got a primer in the mushrooming complexities of working with mortality data and the incredible amount of legwork needed to bring such statistics to life.

### Statistical problems

The *Chronicle's* series began with the typical paranoid musings of any new parent. As I lay awake at night listening to the breathing of my new baby, I wondered: How often do babies really die? And, are some babies much more likely to die than others?

These ponderings eventually led us to build a map charting where infant deaths were occurring in California. Building this map, first constructed with an old batch of California death and birth data sitting around the paper, turned out to be far more complex than it appeared. First, we used Microsoft Access to sort deaths of infants less than 1 year of age out of the huge database of California deaths and total them by ZIP code of residence.

But just knowing how many deaths were occurring for babies who lived in a given ZIP was of little use without knowing how many infants lived there. So, we had to use birth records to create similar ZIP-code-by-ZIP-code birth totals. With this, we could calculate infant mortality rates, or the number of infant deaths per thousand births, for each ZIP code.

These totals quickly highlighted a statistical problem that was to haunt us throughout the project: the difficulty of obtaining statistically significant results for areas with very small populations. Because we were looking at areas as small as ZIP codes, which often had only a couple of hundred births each year, it was easy for anomalies and annual fluctuations to skew the data.

Interviews and consultations with infant mortality researchers at Stanford University and around the country helped us develop a methodology for handling this problem. We decided to look at ZIP codes' infant mortality rates for an entire 10-year period and to eliminate any ZIP codes that were so sparsely populated they didn't have at least 1,000 births over a decade. (We would refine this standard even further before publication by performing statistical significance checks, but this was the methodology we used to build our initial map.)

Finally, we could put the data into the ArcView mapping program and looked at where infant mortal-

Kat Wade | San Francisco Chronicle



Tuli Hughes is thrilled to hold her daughter, Alyanna, after having suffered three first trimester miscarriages and two second trimester live births that ended in death.

ity infant rates were the highest. In some cases, the resulting red zones were where you'd expect. In the Bay Area, for instance, it was the poorest areas that became the red areas with the highest infant mortality rates on the map. These were areas that were suffering the most neglect and the worst health problems of all types. Yet, they had been targets of multimillion-dollar infant mortality prevention programs and nothing had helped bring their rates in line with those of the rest of the region.

In other cases, the red blotches were unexpected. In the Central Valley, several rural, agricultural ZIP codes with large Hispanic populations popped up with extremely high infant mortality rates. These areas were especially surprising because Hispanics (especially those born outside the United States) typically have very low infant mortality rates.

We picked a handful of the ZIP codes with the worst infant mortality rates and began our struggle to learn what was behind those rates – both by digging further in the data for such factors as cause of death, prenatal care and medical risks and by seeking out and telling the stories of disconsolate families in those ZIP codes.

### Health policy failures

We spent months getting to know people in the ZIP codes we investigated to understand the conditions that might contribute to high infant mortality rates. We spent time with health nurses, community group leaders, local beat cops, parenting groups, preschool teachers, environmental activists, social workers, teen-parenting counselors, drug treatment program directors and numerous others.

Because our state data did not contain names, we had to search for the families who had lost infants. In some cases, the county health departments became invaluable assets, helping us find families and under-

stand their stories.

In other areas, we got little help. Eventually, in San Francisco's Bayview/Hunters Point, where local health officials refused to help us contact families who had lost infants, we ended up knocking on doors. After months of negotiations, we convinced the state to give us 10 years of actual death certificates for this one ZIP code. These included names and addresses of infants who had died, and their families. We tracked down dozens of families identified in the death certificates and approached each one personally. Despite the emotions these visits inevitably generated, most families were very happy that someone finally cared enough to follow up on what happened to their lost babies.

“ The financial incentive to treat premature and otherwise sick babies, who often need months of expensive care, can keep hospitals from transferring babies to the facilities most equipped to treat them. ”

Even with all this research, it was usually impossible to draw definite connections between deaths in a ZIP code and underlying causes. At the beginning we had dreamed of identifying clear roots to the miniature epidemics we studied – perhaps a contaminated watershed or a single failed health care strategy. As it turned out, smoking guns were hard to come by. Instead, the reporting required navigating lots of statistical subtleties and unknowns.

In the end, our stories focused on the broad themes of health policy failures that emerged as we studied the individual infant deaths.

One story showed how immigrant families in some farming communities suffer astounding infant mortality rates and, at the same time, complain of pesticide spills, toxic exposures and the effects of living in a region that is poised to overtake Los Angeles as having the nation's most polluted air.

Another story looked at how millions of dollars had been poured into getting prenatal care for mothers, but little had been done to ensure that infants and their families had a decent quality of life in their neighborhoods.

We also reported on the deadly effects of an increasing competition among hospitals to earn revenues by treating babies who need long-term intensive care. The financial incentive to treat premature and otherwise sick babies, who often need months of expensive care, can keep hospitals from transferring babies to the facilities most equipped to treat them. Working with a Stanford University health economist who has developed statistical models to study this issue, we concluded that this breakdown in hospital transfer protocols is costing hundreds of babies' lives in California each year.

Finally, we were able to build an online database that allowed our readers to explore the problem of infant mortality in their own ZIP codes.

*Erin McCormick is a member of the San Francisco Chronicle's investigative team. She specializes in computer-assisted reporting. [Reynolds Holding, a former investigative reporter with the Chronicle, recently became a senior editor of Legal Affairs Magazine.]*

### Nuts and bolts information for computer-assisted reporters.

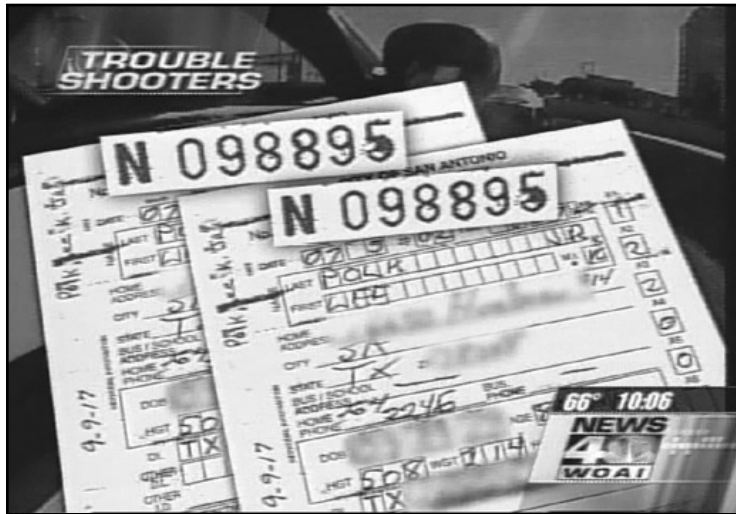


Uplink is a bimonthly newsletter covering every facet of computer-assisted reporting. It's written by the nation's top reporters for the National Institute for Computer-Assisted Reporting.

Articles include valuable information for journalists, educators and students on uses of databases, spreadsheets, Internet resources, mapping and statistical software. Investigative reporters explain how they developed significant stories through these techniques. Technical tips and Q&As serve beginners and advanced journalists.

**To subscribe, go to [www.ire.org/store](http://www.ire.org/store) or call 573-882-2042.**

NICAR is a program of Investigative Reporters and Editors, Inc. and the Missouri School of Journalism.



# RACIAL PROFILING

## Inaccurate data found in report mars kudos for police stops of minorities

BY HOLLY WHISENHUNT STEPHEN AND BRIAN COLLISTER  
WOAI-SAN ANTONIO

**H**ow can a driver be considered black, white and Hispanic by the same police officer? It happened in San Antonio. Our two-month investigation uncovered a police database full of errors and duplications and drivers listed as more than one race.

Ironically, this data was used in a study showing that San Antonio Police Department officers did not racially profile drivers.

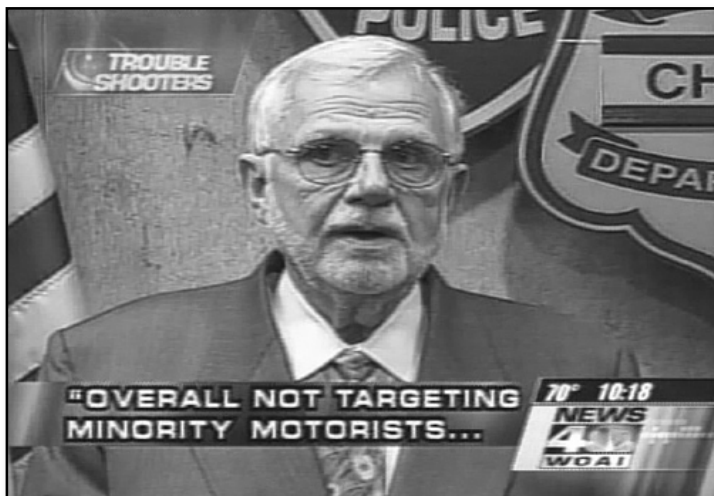
In the past, we have occasionally received com-

plaints from viewers saying they were being stopped by San Antonio Police officers because of their race, possible victims of what some call “driving while black or brown” (also known as DWB). But after airing a November sweeps story about speeding, we started to receive more e-mails and phone calls about DWB. The question for us: How would we be able to prove or disprove if this was actually happening in San Antonio?

During his drive home, reporter Brian Collister thought about taking a closer look at the database the San Antonio Police Department used for a recent racial profiling report.

Specifically, in 2003 the city of San Antonio spent \$54,000 of federal grant money to have the SAPD racial profiling data analyzed.

In January 2004, the study’s author, Dr. Jim Lamberth, gave a glowing report to the city council. He said



Dr. Jim Lamberth was author of the study on racial profiling.

SAPD’s numbers – based on officer perception – were among the best in the country.

We thought with some digging and cross referencing of municipal court data used in the speeding story, (including all citations issued, i.e. speeding and moving violation tickets) we could look for any possible patterns to see if DWB was going on.

### Spotting discrepancies

The first step started with an open records request (using the Texas Public Information Act) to police for a copy of the racial profiling data. After receiving the information, we performed a simple query by counting ticket numbers using Microsoft Access. The racial profiling data, as required by state law in Texas, contained fields including the time, the place of the stop, and the race of the driver.

The data did not contain names or dates of birth but we didn’t need that. The ticket numbers ended up being the key field. By using them, we linked the municipal court records (which contained everything including names and race) and the racial profiling data. We matched more than half the records – 154,000 citations in all.

After the match I ran a make-table query, so I could separate the data for further analysis. We began filtering through the data by running several queries. A race count of records in the municipal court data compared to the racial profiling data showed a big discrepancy. We also found tickets counted more than once, and multiple tickets on the same stop.

### Conflicting information

We didn’t want to get ahead of ourselves by assuming the paper records would reflect the same inconsistencies found in the electronic data. More research was needed.

So, we requested to view a group of tickets identified as having mismatched races at municipal court.

By looking at the hard copies of tickets, (something you should always do no matter what you’re investigating) we learned officers recorded the race by using numbers (1=white, 2=black, 3= Hispanic, etc). Later we would learn, by law, an officer could actually ask a driver their race, instead of what they perceived. The tickets we viewed confirmed what the electronic records showed: various races for the same person, on the same ticket, and multiple tickets for the same stop.

During the research phase we discovered that out of the 154,000 tickets, 26 percent of those drivers listed had conflicting race information in the municipal court records. The focus of our story changed. Instead of asking if SAPD officers racially profile during traffic stops, we wanted to know how anyone could tell if that was happening given the inaccuracies in the data.

We contacted Dr. Lamberth, who defended the

conclusions of his study. Still, we wanted to know more about the methodology and how it applied to the SAPD study. According to the final report, the SAPD database information (from 2002) containing the recorded traffic stops, was used by Lamberth and his team of researchers to pinpoint 39 areas in San Antonio to perform random stationary, and rolling surveys of drivers.

But we wondered: With the inaccuracies, how would you know what areas to pinpoint?

Lamberth's team of surveyors manually recorded the race/ethnicity of the individuals who comprise the transient populations. The race/ethnicity of all the traffic stops by SAPD were recorded and based on the perception (motorists were not asked) of the officer. For consistency, the race/ethnicity of those recorded for the benchmark study were the perceptions of the surveyors. Therefore, it would be a perception-to-perception comparison.

Lamberth's final data analysis compared the proportion of stops for specified minority groups against the transient populations in the surveyed areas. If the proportion of stops for specified minority groups was higher than their representative transient population, one may conclude that racial profiling was occurring.

## Study flawed

So how do you analyze racial profiling records and the methodology? You find an expert who helps you understand the process.

With a quick Google search, we located Dr. Dwight Steward, an economics and statistics professor at the University of Texas, who also ran his own research firm in Austin. In 2000, Steward and another professor conducted a statistical analysis of the search rates of minority and non-minority Texas motorists. We sent Steward a data slice of what we had found. Later, he decided the information should not be used because it could skew the results of the study.

To illustrate the inconsistencies, we decided to focus on three drivers. Our WOAI photographer/producer Steve Kline began searching for the drivers by using the addresses found on the tickets. Sometimes we would be able to find drivers with a simple phone call. Other times we would use computer resources to find their current information.

One of the drivers in our story, Jessie Vincent, had received several speeding tickets. During our research, we discovered Vincent's race would change on traffic tickets. He was listed as black, white and Hispanic, sometimes by the same officer.

When we showed Vincent the tickets he said, "Unless I paint myself, you can tell I'm 100 percent white." Vincent went on to explain how he even removed his helmet when he was stopped for speeding on his motorcycle and doesn't understand how his race could be mistaken. On those tickets we found the officer wrote down a "2" listing him as black. Two months later the same officer stopped

Vincent again, but this time he would be listed as a "3" for Hispanic.

Steward said our findings proved what he suspected before, that the racial profiling data was not accurately reported.

After analyzing and making copies of these examples, we decided it was time to present our findings to the police department. Police Chief Albert Ortiz stood by the study saying racial profiling did not occur during traffic stops.

Although the chief said Lamberth's findings were because of good police work, he changed his tune after hearing our research. He now says what we uncovered is a result of some sloppy police work.

We asked Ortiz how the same officer could stop the same person and perceive him as black during one stop and white during another.

“Police Chief Albert Ortiz stood by the study saying racial profiling did not occur during traffic stops. Although the chief said Lamberth's findings were because of good police work, he changed his tune after hearing our research. He now says what we uncovered is a result of some sloppy police work.”

"I think there are some officers that perhaps have bad perception," he said. "But more are worried about getting run over on the freeway or getting flak from the citizen and filling out all of their reports in a hurry and we have that problem."

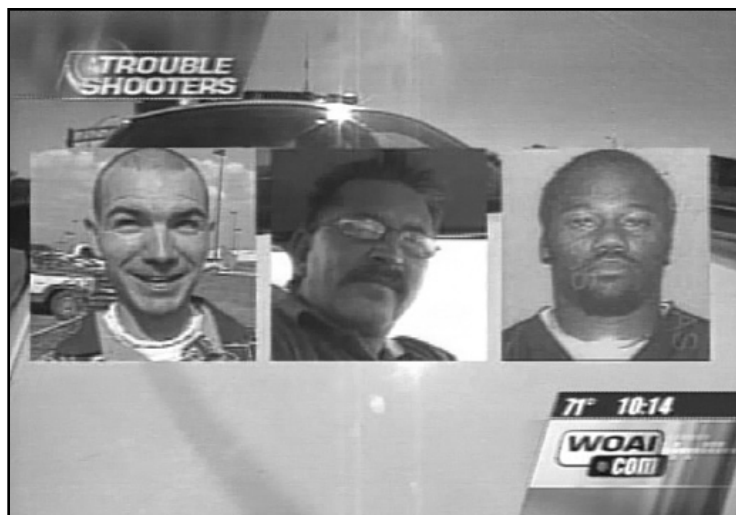
The police chief also changed his story about the validity of the study and the data used.

"There are some problems with a lot of the data. Even if 25 percent of the data is off (we found 26 percent was wrong), it's questionable," Ortiz said.

## Changes implemented

The department decided to do its own analysis and discovered the same problems our investigation revealed. In fact, the department found another problem: tickets that should not have been included in the data at all because it was a dispatched call.

Guidelines for collecting racial profiling data are supposed to contain non-dispatched calls only.



Inconsistencies were found in specifying a driver's race.

Later, the department would blame sloppy data entry work, computer glitches and the lack of funding to handle the extra workload in collecting the data.

Members of the San Antonio city council heard from various minority groups demanding an investigation and changes.

SAPD also made changes by:

- Fixing the computer problem with duplicate tickets.
- Making a training video for officers explaining how to collect racial data.
- Stopping using numbers for the race code – and using only letters.
- Distributing fliers to the city's police stations, explaining how to make a complaint for anyone believing they have been profiled.

Although our investigation did not focus on whether the department was racially profiling citizens, it was very important to know how the data was collected and analyzed. If you plan on tackling this complex subject, contact the experts early on. The likelihood of finding a "smoking gun" showing a department blatantly discriminating is highly unlikely. Why? The experts would tell you to consider all the variables, plus it's extremely hard to know what each individual officer is thinking during a traffic stop. You also need to factor in the racial makeup of the community and the members of the police force.

*Holly Whisenhunt Stephen is an investigative producer for WOAI-San Antonio. She has received several awards, including a regional Edward R. Murrow. Brian Collister is an investigative reporter on the WOAI-San Antonio Trouble Shooters Team. He has won numerous awards for his investigative reporting, including four regional Emmy awards. Steve Kline is a photographer/producer with WOAI and has also received numerous awards for his work. Coverage of this story won an IRE Certificate.*

# ELDERLY ABUSE

## Parolees discovered living in nursing homes, residents not told of sex offenders, ex-cons

BY CHRIS FUSCO AND LORI RACKL  
CHICAGO SUN-TIMES

Next time you visit Grandma at the nursing home, you might want to take a closer look at who's living alongside her.

The *Chicago Sun-Times* did the equivalent of that through a two-part series in late April revealing that 100 sex offenders and 61 parolees convicted of non-sex crimes were living in nursing homes across Illinois. Other residents and their families were not being told they were sharing a roof with these ex-cons, and half of the sex offenders were able-bodied men age 50 or younger.

The series generated nearly 200 e-mails, letters and telephone calls, including tips that led to follow-up stories about ex-cons abusing fellow residents in long-term care centers. Those follow-ups not only debunked assertions by some state officials that the ex-cons weren't being problematic, but they also cemented support for legislation that the General Assembly passed to address the problem.

### Ex-cons in residence

A tip late last year from Wes Bledsoe, founder of the nursing home watchdog group, A Perfect Cause, sparked the investigation. Illinois ranked among the top three states in terms of sex offenders in nursing homes, based on his analysis comparing nursing home addresses (available from the Centers for Medicare and Medicaid Services and/or state health departments) with online state sex offender registries.

Stories about sex offenders in nursing homes had appeared in several metropolitan dailies using A Perfect Cause's statistics, which Bledsoe told us he was in the process of updating. We reasoned, that to do this project right, we would need to look at other ex-cons living in nursing homes. It seemed unfair to single out sex offenders and ignore murderers, robbers and others convicted of violent crimes.

Given other issues on our plates – Rackl, a health reporter, was working on a series about sex on college campuses; Fusco's main beat is state government – we moved slowly at first. Fusco began seeking documents from the state corrections department through the Freedom of Information Act regarding parolees in nursing homes. Rackl began combing through state health department disciplinary reports to look for evidence of sex offenders abusing residents. She found one such report, which eventually became the lead on the first-day story.

The project sat largely dormant until late March.

Then, a suburban newspaper, the *Daily Southtown*, began carrying stories about a suburb's efforts to shut down a nursing home we knew was housing several sex offenders. This got us working hard, and we finished the series less than a month later.

Bledsoe's updated list of sex offenders in nursing homes – online at [aperfectcause.org](http://aperfectcause.org) – contained about 80 Illinois names. But when we ran the addresses of the nursing homes he checked, we found that many of those sex offenders had moved out and others had moved in.

We contacted an Illinois nursing home watchdog group, Citizens for Better Care, and learned some nursing homes weren't included on Bledsoe's original list. We ran them, and the number of offenders began increasing.

Beyond that, we also noticed the label "NURS" – for nursing home – appearing on some listings in the sex-offender registry maintained by the Illinois State Police ([www.isp.state.il.us/sor/frames.htm](http://www.isp.state.il.us/sor/frames.htm)). We asked the state to search the database for "NURS," which turned up more sex offenders.

The "NURS" tag proved a hiccup at first. We learned that it was up to the local law enforcement official inputting the information into the sex-offender database to decide what was a nursing home and what wasn't.

Further reporting told us that some of these "NURS" homes were "supportive-living centers for seniors" that didn't provide medical care but still operated largely like nursing homes. So we included them, noting in the story that our list included "nursing homes, other long-term care centers and supportive living centers throughout Illinois."

We called the homes to verify the sex offenders were still living there, but many – citing medical confidentiality laws – wouldn't provide the information. To be legally safe that the

names on our list corresponded with the high-resolution pictures in the online sex-offender registry we were pulling for the graphic, we ran the list by the Illinois Attorney General's office and the corrections department, both of which verified it.

We ended up with 100 sex offenders in 54 long-term care centers, developing a graphic that showed the location of each home, how many offenders were living there, their names and what their sex offense conviction was for.

Getting detailed information for parolees convicted of non-sex crimes wasn't as easy. The state would tell us only that there were 72 parolees living in nursing homes. Through various sources, however, we were able to obtain a more detailed list of parolees living in nursing homes that the corrections department periodically sends to the state public health department.

This list omitted names, but it did contain ages of the ex-cons, the homes where they lived and the offenses they committed. We verified it with other government sources and used it to do another graphic.

The state's unwillingness to give us this information under FOIA became a key part of the top of the second part of the series: Unlike sex offenders – whose names and addresses are disclosed in an online registry – the Illinois Department of Corrections doesn't publicize identities of paroled murderers, burglars and other criminals living in long-term care facilities. Releasing details about those convicted of non-sex crimes would "constitute a clearly unwarranted version of personal privacy," a corrections official wrote in response to a *Sun-Times* inquiry.

Part two also noted that an unknown number of parolees and people on probation stay in nursing homes after they leave court-ordered supervision because they're paid for with public aid dollars. Advocates decried that the state had no way of keep-



Courtesy of Sandra Banning

Virginia Thurston was raped in her Florida nursing home by a sex offender also living there.



## Stories from the IRE RESOURCE CENTER

Other stories on inmate health care issues are available for review in the Resource Center ([www.ire.org/resourcecenter](http://www.ire.org/resourcecenter)).

ing track of these “violent offenders” – a point that would become more salient in a follow-up story.

Among other elements of the series:

- Court records showing that sex offenders were leaving nursing homes unsupervised and being arrested for crimes including drug possession and robbery.
- Quotes from a sex offender and a convicted murderer to provide insight about their medical problems and daily routines.
- Quotes from the daughter of a 77-year-old who was raped in her nursing home bed by an 83-year-old convicted sex offender living in the same home.

### Lawmakers react

Almost immediately after the series ran, the state attorney general filed a successful lawsuit to shut down one of the homes we wrote about. A state health department investigation noted “aggressive and threatening behaviors of residents with extensive criminal histories,” including a sex offender who told staff he would “cut them up in little pieces” and later was arrested for lingering too close to a school in violation of state law.

Three weeks after the series ran, a 54-year-old ex-con who had just gotten off parole in 2002 and became a resident at another suburban nursing home in 2003 allegedly groped a 77-year-old woman he lived alongside. His arrest highlighted the need for the state to get a better handle on the population of ex-cons living in long-term care centers whose numbers aren’t known. “We had no idea of a criminal background. None,” the nursing home’s administrator told us.

Gov. Blagojevich recently signed several laws aimed at safeguarding nursing home residents from sex offenders and other violent criminals. The legislation requires all nursing home residents to undergo a criminal background check and to have their names periodically run through the state’s online sex offender registry. Sex offenders in nursing homes will not be allowed to share a bedroom with other residents, and their rooms must be near nurses’ stations. Also, nursing homes will have to notify residents, their guardians and visitors if there is a registered sex offender or ex-con living on the premises.

*Chris Fusco joined the Chicago Sun-Times in September 2000 and has covered Illinois government issues for two years. Lori Rackl has covered the health beat for nearly seven years, joining the Sun-Times in April 2004.*



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# IDLE TRUCKS

## Mob ties, kickbacks, official corruption tied to Chicago's Hired Truck Program

BY TIM NOVAK AND STEVE WARMBIR  
CHICAGO SUN-TIMES

A little red dump truck.

It can be a child's favorite toy.

But in the case of a real little red dump truck, parked at the end of the block where *Chicago Sun-Times* reporter Tim Novak lives, it was much, much, more.

On the side of the truck was a sign, saying it was part of an obscure city entity, the "Hired Truck Program."

It sparked Novak's curiosity. And it led to uncovering the biggest scandal of Chicago Mayor Richard M. Daley's 16-year reign.

Questions about that truck resulted in "Clout on Wheels," a three-part series in the *Sun-Times* in January 2004 that exposed how the city spent \$40 million a year on privately owned dump trucks that often did little or no work on city job sites. The city said it needed the trucks at city work sites to supplement its own fleet. Raking in the taxpayer money were the truck owners, often political insiders and organized crime figures who bribed their way into the program.

The little red dump truck sparked a federal investigation into Chicago's Hired Truck Program. So far, 28 people have been charged. Sixteen have pleaded guilty. It's clear that investigators used our

series as a road map from the start of their investigation. More charges are expected.

### Giant jigsaw puzzle

While the little red dump truck was as plain as day sitting on the street, getting information about the program from the city was much more difficult.

“The city said it needed the trucks at city work sites to supplement its own fleet. Raking in the taxpayer money were the truck owners, often political insiders and organized crime figures who bribed their way into the program.”

Novak haggled with city officials for months to get the basic facts about the program, such as the names of the 165 companies that provided 400 trucks a day to Chicago's departments of streets and

sanitation, transportation, water and sewer.

Novak's initial requests under the Illinois Freedom of Information Act were denied. The city argued it was too much of a burden to give him access to the files.

After two months of arguing, negotiating and pleading, city officials relented, letting Novak review the files.

There was just one catch. Novak could have access to the files for just two hours a day.

Armed with a laptop, he spent two weeks traipsing to City Hall, combing through files, creating a database of the companies, their owners, trucks and drivers. Many files were woefully inadequate, containing nothing but the company name, with no mention of the owner.

Once the basic database was created, Novak spent weeks expanding it by adding information from other sources, including state corporate records, county property records and court records.

At the same time, Novak was conducting background checks on the owners, using civil and criminal court records, newspaper clippings, campaign reports and sources.

A picture began to emerge as Novak assembled those pieces like a giant jigsaw puzzle. Familiar names kept popping up, names of political insiders and associates of organized crime.

As it became clear that the Hired Truck story would in part be a story of organized crime, Novak turned to fellow reporter Steve Warmbir, who reported on mobsters for the newspaper.

Warmbir began researching the mob associates as well as their family members, many of whom had ties to the 11th Ward Democratic Political Organization, the mayor's political power base.

One company was owned by James Inendino, who was in prison on charges of ripping off a Chicago suburb in an insurance scheme. Another company was owned by the sister-in-law of a convicted mob burglar. And several companies were owned by relatives of late Chicago Alderman Fred Roti, who lost his council seat upon his conviction for extortion and racketeering. Roti, according to federal authorities, was a "made member" of the Chicago mob.

The mob influence became even clearer when the reporters found that a city employee who determined which trucks got work with the city's transportation department was a mob bookie, Nick "The Stick" LoCoco. LoCoco would later be charged in the investigation but did not make it to trial. He was killed in a horseback riding accident.

The reporters noticed another trend in the data. Even though the trucking industry was dominated by men, many of the trucking companies in the Hired Truck Program were listed as being owned by women. Novak and Warmbir naturally wondered if some of those companies were merely fronts, so the firms could qualify for the city's set-aside programs.



Sun-Times photo

After two hours of doing nothing, the driver of this truck hired by the city decided to take a break.

## Paid to do nothing

Once Novak and Warmbir compiled the data, the reporters ran each name and address through the state of Illinois' database of political campaign donations. It showed Mayor Daley had reaped more than \$100,000 from Hired Truck companies, which had poured more than \$800,000 into the campaign coffers of the past two governors and numerous state legislators and Chicago aldermen.

At this point, the reporters had an interesting story about politically connected companies, many with mob ties, providing the city with dump trucks on a daily basis.

It was time to find out what the trucks did for the city.

And for that, Novak and Warmbir relied upon a source who provided them with daily updates on where the trucks could be found.

For days, Novak and Warmbir spent hours sitting in their cars with the heaters running, watching the privately-owned dump trucks parked on city job sites alongside city work crews.

Nobody was doing anything. The truck drivers slept in the trucks. The city workers sat around. And they would come back to the same locations day after day.

The highlight of the reporters' day was when the dump trucks would drive to McDonald's, so the driver could get some lunch.

Loafing city workers are a fairly common story in Chicago. But this provided a new twist. The city was hiring private companies to join in the loafing, just another form of government privatization.

One city worker told Novak: "If anybody's going to sit around and do nothing, it ought to be a city worker."

Paid to do nothing. The reporters had their story, as well as the headline.

Novak and Warmbir started calling the truck companies. One owner admitted to Novak his trucks sat around and did nothing. Another admitted to Warmbir he paid bribes to city officials, putting money in Christmas cards, to make sure his trucks were called out.

Finally, the reporters confronted the city, setting up an interview with the mayor's budget director, William Abolt, whose office ran the Hired Truck Program.

Abolt shocked the reporters. He disputed nothing, insisting the city was in the process of reforming the program because of corruption and waste. The Hired Truck Program had existed for decades, but it had soared in the past four years from \$30 million a year to \$40 million a year.

"We're paying for trucks that we aren't using or we aren't fully using," Abolt said.

Abolt, once on the fast track to be the mayor's chief of staff, would resign a few weeks later.

The reporters feared the city would try to get out in front of the story by holding a news conference, so Novak and Warmbir moved quickly to put it into print, publishing the first part on Friday, Jan. 23, 2004,

Sun-Times Photo



This dump truck was parked at a city job site. It did nothing for two eight-hour days, but charged the city \$50.17 a day.

before the other two parts of the series were written.

Immediately, the series sent tremors through City Hall, which held several press conferences over the weekend as Sunday's installment spotlighted mob ties in the program. The third part ran on Monday, detailing the political ties between the Hired Truck Program and the mayor's political power base.

On Monday, the FBI announced it arrested Angelo Torres, a former street gang member, who had somehow been chosen to oversee the Hired Truck Program, determining which companies could get in.

The FBI had investigated Torres more than a year earlier, but didn't arrest him until they saw his picture in the *Sun-Times*. The series led federal officials to subpoena all of the city's Hired Truck documents.

The phones at the *Sun-Times* rang off the hook with tips and other pieces of the puzzle. Acting on those tips, Novak and Warmbir used public documents to show that the mayor's cousin, a high-ranking water official, had sold city dump trucks to a private company that leased them back to the city. The trucks were owned by the cousin's mother-in-law. The mayor fired his cousin.

The story on the firing was one of more than 100 follow-up stories Novak and Warmbir produced. The end is nowhere in sight.

Since the series started, 27 people have been arrested, including 14 city employees.

Mayor Daley, at first, tried to reform the program, apologizing to the people of the city of Chicago.

After Novak and Warmbir found the reformed program had allowed in more questionable firms, including one tied to bribing an alderman, the mayor announced he was killing it.

And that little red truck at the end of block was never seen again.

*Tim Novak and Steve Warmbir were awarded the 2004 IRE Tom Renner Award for their "Clout on Wheels" series. It is the second time in three years Warmbir has won the Renner award. Novak has been a reporter at the Chicago Sun-Times since 1995. Warmbir has been a reporter at the Sun-Times since 2000.*

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Derek Gee | The Buffalo (N.Y.) News



Parking enforcement officer Steven Schroeder hands out tickets to illegally parked cars.

# TICKET FIX

## City insiders dodge parking fines; database reveals biggest offenders

BY PATRICK LAKAMP  
THE BUFFALO (N.Y.) NEWS

**W**e already had looked at a database to find out who was getting the most parking tickets in Buffalo and to check where people were most likely to get ticketed.

Next, we wanted to know who got their tickets dismissed.

So *The Buffalo News* obtained a parking hearing database from City Hall detailing how hearing officers handled cases before them.

What we found were politicians and other insiders getting more of a break than most other people.

The scope of the breaks – \$1,205 in one case – raised eyebrows.

But it was how they were getting the tickets dismissed that most infuriated readers, many of whom have had to skip work or school to drive downtown and wait in line to persuade a hearing officer they didn't deserve the parking tickets they received.

The insiders didn't wait in line. They simply wrote a letter to the head of the city's parking violations bureau.

We caught on to this after asking a simple question.

Which hearing officer goes by code number 75? We expected a name.

Instead, the answer led to more queries in our database of almost 24,000 parking ticket hearings, covering some 33,000 tickets over two years.

And those queries led to "The Ticket Fix," a 2,000-word front-page report published in April. The story detailed how a select few city insiders get many of their tickets dismissed.

### Fines slashed

The parking hearing database has fields showing the violation, summons number, hearing date, fine amount and how much was paid or dismissed, among other information, for each hearing. The database also includes a code number for the hearing officer at each hearing.

News researcher Andrew Bailey matched the parking hearing database with another database of nearly 430,000 parking tickets. The parking ticket database offered more information, with fields for vehicle owner's name, address, license plate and location of the ticket. Matching the databases was possible because both included a field for summons number.

The city's Parking Violations Bureau gave us the code numbers for the hearing officers.

That allowed us to determine which hearing officer handled each case and develop a scorecard for each hearing officer. Chief hearing officer Randall Kay's code number was 5.

We queried the database with his code number to learn that he waived 31 percent of fines for those appearing before him, the lowest percentage of any hearing officer.

Then there were the 2,170 hearings under code 75. We didn't have a hearing officer's name for that code. The percentage of fines waived under that code, 71 percent, was the highest. We intended to identify and interview this hearing officer and compare his or her approach to hearings with Kay's approach.

When we inquired, the parking bureau's operations manager explained that code wasn't for a person but for tickets handled through a write-in defense for those who live 50 miles or more from the city.

So, we ran a query to find out where these people live.

It turns out most live in the city.

And some names showed up repeatedly, including judges, political leaders, city hall officials and two of the mayor's brothers.

They wrote letters to the city's parking enforcement director, who passed them along to a hearing officer. Two-thirds of the time, their tickets went away. If not, the fines usually were slashed. Overall, 85 percent of fines on the insiders' contested tickets were dropped. For everybody else, 49 percent of the fines were dropped.

Many of the insiders' dismissed violations were for parking at expired meters. The dismissals also included expired inspections and expired registration stickers. A city court judge got \$265 waived on five expired inspection tickets.

Some won dismissals after being ticketed for parking on the wrong side of the street by their homes. The mayor's brothers got a combined \$150 dismissed from tickets on the street where one lived.

So, who ruled on these letter-writing appeals?

It was Kay – the hearing officer who's tough on those without connections. The parking enforcement director said while he forwards the letters, and half the time writes accompanying notes, Kay decides the fate of the tickets. Kay said the parking director's notes

Sharon Cantillon | The Buffalo (N.Y.) News



Jason Atkins of Jamestown, N.Y., second from left, waits for his hearing at Buffalo City Hall, where he hasn't fared well fighting his parking tickets. He's paid \$1,020 in fines the past few years. He contested \$505 worth of tickets in hearings but had only \$55 dismissed.

Derek Gee | The Buffalo (N.Y.) News



Paul G. Gaughan, a deputy commissioner of jurors in Buffalo, has saved \$1,205 over the past two years thanks to his parking fines being dismissed.

allowing otherwise unauthorized parking are often the basis for the dismissals.

Even Kay has benefited from this system.

Kay hasn't paid a city parking ticket in two years, even though he got seven, totaling \$245, while on the job at City Hall. The parking bureau staff dismissed six without a hearing, including one for parking too close to a fire hydrant. Kay's car was ticketed when there were no available spaces next to City Hall, where he's allowed to park for free.

### Lessons learned from others

Readers were furious. Almost a month later, the story remained among the top five issues on the minds of those writing letters to the newspaper.

A reader wrote that Kay had rejected her husband's appeal of a ticket, given to him while he accompanied her to the hospital where doctors treated her for internal bleeding.

"I was appalled," she wrote. "Perhaps the city could hire someone who can follow the same laws he is paid to enforce."

Parking Enforcement Director Leonard G. Sciolino said the *News'* findings will prompt him to "probably re-adjust some of my thinking."

Still, he defends the letter-writing appeal that accommodates government officials, business people, and lawyers, among others, who get ticketed in the course of doing their jobs.

He calls it "being user-friendly."

"This is my policy, and I will continue to do it that way, without being abusive," he said.

City Hall backed Sciolino, although the mayor said he told his brothers "to knock it off."

Above all, "The Ticket Fix" required patience. Sorting through data for almost 430,000 parking

tickets and 24,000 hearings takes time.

Guided by Susan Schulman, who heads our investigative reporting team, deadlines were pushed back as the story took on a stronger edge and needed additional reporting. Stan Evans, the deputy managing editor in charge of the local news staff, agreed to the later deadline and edited the story.

One lesson – not a new one – is to review what others have already written. David Armstrong's account of his *Boston Herald* parking ticket stories in the January 1995 *Uplink* proved helpful, as did his stories. They provided ideas on what to look for in our investigation.

While we didn't have Armstrong's three-year challenge in getting a database, our struggle was for the names of ticketed motorists. The parking bureau initially said the license plates should suffice for identifying individuals getting tickets.

That was unsatisfactory, because we would not be able to tally the totals for those who drive more than one car.

Fortunately, Robert J. Freeman, the executive director of the New York State Committee on Open Government, maintains an archive of his advisory opinions. His office supplied us with his opinions in other cases in which newspapers sought names of those ticketed.

Armed with his opinions, we talked with the city corporation counsel about our request.

The preparation paid off. The database with owners' names soon followed, and it included the four tickets the corporation counsel got dismissed.

*Patrick Lakamp is a member of the investigative reporting team at The Buffalo News.*



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D.C. Board of Medicine members (L to R) Andrea Sullivan, Ronald Simmons, James A. Towns, Lawrence A. Manning, M.D.; Jean Linzau, M.D.

# M.D. RUNAWAYS

Troubled docs relocate to avoid sanctions; federal tracking found to be ineffective

BY CHERYL W. THOMPSON  
THE WASHINGTON POST

The project idea evolved from a story that made national news: A 17-year-old girl died after a botched heart-lung transplant at a North Carolina teaching hospital. A doctor implanted the organs from a donor with the wrong blood type.

The story grabbed the country's attention and made me wonder how something like that could happen, particularly at a hospital that *trains* doctors.

So I set out to investigate teaching hospitals and determine whether they made more medical mistakes, had less qualified doctors, etc. In short, were teaching hospitals worse than other hospitals?

I pitched the idea to projects editor Barbara Vobejda and Jeff Leen, assistant managing editor for investigations, who encouraged me to pursue it. I began by calling medical experts, hospital administrators and professors who had conducted specific studies to determine if my idea had any validity or whether there was another story there.

The more people I talked with, the more the story evolved. One person I talked with told me about a doctor who had gotten into trouble in Texas and come to his hospital in another state. When hospital officials checked his background, they turned up nothing, he said. So they hired him, unaware that the doctor allegedly had mental issues, he said.

In a conversation with another person, I was told how one hospital became a dumping ground for doctors no one else wanted. Yet another interview touched on a federal tracking system (the National Practitioner Data Bank) that had loopholes.

After a dozen or so initial interviews, a different theme emerged: Doctors get in trouble in one state and move to another as a way to keep practicing. And they do it before a paper trail catches up with them, despite the federal tracking system designed to prevent such movement.

## Chronic abuse problems

I went back to my editors and told them what I had learned. We decided to review records of every doctor who had been disciplined in Washington, D.C., Maryland and Virginia for the past five years. The point was to find out if the physicians who came before those medical boards for various infractions had licenses in other states. If so, had they been in trouble in those other states too? I found nearly two dozen "migrating" doctors.

My editors suggested I review all medical board disciplinary records during that five-year period for other patterns. What turned up were scores of doctors who were punished for drug or alcohol use, particu-

larly in Maryland and Virginia. But even more interesting was that, for many of them, substance abuse was a chronic problem.

But what I *didn't* find also proved interesting. While reviewing Washington, D.C.'s board actions, I noticed that very few physicians had lost their licenses during that five-year period. And only one had been disciplined for drug abuse, one of many findings that became important to the series.

Ultimately, the nearly two-year examination found that many physicians with drug and alcohol abuse problems are allowed to keep practicing, often despite relapses, and medical boards rarely revoke their licenses. I also found that the medical board in the nation's capital is lax in doling out discipline, even for doctors who had been disciplined in Maryland and Virginia for criminal convictions, sexual misconduct or questionable medical care. Finally, I found that doctors who are punished often keep practicing by moving to another state, despite a congressionally created system meant to prevent them from hiding their troubled pasts.

## Questionable medical care

Although most states put doctor disciplinary action records online, Washington, D.C., does not. So I immediately requested the files of punished D.C. doctors under the Freedom of Information Act. I also checked the courts for lawsuits and it was there that I found names of patients and depositions.

I obtained minutes from D.C. Board of Medicine meetings for the past five years. A review of those minutes showed myriad problems, including the fact that hundreds of complaints were filed against doctors. There were allegations ranging from sexual assault to negligent medical care, but only four of the doctors were disciplined. I also found by analyzing the minutes that it can take months, sometimes years, for the Board of Medicine to investigate complaints and decide a case.

I also learned that the city only has two people to investigate about 45,800 health-care licensees and it shares those investigators with at least 20 other D.C. boards and commissions. I compared that to Virginia, which has 50 full-time and nine part-time investigators, and Maryland, which has eight investigators.

An analysis of the records showed that the D.C. medical board voted to discipline more than a dozen physicians for various infractions but did not follow through on its decisions. Further, at least two dozen doctors with substance abuse problems known to the board have not been disciplined, even though six lost their licenses in other states. Fourteen doctors with licenses to practice in D.C. were not disciplined by the board, although they were punished in other states for sexual misconduct, criminal convictions or questionable medical care.

I also FOI'd records from Maryland, Virginia and 30 other state medical boards where the doctors I decided to review were licensed. It was important to get records from other states for obvious reasons: records not releasable in Maryland may be releas-

able in Florida or Arkansas. In one doctor's case, her licensing application was not public in Virginia but was in another state. So by requesting it, I found she had lied on her application about being fired from a hospital.

### Spreadsheets prove invaluable

I created spreadsheets to keep track of the data I gathered from records. For instance, for my story on drug and alcohol abuse among doctors, the spreadsheet included names, what they were disciplined for, disciplinary action, whether they were punished more than once, and criminal convictions. Although it was time consuming to plug in the information, the spreadsheet became invaluable as the project progressed because it allowed me to tally numbers and find patterns.

Jacqueline Dupree, *The Post's* intranet editor, created a database that let me input every piece of information or record on each doctor, including thumbnails of their disciplinary history, lawsuits and patient names and numbers. I also typed my notes from interviews into that database. I printed each interview and filed them according to "Day 1," "Day 2" or "Day 3" stories. When I was ready to write, I pulled the file containing all the interviews for the appropriate day.

Database editor Sarah Cohen also helped narrow the list of doctors we examined by comparing names of licensed physicians in D.C. with those who had been disciplined in Maryland and Virginia. Those lists came from the medical boards and Web sites that listed disciplinary actions. She also checked for new licenses in Washington, D.C. that were approved after disciplinary action was taken in another state.

There were several challenges with this series, including getting the doctors who had been disciplined to talk to me. They were, after all, private citizens under no obligation to be accountable. But when I called, I was honest and open about what I was writing about and told them that I had records. I also made it clear at the start of the interview that the conversation was on the record, meaning that their names would be used. In almost every instance, the doctors talked to me at length. Some talked because they said it was therapeutic for them; others said they hoped their story would help those with similar issues. The physicians who declined did so, they said, because they feared losing patients or jeopardizing job prospects.

While many of the doctors opened up to me, getting permission from them to use their pictures proved difficult. Having their words in the paper was one thing; having their photos in there was another, they said. Nevertheless, I developed a list of photos we needed and my editor and I, Ray Saunders of the photo desk and two researchers tracked down photos of several of the doctors through other publications. In two instances, I got photos from state medical boards records through FOIA. Another photo came from a sheriff's department when the doctor was booked.

### System declared broken

The series prompted scores of e-mails and phone calls from around the country, letters to the editor and

a *Post* editorial. But what I found most fascinating were the responses from many physicians who knew some of the doctors mentioned in the articles and expressed their frustration about working with them and with a system that does little to permanently take them out of practice.

The day after the series ended, D.C. lawmakers admitted that the system was broken and scheduled a hearing to review the performance of the Board of Medicine and its oversight of the city's doctors. The mayor expressed concern about the performance of the board and said he was "dedicated to fixing it."

District officials have since agreed to hire more investigators, licensing specialists and attorneys in an effort to strengthen discipline and oversight of doctors and other health care providers. They redirected \$500,000 for the new hires. The funds will be available Oct. 1.

*Cheryl W. Thompson is an investigative reporter for The Washington Post. Since coming to The Post in 1997, she has written extensively about the D.C. Police Department, the Immigration and Naturalization Service and the Drug Enforcement Administration.*

Juana Arias | The Washington Post



Thakerya Draton of Washington, D.C., filed a complaint with the D.C. medical board after she experienced profuse bleeding following an "incomplete abortion."



## Better Watchdog Workshops

### Investigative Reporting on the Beat

IRE, with funding from the Chicago Tribune Foundation and the Ethics and Excellence in Journalism Foundation, offers this series of workshops focused on doing investigative reporting while covering a beat.

The workshops, specifically for journalists at small- to medium-sized news organizations and those in bureaus of larger organizations, will emphasize the use of FOI laws and address juggling a beat while producing investigative and enterprise pieces.



#### Workshops are scheduled for:

- Oct. 8-9, 2005 – Columbus, Ohio
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Society of Professional Journalists  
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- Nov. 5-6, 2005 – Birmingham, Ala.

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busy for a month."**

– Kevin McGrath, *The Wichita Eagle*

For more information, visit [www.ire.org/training/betterwatchdog](http://www.ire.org/training/betterwatchdog). To request a workshop for your area, contact Training Director David Donald at [watchdog@ire.org](mailto:watchdog@ire.org).



# TRACKING BUSINESS

Whether it's a small local business or a multimillion-dollar enterprise, investigative journalists are unveiling important clues into the world of making money, spending money and wasting money. Huge convention center expansions that don't deliver on local promises, businesses that blithely ignore tax payments and taxpayer investment deals that go sour are just some of the stories that show what really goes on beyond the profit and loss columns.



# PUBLIC PRICE

## Convention center expansion falls short of expectations for area-wide profitability

BY DAN TRACY  
ORLANDO SENTINEL

The Orange County Convention Center opened in 1983, a building not a whole lot more impressive than a string of bowling alleys slammed together, minus the shiny hardwood floors and automatic ball returns. It since has been enlarged four times, creating massive, sky-lit lobbies, the second-largest accumulation of meeting space in the country and a \$2.8 billion debt the county must pay off during the next 27 years.

As a reporter at the *Orlando Sentinel* watching the various incarnations of the facility from the confines of the newsroom, I developed an abiding curiosity about the economics of the convention industry. How could such massive structures be cost effective? The Orange County center, for example, can hold the equivalent of more than 36 football fields, end zones included. Are taxpayer-financed meeting halls really the incredible economic engines supporters claim them to be?

They are not, is the conclusion I reached after six months of research.

### Operating in the red

Assigned to the *Sentinel's* projects teams in 2001, I finally got the chance last year to take an extended look at not only Orange County's center, but the industry in general.

Possessing no background in the business, I first immersed myself in trade publications, trying to understand the issues and trends. Then I delved into reams of financial records, marketing studies, show contracts and historical documents about the Orange convention center. I transferred many of the numbers I discovered to Excel spreadsheets for analysis. In nearly a dozen instances, they formed the basis of charts and graphics that accompanied the nine stories of the three-day series.

I also traveled to Las Vegas to check out the top convention destination in the country and to Houston to monitor the efforts of a city trying to reassert itself in the tradeshow business.

But the key to the package was the basis of any good reporting: locating knowledgeable people, then getting them to impart their expertise. It took a while, but I found several college professors well versed in the business and other industry experts and consultants who were willing to provide an insider's perspective. They helped me figure out what to look for, some of the questions to ask and the probable answers that I should not accept at face value. In short, they were integral to creating a

mindset of looking with a substantial dose of skepticism at any number provided by the industry.

I also was fortunate that the Orange convention management allowed me largely unfettered access to the massive, two-building complex, its visitors and workers. I hung out on the loading docks with unionized stage hands, sat in on pre-convention meetings with center staff and show promoters and wandered about events large and small, allowing me to mingle with buyers and sellers.

“The center was a record \$8.5 million in the red on operations in 2004, with bigger annual losses anticipated in the future.”

Those experiences were invaluable to understanding the intricacies of the business, from the setup and takedown of a show, to center rental agreement negotiations, to booking blocks of hotel rooms for conventioners, to who loses and who makes money on an event.

Hint: Taxpayers invariably come up short. The center was a record \$8.5 million in the red on operations in 2004, with bigger annual losses anticipated in the future. The yearly mortgage payment was almost \$76 million and will be for more

than a decade to come, when it starts to drop as the principal is reduced. A tax on hotel rooms covers the mortgage and operation deficits.

### Numbers questionable

What ultimately became apparent to me was the suspect nature of the basic barometers used by industry officials to justify the business and its seemingly unending building expansions. These performance standards would include show attendance, average nights per stay by delegates and total spending attributed to people attending an event. It is important to note these statistics rarely are audited by an objective third party, such as the way ABC checks newspaper circulation. That leaves them to interpretation and, we found, some inflation.

Yet, these numbers routinely are trumpeted as fact by convention center directors and enthusiasts. They love touting them because the figures invariably are large, almost always with multiple zeroes at the end. In Orange County, for example, center officials are fond of saying a record 1.4 million people visited the facility during 2004, spending about \$1.26 billion in the community during the 3.4 nights they stayed on average.

All that sounds impressive and official. The problem, as I learned, is they are educated guesses at best and misleading at worst.

Tom Burton | Orlando Sentinel



The Orange County Convention Center has created a \$2.8 billion debt.



Tom Burton | Orlando Sentinel

A smiley face character promoting Tutor.com hands out brochures in the exhibitors hall on opening day of the convention of American Library Association at the Orange County Convention Center.

First off, the attendance figure is unfairly swelled because it includes convention delegates, plus locals who attend everything from luncheons to boat shows. Area residents infrequently rent hotel rooms, one of the prime justifications for building

convention centers. The more pertinent attendance number in Orange County was just more than one million. That's the number of people who attended a convention.

But even that number is questionable because

some experts contend a third or more of attendees never spend the night at a convention destination, instead flying or driving in and out for one day. That means they don't rent a room, or eat or drink much, invariably among the largest expenditures of a conventioneer.

And those spending estimates – \$1.2 billion in Orange's case – are next to meaningless, some economists say, because most of the money passes through the community rather than staying there. Think about it: the souvenirs, many of the exhibits, much of the foodstuff and beverages and the ownership of many the hotels and restaurants typically originate out of town. That means the profits end up elsewhere, essentially leaving behind some wages and tips.

As one professor said: "Don't confuse economic activity with economic development."

This is not to say that conventions lack merit. A big event, such as the 100,000-plus people who jammed into the Orange center for the National Association of Home Builders annual gathering in January, can be a boon to area hotels and restaurants.

But even in that instance, the effect is somewhat muted. Except for visiting a theme park or two, conventioners are not apt to spend money beyond the restaurants, bars and hotels close to and serving the convention center.

For sure, there are associated businesses whose income jumps during shows, from wholesale cigar outlets to pharmacists who dispense medicines to sick exhibitors to photographers who shoot pictures of the shows to florists who produce displays.

But what private business would invest nearly \$3 billion to serve about 2 percent of its core audience? In Orange County's case, more than 45 million tourists visited the area last year, yet the convention center attracted little more than one million delegates.

That type of question was at the core of the convention center series. But it was a question that I wouldn't have been able to ask without the time to properly research the story.

Perhaps the biggest impact of this project was a pledge from every major policymaker and tourism official I contacted *not* to expand the convention center again. They had not been willing to say so before publicly.

*Dan Tracy has been reporting for the Orlando Sentinel for 25 years, covering a number of beats, including City Hall, transportation and the citrus industry, before joining the projects team in 2001.*



Tom Burton | Orlando Sentinel

Becky Coleman, 17 (left) and Andy Wesche, 16, visit Suess Landings at Islands of Adventure in Orlando, prior to the opening of the Lutheran Church - Missouri Synod Youth Conference. The pair of young people from Missouri visited the Universal Studios Florida parks while they were in Central Florida for several days for the conference.

Mike Siegel | The Seattle Times



A lawsuit over disputed stock options brought InfoSpace founder Naveen Jain, right, to a Seattle courtroom earlier this year with lawyer Randall Thomsen.

# WIRELESS FLOP

State court victory unseals records,  
final clue found in dot-com rise and fall

BY DAVID HEATH  
THE SEATTLE TIMES

**N**aveen Jain, a charismatic and controversial figure in Seattle, was one of the most remarkable success stories of the dot-com era. In four years, he went from being a low-level manager at Microsoft to one of the wealthiest people in the world.

He did it by creating InfoSpace, a company offering a hodgepodge of Internet content. After just 15 months on Wall Street, InfoSpace became the Northwest's largest dot-com, worth \$31 billion. It was even worth more than Boeing.

Jain played the role of visionary, boldly predicting that InfoSpace would soon become the world's first trillion-dollar company.

The key to InfoSpace's meteoric rise was Jain's promise to corner a new market: providing the infrastructure and content for people to surf the Web on their cell phones.

There would soon be a billion cell phones in the world, Jain predicted, and InfoSpace would get \$1 to \$3 from each one each month. "You do the math — that's a [expletive] load of money," he said.

Though Jain was slow to acknowledge it, the wireless Internet was a flop. InfoSpace's value quickly disintegrated when the Internet bubble burst. In January 2001, nearly the entire senior management of InfoSpace quit.

Shareholders became angry. Even as insiders had been hyping the company, they dumped massive amounts of their personal InfoSpace stock. Jain himself had pocketed more than \$400 million and later he would continue to dump his shares even as InfoSpace sold for only \$1 a share. Questions arose about deals the company had cut and the revenues it had booked.

Business reporter Sharon Chan started digging at the time but was stymied by a lack of openness and candor from key sources. She picked up the story again in late 2003 when InfoSpace began looking for a new chief executive officer to replace Jain.

This time, Chan asked for an investigative reporter to help on the story.

The story intrigued me. I had spent the first half

of my career as a business reporter, and I knew that investigating a business can be especially difficult and challenging. A decade earlier, while working at *The Courier-Journal* in Louisville, Ky., I spent months excavating the remains of a bankrupt life insurance company. Kentucky's insurance regulators failed to shut down the insolvent company until regulators in other states finally acted.

I discovered a possible explanation: The company had bought an unprofitable hotel from the governor for an inflated price and had been secretly paying him an annual consulting fee of \$120,000. My reporting helped to end the political future of Gov. Wallace Wilkinson, who eventually had to repay \$11 million to the insurance company's policyholders.

The key to that story was an exhaustive search of available records. I was hopeful that an investigation of InfoSpace might be easier.

## Sensitive information

I began reading clips and InfoSpace's filings with the Securities and Exchange Commission. I quickly found inconsistencies.

Jain frequently bragged in InfoSpace's early days that his company was one of the few profitable dot-coms. What's more, he boasted in late 1997 that although his company had only 25 employees, it was on track to make \$25 million in sales that year.

"A million dollars a person — it's not that bad," Jain said.

But none of it was true. When InfoSpace went public a year later, it reported to the SEC that in 1997 it had lost \$700,000 on revenues of \$1.7 million.

We began a list of claims

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Jain had made that we could document weren't true.

The most difficult and critical question to answer was whether Jain continued to exaggerate the company's performance after InfoSpace went public. Once its stock had collapsed, the company revealed in SEC documents that more than a quarter of its revenues in the previous year came from unusual sources: deals with companies it owned or swaps of free advertising with other dot-coms. Experts said these sorts of deals were dubious. The key question: Did Jain and others try to make the company look much more successful than it actually was so they could sell their own stock at a higher price?

We conducted scores of interviews, and gathered lots of stories about Jain's past. But when it came to more sensitive information, source after source either refused to talk or would talk only on background. Some cited pending litigation or confidentiality agreements they'd signed. Others feared being sued.

## Records unsealed

Within six months, we had pieced together the essence of the story through our interviews. But we couldn't document or verify much of what we had been told. We realized the documentation we needed was most likely going to come from lawsuits, especially a shareholder lawsuit alleging that InfoSpace concocted revenues. But there was a huge problem. Though there were a plethora of lawsuits accusing InfoSpace of wrongdoing, nearly all of the important documents in those cases were sealed.

Court records may be sealed to protect highly sensitive information, such as trade secrets. But in reality, judges routinely allow parties in a lawsuit to seal anything they want. Hoping judges would agree that the practice of sealing was out of hand, I began writing them, asking them to unseal records in the InfoSpace cases.



Naveen Jain, the charismatic, energetic force behind InfoSpace, was ousted by the dot-com four years after taking it public. Undaunted, he founded his next firm, Intelius, across the street from InfoSpace's Bellevue headquarters. Here, he plays in his office in the early days of Intelius.

U.S. District Judge Robert Lasnik quickly complied, unsealing all motions in one case. Another federal judge called to say he would unseal the records, but they no longer existed. Under court rules, the sealed documents had been returned to the parties a year after settlement for destruction.

Other judges asked us to file motions. When we did, two judges quickly ruled in our favor, unsealing virtually the entire case file. That left only the shareholder lawsuit, which we knew would be the critical one. To our surprise, Superior Judge Sharon Armstrong ruled against us, leaving most of the records in the shareholder lawsuit sealed.

Though our legal expenses had already been steep, Managing Editor David Boardman decided to pursue the case to the state Supreme Court. It would delay the story another 18 months, but we were hopeful the court documents would prove to be a gold mine. What's more, we hoped a favorable ruling would curb rampant sealing of court files.



Diamanti, Naveen Jain's 16,500-square-foot mansion on 1.3 acres in Medina, has an indoor pool under a two-story glass atrium, along with a two-story garage, a recording studio and a staff wing.

Our gamble paid off. The Supreme Court not only ruled unanimously in our favor, but issued a landmark decision establishing tough standards to be met before courts could seal records in civil cases.

"Proceedings cloaked in secrecy foster mistrust and, potentially, misuse of power," Justice Tom Chambers wrote in the opinion.

The documents revealed candid conversations about artificially boosting revenues with dubious deals. There were notes of interviews company attorneys had with top management about allegations in the lawsuit. Jain himself – while absolving himself of any responsibility and believing that his comments would remain secret – alleged that other InfoSpace executives released false revenue projections to shareholders and then sold their own stock based on inside information.

With hundreds of internal company e-mails and the help of investigations editor James Neff, I was able to write a narrative account of what really went on inside a company experiencing one of the most spectacular rises and falls of any corporation in history.

*David Heath is an investigative reporter at The Seattle Times. His awards include the George Polk, the Gerald Loeb and the Goldsmith. He has co-authored three finalists for the Pulitzer Prize and he recently was selected as a Nieman fellow at Harvard University.*

## Tipsheets from the IRE RESOURCE CENTER

To get fresh ideas for covering business, check out these tipsheets from the IRE Resource Center ([www.ire.org/resourcecenter](http://www.ire.org/resourcecenter)):

A selection from the library includes:

- **No. 367:** Jack Ewing of *Business Week* lists the major players involved in the corporate world and how to detect dubious accounting practices.
- **No. 598:** William Nyarko of the Ghana Center for Public Integrity discusses how to look for corrupt ties between business and government, and how they happen in Africa.
- **No. 1397:** Mark Katches of *The Orange County Register* shows how to examine nonprofits whose structures are similar to for-profit companies.
- **No. 1409:** Jacqueline McLean of WCNC-Charlotte lists several tips in consumer reporting, consumer Web sites, and a list of short- and long-term consumer story ideas.
- **No. 2078:** Margaret Newkirk of *The Atlanta Journal-Constitution* provides a list of Web sites that are helpful to journalists when covering a business that has gone bankrupt.
- **No. 2127:** This short sheet from Margot Williams of *The Washington Post* gives a list of Web resources and clues for backgrounding companies, with additional tips from Richard Drezen, research librarian at *The Washington Post*.
- **No. 2212:** Mark Skertic of the *Chicago Tribune* explains the official purposes of what can be confusing SEC filings and how and when journalists can use them.
- **No. 2262:** This extensive Web resource list from Mike Berens of *The Seattle Times* covers several facets of business, from licenses to payroll information.
- **No. 2416:** Jim Hopkins of *USA Today* offers an annotated list of Web resources, including nonprofits and venture capital companies.
- **No. 2486:** Eric Nalder of the *Seattle Post-Intelligencer* dissects organizations, listing various ways to find out who the major players are.
- **No. 1977:** Robert Lopez of the *Los Angeles Times* offers a handy list of public records available at the local level.



Though their relationship would sour, InfoSpace Chairman Naveen Jain, left, and Go2Net CEO Russell Horowitz, right, are all smiles at a July 2000 conference call with analysts about the companies' upcoming merger. Arun Sarin, InfoSpace CEO, is at center. Within six months, all had quit. Only Sarin did not sell his stock.

# BACK TAXES

Delinquent property tax bills  
serve as cheap business loans

BY LEE DAVIDSON

THE (SALT LAKE CITY) DESERET MORNING NEWS

Many Utah businesses have quietly discovered an interesting way to obtain instant, low-interest "loans" with low fees, no applications and no waiting.

All they do is simply not pay their property taxes on time.

Sure, that may make them appear to be bad citizens. And they could have their property seized and auctioned to pay off those back taxes if they fail to pay them before a deadline five distant years away.

But we found many businesses are playing that game in Utah, where penalties, interest and fees on unpaid taxes are relatively low compared to most commercial loans that businesses could seek.

Some of those businesses are in financial trouble, and may need that "loan" to make ends meet. Two hotels that acknowledged exactly that problem happened to be owned largely by Sen. Bob Bennett, R-Utah. They owed \$312,000 in back taxes dating to 2001.

Other large tax delinquents are not facing financial difficulty, but simply seek the benefits the low rates and penalties offer. That includes many land developers and construction companies. Their property does not generate any income until it is sold, so they wait until then to pay taxes on it.

And while those who do not pay taxes within five years are supposed to have their property seized and auctioned, we found that legal loopholes or government mistakes allowed many of them to avoid that for years – up to 20 years in a few cases.

Of course, all that deprives schools, cities, counties and the state of timely revenue. It may force them to raise taxes for those who do pay taxes on time to make up for the lag in collections from businesses enriching themselves at the public's expense.

Salt Lake County Treasurer Larry W. Richardson told me that "'borrowing' from local government by not paying property taxes is convenient in that there are no applications, no fees (except

for a 2 percent penalty set by Utah code) and no waiting."

## Biggest delinquents

I discovered most of this story by accident.

I had begun researching a different project: trying to identify those politicians who were not paying their property taxes on time. An online delinquency list posted on the Internet soon after Nov. 30 identifies property owners, parcel numbers and how much tax is owed. (Separate online information from the county assessor's office lets you find the address for the parcel number, plus information on the property's assessed value and uses).

“I found that at least 443 land developers, real estate companies and construction companies owed more than a combined \$5.17 million in back property taxes, or about an eighth of all back taxes owed in the county.”

I cut and pasted information from the county's Web site into my own Excel spreadsheet, and then imported that information into a database.

I also had made a database of about 200 public officials who live in Salt Lake County (and their spouses, businesses they own and their addresses), based on information I gleaned from government Web sites.

I linked my two databases of tax delinquents and public officials. Numerous names appeared to match, and I made phone calls to weed out false positives. Eventually, I would find only three public officials had failed to pay taxes on time.

One of them was Sen. Bennett, one of the highest-profile politicians in the state, and a major partner in two Anniversary Inns in Salt Lake City. I was surprised to see that more than \$300,000 was owed in back taxes.

I suspected those hotels might be among the biggest delinquents in the county. So, I did some sorting (and some pivot charts in Excel) to determine which delinquents owed the most on all their combined properties.

Bennett's hotels were eighth on that list, but I saw something else that was interesting. While the businesses I had heard were in financial trouble were listed, I was amazed at how many developers, mortgage companies and construction companies also were listed.

I remembered something I heard 20 years ago, when I was a young reporter covering the county government. The county auditor back then had made a passing comment about how many businesses intentionally did not pay on time because penalties and interest were lower than commercial loans.

I had meant to follow up on that comment, but never did. I decided to do so now.

## Cheap and easy loans

First, I put a lot of mileage on my car checking the parcels owned by major delinquents so I could see whether they were vacant land, or various sorts of businesses. I catalogued my findings.

I also did made phone calls and did other fact checking to check what type of business was conducted by major tax delinquents.

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BUSINESS



I found that at least 443 land developers, real estate companies and construction companies owed more than a combined \$5.17 million in back property taxes, or about an eighth of all back taxes owed in the county.

Further, at least 84 commercial property companies, such as owners of strip malls or industrial buildings or owners of apartments or senior housing, owed more than a combined \$1.72 million. At least 80 finance companies, including mortgage lenders and banks that foreclose on properties, owed more than a combined \$395,000.

As part of the story, I spoke with some of the major delinquents (including the manager of Bennett's hotels), and county treasurer Richardson, who said county officials also had noticed the game being played by many businesses.

While officials suspect that most delinquents fail to pay taxes on time because of financial trouble or forgetfulness, Richardson said governments have long known that many businesses view it as a way to obtain relatively cheap and easy loans.

National scholarly papers have been written showing that tax delinquencies increase significantly when government penalties dip below what banks and other lenders charge for business loans.

And Utah has some of the lowest penalties and interest charged among the states. Specifically, Utah law requires a 2 percent penalty on late taxes. It also charges interest of 6 percent plus the "Federal Funds Target Rate" as of Jan. 1, which this year was 2.25 percent. That means total interest charged on 2004 delinquent taxes is 8.25 percent. The interest on taxes delinquent in 2003 was 7 percent.

“At least 37 states allow charging higher interest rates than Utah does for taxes that were due in 2004.”

In comparison, Richardson noted when interviewed that other lending rates listed that particular day in *The Wall Street Journal* included the prime rate (given to those with the best credit) at 5.25 percent, credit card rates at 12.95 percent and home equity loans at 6.99 percent.

Research by the *News* found that penalties and interest vary greatly among the states, but Utah is on the less-expensive end of the spectrum. At least

37 states allow charging higher interest rates than Utah does for taxes that were due in 2004.

Penalties of 5 percent to 10 percent also are common. However, many states do not impose penalties but tend to charge much higher interest rates.

The time that states allow before delinquent properties are sold at a tax sale also varies between one and five years among the states. No state gives more than the five years allowed in Utah, but 31 set shorter time frames.

Additionally, we found that mistakes by our county and/or legal loopholes have allowed some properties to have escaped tax sales (and paying taxes) for up to 20 years.

For example, any property whose owner is in bankruptcy cannot be sold at tax sale, and Utah has the highest bankruptcy rate in the nation. Sometimes the county was unaware when properties left bankruptcy, and failed to auction them in later tax sales.

*Lee Davidson is a special projects reporter for the (Salt Lake City) Deseret Morning News. He was its Washington, D.C., correspondent for 17 years, and has won numerous national and regional reporting awards.*

## Stories from the IRE RESOURCE CENTER

If you're interested in other business investigations, check out these stories and others available through the Resource Center ([www.ire.org/resourcecenter](http://www.ire.org/resourcecenter)):

- **Story No. 17929:** "Padding profits with pensions: How companies inflate earnings with market gains from retirement funds," by Loren Steffy, *Bloomberg Markets*. This report explains how companies use pension funds – which are supposed to be reserved only for employee use – to boost their earnings. (2000)
- **Story No. 18077:** "Edifice complex: Real estate magnate draws shareholder ire for odd deal making," by Dean Starkman of *The Wall Street Journal*. This story looks at the business practices of Transcontinental Realty Investor's Inc., managed by Gene E. Phillips, whose legacy includes questionable deals, charges of fraud and racketeering, and at least one sunk company. (2001)
- **Story No. 20429:** "Little goes a long way," by Larry Margasak, Associated Press. Huge companies such as AT&T Wireless, Barnes & Noble and Time Warner Entertainment are mistakenly designated as small businesses in a government's contractor database. That means the amount of contract dollars going to small businesses has been overstated, and some small companies "might be frozen out from fresh business by bigger companies." (2003)
- **Story No. 20916:** "Taken for a ride: West Virginia's welfare car program," by Eric Eyre and Scott Finn, the (*Charleston, W.Va.*) *Sunday Gazette-Mail*. This story is about how nonprofits sold clunker cars to welfare recipients while used-car dealers reaped millions. The non-profit Wheels-to-Work program managers set up exclusive deals with friends who sold used cars to the program. The state gave them \$10,700 per person, but bought cars that cost \$2,300 on average. (2003)
- **Story No. 21706:** "Newsday circulation scandal," by James T. Madore, Steve Wick, Tom McGinty, Mark Harrington, Robert Kessler, *Newsday*. When charges surfaced that *Newsday* business executives inflated the paper's circulation figures, these reporters published more than 75 stories about the scandal, finding deception that went beyond the company's initial admission.
- **Story No. 21233:** "Need or greed," by Lisa Fletcher, Curtis Boardman, Adam Symson, Vince Cano, Allan Snyder and Shad Martin, KNXV-Phoenix. This undercover investigation revealed a telemarketing business that claimed to employ people with disabilities. In fact, the employees did not have disabilities, and the household items they peddled over the phone to sympathetic buyers sold at prices 10 to 50 times the retail value. (2004)
- **Story No. 19556:** "Garbage in, garbage out," by Charles Siderius, the *Dallas Observer*. This report shows flaws in Dallas' \$17-million curbside recycling program, funded by taxpayers and operated by a private contractor, Community Waste Disposal, including lying about the number and weight of loads, and underserving poor neighborhoods. (2002)
- **Story No. 19153:** "U.S. audit: Big Dig is 'bankrupt,'" by Gerard O'Neill, Brian Mooney, Alice Dembner, Thomas Farragher, and Matt Carroll, *The Boston Globe*. This multi-part investigation looked at how a road-and-tunnel company used accounting tricks to hide cost overruns. (2000)
- **Story No. 17614:** "A whole new game," by Suzanne Hoholik and Steve Blackledge, *The Columbus Dispatch*. This series examines how the non-profit Ohio High School Athletic Association disregarded monitoring expenses, student transfers and academic standards as it became more wealthy and influential, possibly jeopardizing its tax-exempt status. (2001)



James Kitchin, cryogenist, stands over a tank of liquid nitrogen containing some of the 4,000 cell samples – some as much as 45 years old – stored at Coriell Institute for Medical Research in Camden, N.J., which the state has provided substantial financial support.

# BIOTECH BET

## Millions in taxpayer investment dollars go out-of-state; private gains questioned

BY CLINT RILEY  
THE (HACKENSACK, N.J.) RECORD

In a perfect world described by proponents, state tax support for scientific research into stem cells and other emerging biotechnologies would work something like this: A microbiologist at a public university makes an important discovery in the battle against, say, Alzheimer's or diabetes. School officials patent the breakthrough, and the discovery is spun off to a locally based company that the university and state help create to turn the science into a moneymaking health care product.

Once-intractable ailments are cured. Good jobs emerge in big numbers in the states that invest. The workers and the miracle products they produce generate tax revenue that help fill multi-billion dollar state budget deficits.

The cycle is repeated over and over, generating new medicines and badly needed cash streams for medical research, higher education and state budgets.

In New Jersey and statehouses around the nation, this winning scenario for the taxpaying public is being sold by legislators and powerful special interests seeking billions in state taxpayer money to pay for potentially lifesaving stem cell and other pricey biotechnology research and development efforts.

This sales pitch promising such rich rewards for the public seemed a little too perfect for my editor, Tim Nostrand, and me. Initially, we were not sure if the state's investment in biotechnology warranted a full-scale project. He asked me to dig around for a couple of weeks and determine what New Jersey was already doing to invest in biotechnology, what was driving that investment and who ended up as the winners and losers.

### Biotechnology investments

At the time, scientists, patient advocates and

some biopharmaceutical industry lobbyists said if New Jersey did not keep pace and invest \$1 billion of state taxpayer dollars into embryonic stem cell research – a controversial, but promising branch of biotechnology – there would be a “great big sucking sound to California” when jobs left the state. Similar arguments were being made in other states after California voters agreed in November 2004 to spend \$3 billion of state money in the next decade on stem cell research.

“Biotechnology researchers and administrators at state universities have either ignored or sidestepped state disclosure laws designed to make sure that public, not private, interests benefit most from taxpayer investments in the science.”

The battle for biotech supremacy among the states – and the apparent absence of a cohesive national government strategy – became a significant driver in our decision to move forward. The resulting four-part series, “Betting on Biotech,” published by *The Record* in June examined the promises and pitfalls for New Jersey and other states

making significant state taxpayer investments in biotechnology.

We ran the series to coincide with BIO2005, the biotechnology industry's annual international convention held in Philadelphia. The state of New Jersey spent more than \$500,000 to co-host the event in attempt to showcase the state as biotechnology-friendly.

Among the findings and warnings highlighted in the series:

- Millions of state tax dollars from New Jersey have gone to companies and nonprofit research centers that move valuable research, profits and jobs from the state and strengthen the biotech industry elsewhere.
- Tax incentives for biomedical research and development do not necessarily always further research or produce accessible medicine.
- Biotechnology researchers and administrators at state universities have either ignored or sidestepped state disclosure laws designed to make sure that public, not private, interests benefit most from taxpayer investments in the science.

### Diverting tax revenue

One of the biggest challenges in writing the series was getting my arms around both the science and the industry that encompasses “biotechnology.”

Try asking someone in your newsroom to define “biotechnology.” The answers likely will be many. The current stem cell debate has further confused many Americans – including editors – that “biotechnology” represents anything more than stem cells.

TRACKING  
BUSINESS

Chris Pedota | The Record



Dr. Wise Young, with Rutgers University, is an expert in the spinal cord research field. An investigation found that tax incentives for biomedical research doesn't always mean research is advanced.

To do the series, I needed to first understand the science of biotechnology before I could write about the business of biotechnology. Several books, including “Biotechnology Unzipped: Promises and Realities” by Eric S. Grace and “From Alchemy to IPO” by Cynthia Robbins-Roth, provided me with a good base of knowledge for subsequent research and interviews. I also consulted a variety of other books for historical and state-specific context.

The next step was to identify every state agency and subsidy program in New Jersey used to invest in biotechnology research and development. I discovered no fewer than three-dozen state-supported agencies, economic development authorities, public commissions and universities, and government-created nonprofits providing financial and other support to the state’s interdependent biopharmaceutical, biomedical and biotech industries. Most were operating autonomously and carrying out missions that were not necessarily aligned. I filed a series of public records requests with the agencies to gather whatever details I could.

Then, I tried to determine how much New Jersey was spending on biotechnology through tax subsidies supplied to individual companies or sectors. This information is considered private and not provided by most states, including New Jersey. To get around that problem, I sifted through the state tax information provided in the annual reports (Form 10K) of publicly traded biotechnology and biopharmaceutical companies based

in New Jersey. Annual reports can be obtained and searched for free through the Securities and Exchange Commission’s Web site at [www.sec.gov](http://www.sec.gov). For a fee, a more comprehensive search can be done at [www.10kwizard.com](http://www.10kwizard.com).

In some cases, the information was not usable

universities, their researchers and administrators. These statements (Form DEF 14A) also can be found and searched at the above Web sites.

I found numerous examples of state university employees who were compensated board members of biotechnology companies, biopharmaceutical

for my purposes because the company filed state taxes with multiple states.

Two things you should specifically look for in the annual reports are state research and development (R&D) tax credits, and state Net Operating Loss (NOL) tax credits. Seven states now allow unprofitable biotechnology companies to sell their state tax losses to profitable companies in exchange for cash to further research and development efforts.

The profitable companies then claim the credits to lower their tax bills, thus diverting tax revenue into private coffers that would have otherwise gone into the state treasury.

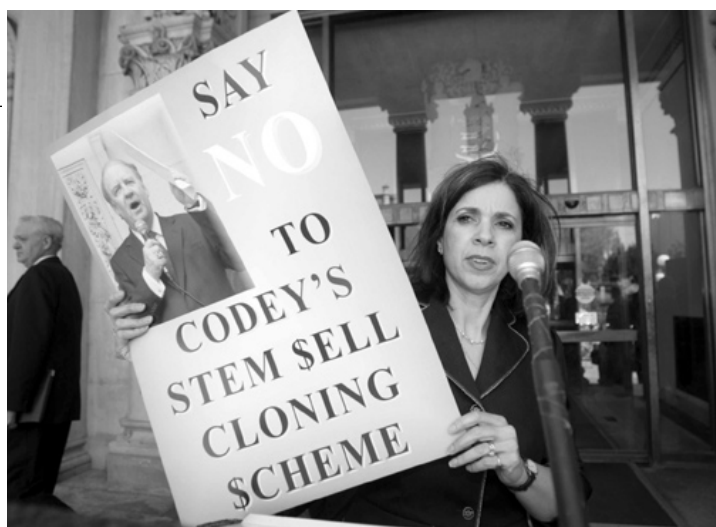
Annual proxy statements of publicly traded biotechnology and biopharmaceutical companies also proved helpful in obtaining details of company ties to public

Chris Pedota | The Record



A tank of liquid nitrogen containing some of the 4,000 cell samples, some for as long as 45 years.





Marie Tasy, a right to life advocate, protests stem cell research in front of the state-house.

company consultants or on the scientific advisory boards of these New Jersey-based companies and others located around the globe. I matched this information against spreadsheets of the payrolls I obtained from the state's three public research universities. This provided a foundation for a second-day story in the "Betting on Biotech" series detailing the secrecy that shrouds taxpayer-supported biotechnology research.

One of the major shortcomings my stories revealed was that none of the state's three public research universities have ever filed mandatory "outside employment/income" disclosure reports for its employees with New Jersey's Executive Commission on Ethical Standards. There are more than 4,750 full-time faculty and thousands of other administrators and support staff employed at the schools.

Obtaining "outside employment/income" and "conflict of interest" disclosure forms from the schools themselves proved extremely time consuming and ultimately became the reason why it took so long to complete the series.

### Disclosure battle

To make sure I was being as thorough as possible, I attempted to review mandatory "conflict of interest" disclosures for state researchers who receive federal research grants. Often, these federal grants are matched with state grant dollars. However, I ran into a variety of roadblocks from university officials using this strategy that made it impossible to obtain truly useful data from these filings.

Rutgers University's public records custodian told me that there were a minimum of 6,000 grant applications for the three-year period I sought to examine. She said if I wanted to review all conflict of interest forms it would require a search of several thousand files, which were stored in multiple loca-

tions. The university also would charge a special service fee for such a search.

Ultimately, we decided to get copies of the three grants in which school officials determined a possible conflict of interest existed with the federally funded research application and the researchers' outside interests. I was not surprised when I found university officials determined there was no actual conflict in any of the three cases I was provided.

Trying to get "outside employment/income" disclosures from the University of Medicine and Dentistry of New Jersey (UMDNJ), an organization that oversees the state's three medical schools, was even more difficult. After more than three months fighting with the university, the newspaper's lawyer stepped in when the school's attorneys incorrectly took the legal position not to release the records because the disclosure forms "reside in employee personnel files."

UMDNJ's lawyers ultimately conceded. In the end, UMDNJ

and the other two research universities could only produce about two dozen disclosure forms of any variety for researchers or administrators with outside ties to private biopharmaceutical interests.

What the public research universities provided or failed to provide to us all really became a moot exercise once we were able to determine all state universities were required to centrally file "outside income" disclosures for their employees with two state agencies.

*Clint Riley is an investigative reporter for The (Hackensack, N.J.) Record. He has won numerous awards, including The Scripps Howard Foundation's William Brewster Styles Award for Business/Economics and an IRE Award.*



At an open house for spinal cord patients and their families at the W.M. Keck Center for Collaborative Neuroscience at Rutgers University, staff members describe what research is being done at the lab to find a cure for spinal cord injuries.

# TRACKING BUSINESS

# FOI BATTLE

## VA attempts to stonewall benefits probe; shoddy veteran treatment found in records

BY CHRIS ADAMS AND ALISON YOUNG  
KNIGHT RIDDER WASHINGTON BUREAU

The admonition from Abraham Lincoln is emblazoned on the wall of the U.S. Department of Veterans Affairs: "...to care for him who shall have borne the battle, and for his widow and his orphan..."

It is the core promise in our nation's contract with its military men and women. But how well is America serving its disabled veterans?

While the VA pays more than \$20 billion a year in disability compensation benefits, as many as 572,000 veterans may be missing out on payments because they are unaware they are eligible or have not applied, our analysis of VA data found for a July 2004 article. In addition, veterans in some states were twice as likely to be on the VA's rolls as those who live elsewhere.

In March 2005, we reported that veterans nation-

wide are being shortchanged in the claims process, doomed to suffer lengthy delays, wrongful denials and inconsistent rulings. Over the last decade, delays were so extreme that 13,700 veterans died waiting for claims to be resolved. Meanwhile, the VA's network of accredited claims preparers is little more than a patchwork of well-meaning helpers who vary widely in training and expertise.

As we set out to uncover these problems, the VA went to extraordinary lengths to keep its operations secret. In the end, we filed a Freedom of Information Act lawsuit. Our legal battles with the VA have been cited in Congress as an example of how federal agencies can thwart the public's legitimate access to documents, then exploit a recent Supreme Court ruling to potentially avoid paying legal fees when a requestor is forced to sue.

### Subjective disabilities

From our early reporting, we knew that veterans' advocates worried that claims delays took so long that veterans died in the process. But how often did that happen? Likewise, advocates complained that vets in some states got more money, on average, than those in others. The state-by-state rankings were easily accessible in VA's annual reports, but nobody had ever determined why payments varied so widely.

A series of VA databases, most obtained only after protracted negotiations and our lawsuit, helped address the questions.

One database of pending claims allowed us to determine how long veterans waited to have their initial claims decided. It was far longer than the VA itself said was acceptable.

The real delays, however, were in the appeals process. By analyzing a database of more than 300,000 veterans' appeals and comparing the date a case was entered into the system to the date it was decided, we determined that average delays were nearly three years – and were virtually unchanged in the previous decade, despite VA's pledges to reduce them.

Beyond that, most cases were merely returned to the VA's regional office for another hearing. So, by going through

multiple appeals, many veterans actually wait 10 or more years for a decision.

We analyzed the issue of regional office variation from several angles, including delays, decision errors, and veteran satisfaction with the process. All varied widely.

The VA's primary claims database helped show why veterans in some states were far more likely to have big checks than those in others. That database included information on each of the 2.5 million veterans collecting monthly disability checks. Most important: It detailed a code for each veteran's disability (such as for "post-traumatic stress disorder") and the VA's "rating" for the disability (ratings go from 0 to 100; the higher the rating, the bigger the check).

What we found was that the more subjective the disability – the prime example being the mental disorder PTSD – the wider the swing. So, veterans in some states were three times as likely to have the highest rating for PTSD as those in others.

Given the VA's massive bureaucracy and confusing claims rules, we wanted to know how much help veterans received during the claims process.

By looking at data from the VA's annual veterans' satisfaction survey, [www.vba.va.gov/surveys/isrscp.htm](http://www.vba.va.gov/surveys/isrscp.htm), we found that nearly two-thirds of veterans turn to what are supposed to be expert claims helpers, called "veterans service officers," who are accredited by the VA. They work for nonprofit groups, such as the American Legion and Disabled American Veterans, as well as for county and state veterans' agencies.

The VA repeatedly denied our requests to look at the regulatory files on these politically powerful veterans groups, saying among other things that they feared the charities would sue if the information was released. They also denied access to records relating to disciplinary actions taken against service officers.

### Consistent denials

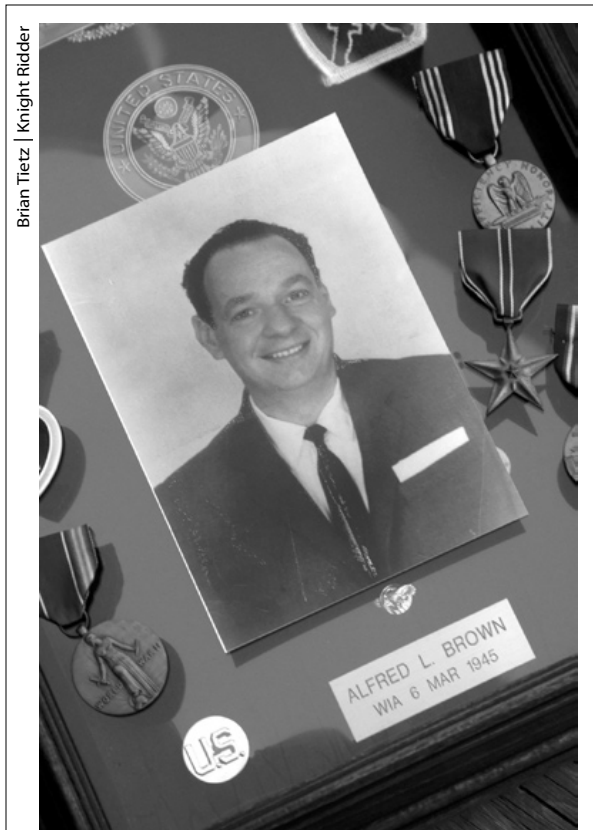
After we sued, the VA released tens of thousands of pages of records that revealed that most veterans groups had not submitted detailed information about their service-officer training programs in decades.

To determine the current training and oversight of service officers, we surveyed each of the 14 nonprofit veterans groups that handle the most claims and every state veterans department. We were able to get data from 33 state agencies and 13 of the nonprofits.

To tell the human toll of the VA's bureaucracy we researched the cases of dozens of veterans.

State and county veterans agencies, local veterans groups and the veterans' legal bar, [www.vetapp.gov/Practitioners/default.asp](http://www.vetapp.gov/Practitioners/default.asp), were helpful in identifying potential cases. We also searched the complete text of veterans' appeals decisions at two levels: the Board of Veterans Appeals, [www.va.gov/vbs/bva](http://www.va.gov/vbs/bva), which doesn't include the veteran's name but sometimes lists a lawyer or representative; and the higher Court of Appeals for Veterans Claims, [www.vetapp.gov](http://www.vetapp.gov).

Obtaining access to the veterans' individual VA compensation claims files was crucial. If the case was years into the appeals process, the veteran's attorney



The shadow box that features awards and commendations that Alfred Brown received while in the U.S. Army. Tens of thousands of other veterans have returned from war only to find that they have to fight their own government to win the disability payments they say they're due. Alfred Brown launched a 20-year battle to increase his benefits, but died before his case was resolved.

usually had a copy of the file we could review.

In other cases, we had to file a Privacy Act request, along with a signed release from the veteran, to look at claims files at VA regional offices. To look at VA files and to allow VA officials to comment on individual cases, we had veterans sign a VA Form 3288, consenting to the release of information from their records. The form is available online at [www.va.gov/vaforms/](http://www.va.gov/vaforms/). We also obtained veterans' military service records from the National Personnel Records Center, [www.archives.gov/facilities/mo/st\\_louis/military\\_personnel\\_records.html](http://www.archives.gov/facilities/mo/st_louis/military_personnel_records.html).

Extracting information from the VA was a major challenge. The agency's public affairs staff routinely ignored, or dragged out over months, requests for even the most basic information. In some cases, they said they were reluctant to answer questions because they feared doing so would provide a roadmap for filing FOI requests.

We generally tried to get information without filing a formal request. If the VA public affairs staff indicated they might release something, we held off filing a FOI. But too often, we found the agency was just stringing us along.

Beginning in March 2004, we filed the first of dozens of FOI requests and appeals for data and documents. We quickly learned the VA has several separate FOIA offices. File with the wrong one and your request will languish for months without a number and without the FOI time clock running. By transferring our requests between various offices, the agency managed to claim that requests moldering in their offices for months were – in their view of the world – processed in just a day or two.

When it finally responded, the VA issued blanket denials of requests based on spurious exemptions. Administrative appeals went unaddressed. The agency refused to segregate nonexempt information. In one case, the VA tried to charge more than \$41,000 to copy 11,000 files just to obtain the records of the two individuals who had their service-officer accreditation revoked. The VA refused to even describe what kinds of records were kept in its databases.

After months of delays and repeated denials of our FOIs, we sued the agency in November 2004 in federal court in the District of Columbia.

By mid-February, the VA had released to us essentially all of the records we had originally requested. But problems continue with our pending requests.

### FOIA concerns

Our legal battles are ongoing. Currently, we have motions pending that would reform the way the VA processes FOI requests. Among other things, Knight Ridder's motions would compel the VA to respond to each FOI request within the times mandated by law; provide access to FOIA reading rooms listed on its Web site (our visits to VA offices found they don't exist); and provide annual FOIA training for its employees.

While it is still early, our ongoing reports have already prompted two pieces of legislation in Con-

gress and a VA investigation into the adequacy of service officer training. The VA's Undersecretary for Benefits has sent a memo to the agency's regional offices instructing top officials to "read the articles, digest the underlying message and then take action..."

In recent testimony before a House Government Reform subcommittee, U.S. Sen. John Cornyn (R-Texas) cited Knight Ridder's legal battles with the VA as an example of why the FOIA needs to be strengthened by the Open Government Act (H.R. 867 and S. 394).

The legislation, among other things, would reverse the effects of a Supreme Court ruling that now makes it possible for government agencies to avoid paying legal fees in FOIA cases. In the case, *Buckhannon Board and Care Home, Inc. v. West Virginia Department of Health and Human Resources*, 532 U.S. 598, 605 (2001), the court held that a party does not have to pay the other party's attorney fees if the defendant gives the plaintiff essentially everything they want prior to a court judgment.

The decision, in theory, allows an agency to refuse to release documents. Then, after the requestor incurs the expense of filing a FOIA lawsuit, the agency can release all the documents before the court makes a ruling and claim the plaintiff is not entitled to attorney fees.

*Chris Adams and Alison Young are reporters for Knight Ridder's recently formed Washington, D.C.-based investigative team.*



Courtesy of Frank Fong

Frank Fong, a decorated fighter pilot in World War II, in the cockpit of a P-47 Thunderbolt, photographed in 1944. Fong received two Distinguished Flying Crosses and eight Air Medals for his heroism and skill. Despite an injured eye and back, he flew two missions on D-Day.



Bob Eighmie | Miami Herald

It took 48 years for the U.S. Department of Veterans Affairs to concede that a plane crash scarred Frank Fong's left eye and eventually took his sight. Fong, a retired commercial artist, is still battling the VA. He's pictured with a portrait of himself as a young pilot.

# GHOST SCOUTS

Funds frozen, audit ordered  
after false enrollment shown

BY DALE RUSSELL  
WAGA-ATLANTA

The first rule of the Boy Scout law is being trustworthy. It means, simply, always telling the truth.

So, when a source pitched a story to the WAGA investigative team that the Atlanta-area Boy Scouts were lying about the number of African-American scouts on its rosters, we were hooked.

My executive producer, Michael Carlin, and I have worked together for 20 years. When we read a letter outlining the allegations we agreed it had the ring of truth to it.

And it did. We've run half a dozen stories on "Ghost Scouts." An internal Scout audit confirmed our findings of padded membership rolls and traced excess registration fees that totaled more than \$250,000 sent to Boy Scouts of America headquar-

ters. The Atlanta-area executive director has resigned and United Way has frozen \$80,000-a-month funding until accurate numbers can be determined.

It all began in November 2004 with a small group of ardent Scout volunteers and one grizzled old veteran of Atlanta civil rights wars.

## Inner-city Scouts

Troop 685 was the poster child for inner city scouting in Atlanta. It is stationed in one of the city's oldest public housing complexes and poorest neighborhoods, Bankhead Courts. The troop is vibrant and alive with fresh-faced young boys, yearning to be Scouts.

Fifty-four boys take part in 685's Cub and Boy Scout unit. They are led by a cadre of volunteers who grew up in the area and Bob Kent, the sole employee of the Bankhead Boys Association.

Their model was simple. Kent, paid and supported by local businesses, ran a Boys Club and a Boy Scout troop in the area. Relatively new to scouting himself, Kent had embraced the culture, the teachings of patriotism and God, and most of all, the trips out of the inner city.

But Kent and his young volunteers wanted more African-American boys to turn to Scouting. So, they partnered with longtime civil rights activist, Joe Beasley, southeast regional director of Rainbow/Push. They approached Atlanta-area Boy Scouts with a dream: They wanted Boy Scouts to help them raise money to duplicate the Bankhead Courts model they had built in other housing projects, specifically Bowen Homes.

But David Larkin, leader of Boy Scouts in Atlanta, told them a troop already existed in Bowen Homes.

The volunteers knew better. When they asked Larkin to show them where the inner-city Scouts were located, they got no response. So, Beasley turned to the media, but no one seemed interested – except us.

We told Beasley from the beginning that we weren't interested in just doing a story about his allegations – we wanted to prove them.

## A vague road map

The work was simple, old-fashioned journalism. No databases would give us the answer we needed. So, I set out calling any and every name I could find relating to the Boy Scouts. I called employees, former employees, board members and volunteers. With each phone call, I planted a seed: I need the Scout rosters so I can audit the numbers.

This was not the first time the Scouts were accused of padding their rolls. We found allegations of inflated Boy Scout rosters in city after city, for 30 years, including an ongoing FBI investigation into the identical allegations in neighboring Birmingham, Ala. It had happened so often, the game was known as "Ghost Scouts" and "Phantom Troops."

In the meantime, banking on the Internet research and our original gut instinct, we set out to meet the boys of Troop 685. Photographer Travis Shields and I attended Scout meetings, watching kids learn everything from tying knots to CPR. We traveled with them on a weekend getaway, where they loaded up backpacks and compasses and set out into the woods. We interviewed the boys about the importance of scouting.

During this time, we heard of Scout field executives at Bowen Homes who handed out flyers, asking boys to join Scouting and promising a free Atlanta Braves game ticket. Our tipster told us any boy who signed the flyer would end up on a Scout roster. We tracked some down, finding the parents. Sherre McKibbens told us she signed up her 6-year-old, but never got a Braves ticket and never heard from the Scouts again.

But, we still didn't have the rosters. Until, one day, several weeks later, a manila envelope ended up on my desk. Inside was the road map we needed. Unfortunately, it was a vague road map.

It listed every inner-city troop by name and total number of Scouts. That was all. No boys' names. So, producer Mindy Larcom and I went down the list calling schools, churches and associations, trying to find troop leaders, locations of troop meetings, and an idea about the number of boys in that particular unit.

It was slow, painstaking phone work. The troop leaders were hard to find. A school employee would give me another name, who would give another name. No one knew much about the troops. I found out later why it was so hard: The troops didn't exist.

Slowly, through three weeks of phone calls, we collected a handful of troops that appeared to exist and their meeting dates.

Then, Shields and I showed up unannounced on the night the Scouts were to meet. What we found was riveting. At Towns Elementary School, the roster showed 134 boys. During our surprise visit, we counted 14. At Dunbar Elementary, there were 218 Boy Scouts on the official roster – only 15 showed up. At Therrell High School, we found 77 high

Travis Shields | WAGA-Atlanta



The Bankhead Boys Association Boy Scout Troop 685 first raised questions about the inflated number of inner-city Scouts.

Travis Shields | WAGA-Atlanta



Inflating numbers of scouts happened so often they were referred to as "Phantom Troops." Padding the rolls had been alleged for 30 years.

school crew members listed, but the school principal told us the unit deactivated two years earlier.

Word got out in the scouting community that we were showing up everywhere. Two weeks later, we hit the gold mine. We received another package. This roster had names, troop leaders and boys. It didn't take long as we hit the streets to find the phantom troops.

At Riverwood Apartments, our roster showed 73 boys, some living as many as 40 miles from the apartments in suburban neighborhoods. At the apartment complex, we found no Scout troop and a 23-year-old girl who once asked about Scouting listed as the troop leader. She told us she had never seen a Scout in the neighborhood in her life.

Our next step was to find Scout executives who had worked in the Atlanta area to explain what we were finding. After dozens of calls, pleading with present and former executives, Kevin Tullis agreed to sit down on camera. He once managed the Southwest district in Atlanta, but had left Scouting. He provided the exclamation point to our findings.

"It's nothing but ghost scouts," he said, adding it is a deceitful game in which paid staffers boost enrollment to improve their chances of promotion and to help the Boy Scouts with their fund raising.

Before our story aired, the Boy Scout board of directors had ordered an internal audit based on the volunteer Scouts' complaints. We went to air in February with our findings. In June, the Scout audit was complete and auditors found the Scouts tripled the number of actual Scouts on their roles.

The audit found Scout executives re-registered scouts who had quit. They altered birthdays for boys who had grown too old for Scouting. They registered boys and left them on the roster for years even though the unit never organized. They found some units on paper that had never been formed.

Scout executive director Larkin resigned. United Way of Atlanta, which gave the Boy Scouts \$1.2 million the previous year, froze funding until the final numbers could be counted.

National Scout headquarters also responded. It promised sweeping changes in its enrollment, including accountability in which rosters would have to be signed by volunteers as

well as paid staffers.

The auditors found \$256,544 was sent in "excess registration" fees from these "ghost scouts" to national headquarters. A Scout spokesman promised that money would return to Atlanta's inner city scouting programs in the form of scholarships, uniforms, and fees for summer camps.

*Dale Russell, a Peabody Award winning reporter, is the senior reporter for the investigative unit at WAGA-Atlanta. He has won more than 50 awards during his 22-year career.*

Travis Shields | WAGA-Atlanta



Some 28 boys were listed on the official roster, but only 15 were present when journalists visited.

Travis Shields | WAGA-Atlanta



Excess registration fees to national headquarters totaled more than \$250,000.

Travis Shields | WAGA-Atlanta



The audit found Scout executives re-registered boys who had quit, and altered birthdays for boys who had grown too old for Scouting.

## Investigating NONPROFITS

If you're interested in learning more about how to investigate nonprofits, consider "The Investigative Reporter's Handbook: A Guide to Documents, Databases and Techniques" (Fourth Edition) by Brant Houston, Len Bruzese and Steve Weinberg.

Specifically, in Chapter 14, a listing of Web sites for reporting on nonprofits includes:

**American Association of Fund-Raising Counsel**  
www.aafc.org

**American Bar Association**  
www.abanet.org

**American Institute of Philanthropy**  
www.charitywatch.org

**Association of Fundraising Professionals**  
www.nsfre.org

**BBB Wise Giving Alliance**  
www.give.org

**Capital Research Center**  
www.capitalresearch.org

**Council on Foundations**  
www.cof.org

**Evangelical Council for Financial Accountability**  
www.ecfa.org

**The Foundation Center**  
www.fdncenter.org

**Guidestar**  
www.guidestar.org

**Independent Sector**  
www.indepsec.org

**National Association of Attorneys General**  
www.naag.org

**National Association of State Charity Officials**  
www.nasconet.org

**National Center for Nonprofit Boards**  
www.ncnb.org

**National Committee for Responsible Philanthropy**  
www.ncrp.org

**National Council of Churches**  
www.nccusa.org

# 'Deep Throat' unveiled; Woodward offers perspective

BY STEVE WEINBERG  
THE IRE JOURNAL

When an inexperienced *Washington Post* reporter granted anonymity to a Federal Bureau of Investigation official 33 years ago in exchange for information about a scandal that became known as Watergate, American journalism and politics changed forever.

The President of the United States and members of his staff ended their careers in disgrace. And, use of the anonymous source known as "Deep Throat" launched a debate about anonymous sources, still raging today among journalists and those in the public arena.

In his book, "The Secret Man: The Story of Watergate's Deep Throat," author and *Washington Post* reporter Bob Woodward reveals how he developed a secret relationship with FBI official Mark Felt – known to the public only as "Deep Throat" – to help expose Richard Nixon's part in the scandal.

In his book, Woodward reminisces about his reasoning to grant anonymity:

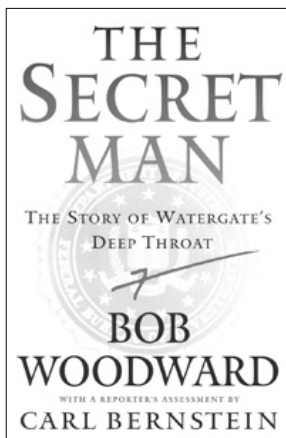
"...There was little tendency or time to consider the motive of our sources. What was important was whether the information checked out and whether it was true. We were swimming, really living, in a fast-moving rapids. The cliché about drinking from a fire hose applied. There was no time to ask our sources, 'Why are you talking? Do you have an ax to grind? Why don't you blow the whistle publicly, stand up there and tell all

you know?' This was the case with Mark Felt. I was thankful for any morsel of information, confirmation or assistance he gave me while Carl [Bernstein] and I were attempting to understand the many-headed monster of Watergate. Because of his position virtually atop the chief investigative agency, his words

and guidance had immense, at times even staggering, authority. The weight, authenticity and his restraint were more important than his design, if he had one."

"The Secret Man" reveals how Woodward initially came to know Felt. Woodward explains that while serving in the U.S. Navy, he met Felt by chance. Thrown together in a White House waiting area with the commanding-looking older man, Woodward started conversing with the stranger. Only reluctantly did Felt reveal his FBI identity. Woodward, uncertain about his future after the Navy but inclined to become a lawyer like his father, understood instinctively that Felt could be a useful guide to the future.

So, non-journalist Woodward began cultivating Felt as a practiced journalist would cultivate a potentially important source. Woodward's doggedness at that young age, at that undefined period of his life, can now be viewed as a harbinger. It is that same persistence, after all, that helped turn him into one of the highest-performing investigative reporters



THE SECRET MAN: The Story of Watergate's Deep Throat  
By Bob Woodward  
Simon & Schuster, 249 pages, \$23

anywhere, ever.

When Woodward became a journalist despite advice to the contrary from his father and from Felt, he had a highly placed source already primed.

The payoff from this relationship between Felt and Woodward during Watergate is a remarkable saga, with Woodward providing new details about how he arranged meetings with Felt, and even the location of the fabled parking garage serving as the site of the odd-hour rendezvous.

The book contains fascinating details. For example, Woodward and Bernstein had to overcome opposition in *The Washington Post* newsroom to the Watergate revelations that – while accurate – strained credulity. Further, Woodward was sometimes bemused and worried about how journalists, political operatives and gadflies tried to solve – sometimes accurately – the identity of Deep Throat.

Finally, in an addendum to the book, Bernstein reveals how he and Woodward reacted when they first realized that their day-to-day reporting might lead to Nixon's impeachment.

Woodward never revealed Deep Throat's identity. (The secret was revealed in a *Vanity Fair* article and confirmed by Felt's family and *The Washington Post*.) Woodward says his ability to maintain silence and his trustworthiness in protecting his anonymous source have served him well during his career.

"Repeatedly, those I had interviewed for my books or stories for the *Post* had cited my willingness to protect a source for nearly 30 years as a reason they were willing to talk about some of the most sensitive and top secret deliberations in the U.S. government," Woodward writes. "...It is critical that confidential sources feel they would be protected for life. There needed to be a model out there where people could come forward or speak when contacted, knowing they would be protected. It was a matter of my word, a matter of honor."

Steve Weinberg is senior contributing editor to *The IRE Journal* and a former executive director of IRE.

## Upcoming CAR Workshops

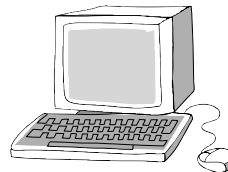
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– Teresa Taylor Williams, *Muskegon Chronicle*

# GLOBAL CULT

## Records, sources help show link between charity, religious sect

BY DON LATTIN  
SAN FRANCISCO CHRONICLE

“Follow the money,” one of the cardinal rules of journalism, applies as much to churches and not-for-profit charities as it does to profit-making organizations. It was worth remembering earlier this year when I was investigating the connections between a San Diego-based charity and one of the most infamous religious sects in the United States.

Officials with the Family International and the Family Care Foundation claimed they had nothing to do with one another, but the public record tells a different story.

My reporting on the Family International, formerly known as the Children of God, dates to a conference I attended in the late 1990s with academics and activists who study cults, sects and/or new religious movements. That is where I first met

Donna Collins.

Collins was conceived in the spring of 1969, shortly after her parents were joined together in one of the first mass marriages presided over by the Rev. Sun Myung Moon, then a little-known Korean sect leader. As the first “blessed child” born in the West, this cute, curly-haired blonde was supposed to embody Moon’s vision that the world’s religions would come together under his messianic leadership. Moon and his wife were to be the “True Parents” of a spiritual master race that would spread his message – a mix of Christianity, spiritualism and right-wing politics – to the four corners of the Earth.

Collins’ childhood and subsequent defection from Moon’s Unification Church was an incredible story, and it got me wondering about other kids who grew up in religious cults in the 1970s and

1980s. That interest led to a four-part series in the *San Francisco Chronicle* (Feb. 11-14, 2001) titled “Children of a Lesser God,” then a book on the larger legacy of 1960s’ spirituality titled “Following Our Bliss” (HarperSanFrancisco, 2003).

### Funding source

My work as the religion writer for the *San Francisco Examiner* (1983-88) and *San Francisco Chronicle* (1988-2005) was originally sparked by a fascination with the religious cults, including People’s Temple, the revolutionary, messianic movement that was founded by the Rev. Jim Jones and imploded in a hellish mass murder and suicide in Guyana, South America, in November 1978.

One of the groups I reported on in the *Chronicle* series was the Family, a sect started in the late 1960s by Oakland native David “Moses” Berg, a twisted prophet who attracted tens of thousands of devotees in the 1970s with his strange brew of evangelical Christianity and sexual license.

Sources I developed during that series paid off with a tip in January 2005 about a sensational murder/suicide involving Ricky “Davidito” Rodriguez, the 29-year-old estranged son of Karen “Maria” Zerby, the chief prophet and current spiritual leader of the Family. Rodriguez, once anointed as a child prophet in his mother’s church, shot himself in the head after murdering Angela

CONTINUED ON PAGE 34 >

## Stories from the IRE RESOURCE CENTER

For those interested in looking at other investigative stories on religious cults, check out these stories available through the IRE Resource Center ([www.ire.org/resourcecenter.org](http://www.ire.org/resourcecenter.org)):

- **Story No. 18885:** KSTP-Minneapolis investigative reporter Robb Leer uncovered a history of death, mind control and child abuse surrounding one man and his cult in eastern Wisconsin. Rama Behera, a religious leader who got his start in small Bible groups in the 1970s, has been leading a cult in the small town of Shawano for more than 20 years. Only now have former followers of the cult began to speak up about how Behera enticed them to join the cult, and how his control over them left them helpless to the child abuses around them. (2001)
- **Story No. 20956:** This story investigates the town of Colorado City, on the border of Arizona and Utah. The town is a religious community that has shirked social norms to live according to standards of a fundamentalist sect of the Mormon Church. The citizens practice polygamy, and young women are forced into arranged marriages as teenagers. People who have escaped from Colorado City share horror stories about rape and abuse. Furthermore, because men in these families only legally marry one wife, the other women in the household are considered single mothers and therefore qualify for welfare. What results is millions of taxpayer dollars going to a community where abuse is common and basic human rights are denied. Jim Osman, Vanessa Weber, Beau Beyerle, Vince Cano, Vivek Narayan, Sylvia Teague, KNWV-Phoenix. (2003)
- **Story No. 16434:** This report tells how a man named Jay Scott Ballinger from Daleville, Indiana started fires to many churches in the area and several surrounding states. He also recruited teenagers into a Satanic Cult. T.J. Wilham, *Indianapolis Monthly*. (2000)
- **Story No. 18947.** An investigation reveals that Wicca has been taught in Oregon youth prisons. The prison officials allowed rabbis, pastors and priests to spend time with the troubled teenagers. Juvenile detainees have been instructed not to share their participation in the occult with their families. Wiccans claim they teach the kids to use magic responsibly; child psychologists and prosecutors believe witchcraft is inappropriate to introduce to incarcerated children who have had bad judgment and have been anti-social. Lisa Verch, KEZI-Eugene. (2001)
- **Story No. 18655:** The *Joplin Globe* reports on how “a sect of supremacists is sowing the seeds of racism in the farmlands of Southwest Missouri.” The story depicts the radical beliefs preached by an extremist white-only group called Church of Israel. Women who fall into the organization’s sub-culture are victimized as “breeders,” and their children grow up without normal socialization, some becoming criminals in their adult lives, the reporter reveals. Another part of the investigative package discovers that the church owns nearly 1,400 acres in northeastern Vernon County in Missouri. Although the church has dropped its status as nonprofit, it still does not pay taxes on its property. A deed filed decades ago purports to give ownership over 411 acres to the Church of Christ, but the document turns out to be bogus. Max McCoy. (2001)

## Member news

CONTINUED FROM PAGE 5

the Association of Alternative Newsweeklies for his probe into a former governor's sex scandal.

■ **Tom Mallory** has moved from weekend editor at *The San Diego Union-Tribune* to breaking news team editor for the paper's Web site.

■ **Andrew McIntosh**, formerly an investigative reporter with the parliamentary bureau of *The (Ontario, Canada) National Post* has joined *The Sacramento Bee* as a senior writer, covering state government and acting as a newsroom resource on public records issues. ■ **Kathleen McLaughlin**, formerly a staff writer at *The (North Andover, Mass.) Eagle-Tribune*, is now a staff writer with the *Sarasota Herald-Tribune*.

■ **Bob Norman** of *New Times Broward/Palm Beach* (Fla.) has won a National Society of Newspaper Columnists writing award. ■ **Jamie Page**, former government reporter at *The Jackson Sun*,

in is now a county government reporter at *The (Fort Myers, Fla.) News-Press*. ■ **Jeff Plungis** and Bill Vlasic of *The Detroit News* have won a Loeb award for "Danger Overhead: Crushed Roofs," a series about the inadequate safety standards for car roofs. ■ **Mike Sallah** has left *The (Toledo, Ohio) Blade* and is now investigations editor at the *The Miami Herald*. ■ **Adrienne Samuels** has left the *St. Petersburg (Fla.) Times* to join the staff at the *The Boston Globe*. ■ **Mara Shalhoup** of *Creative Loafing* (Atlanta) has won the Association of Alternative Newsweeklies award for feature story, circulation more than 50,000.

■ **David Stoeffler** has been named vice president for news for Lee Enterprises. ■ **McNelly Torres** has left her post on the education beat at the *San Antonio Express-News* and is now covering government and general assignments for the *South Florida Sun-Sentinel*. ■ **Neil Reisner**,

formerly of the *Daily Business Review*, has joined the faculty at Florida International University's School of Journalism and Mass Communication as associate professor. ■ **Brent Walth** of the *The (Portland, Ore.) Oregonian* is on the team that has won the Missouri School of Journalism's Lifestyle Journalism award for multicultural reporting for "A Place Where Children Die," an investigation of high death rates among children on an American Indian reservation. ■ **Sylvia Westphal**, formerly of *New Scientist Magazine*, has joined *The Wall Street Journal* staff.

### NIEMAN FELLOWS

Three IRE members have won Nieman Foundation Fellowships at Harvard University for the 2005-2006 academic year. They are **David Heath** of *The Seattle Times*, **Brent Walth** of *The (Portland) Oregonian*, and **Chris Cobler** of the *Greeley (Col.) Tribune*.

## Global cult

CONTINUED FROM PAGE 33

Smith, a member of the Family Care Foundation board of directors and Zerby's one-time personal secretary.

In chilling videotape shot before the murder/suicide, Rodriguez revealed his plan to torture Smith to get information about the whereabouts of his mother and her husband, Peter Amsterdam, both of whom Rodriguez blamed for years of sexual abuse that he and other second-generation members suffered while growing up in the movement.

Defectors from the Children of God had told me the Family Care Foundation was a charitable front for the Family International. As a not-for-profit charity, the foundation is required to file IRS 990 forms that disclose, among other things, the source of its funding and grants it makes to other charities.

Charities are required to show IRS 990 forms to anyone who wants to see them. In fact, the Family Care Foundation posted some of them on its Web site, but *Chronicle* reporter Todd Wallack and I got a much better look at the organization's finances by using the research tools at [www.guidestar.com](http://www.guidestar.com). It just takes a couple of minutes to register, get a password and begin to search a database of 1.5 million nonprofit organizations. Once you find the organization you're investigating, scroll down to

the 990 section and call up PDF files for a particular fiscal year.

We soon learned that the Family Care Foundation raised close to \$10 million in cash and gifts from 1997 to 2003 for projects around the globe. Those documents also showed deep, ongoing ties between the charity and the cult.

Foundation leaders insisted there was no connection between it and the Family International. Former members, on the other hand, told us most projects funded by the foundation were, in fact, run by the Family. Those IRS 990 forms proved the ex-members were telling the truth.

Two children's programs the foundation funded were run by one-time cult members who had faced separate allegations of child sexual abuse. On top of that, all six officers listed on the IRS documents – including Smith – had ties to the Children of God/Family International. Grant Montgomery, the program director and highest

CONTINUED ON PAGE 35 >

## RESOURCES

Tipsheet No. 1786, available through the IRE Resource Center ([www.ire.org/resourcecenter.org](http://www.ire.org/resourcecenter.org)) provides some useful Web sites and databases available to those involved in investigating religion:

### Web Links

#### Catholic Encyclopedia

[www.newadvent.org/cathen/14275a.htm](http://www.newadvent.org/cathen/14275a.htm)

#### American Religious Data archive

[www.thearda.com/arda.asp?Show=Home](http://www.thearda.com/arda.asp?Show=Home)

#### Adherents.com

[www.adherents.com](http://www.adherents.com)

#### Gallup polls

[www.gallup.com](http://www.gallup.com)

#### Hartford Institute of Religious Research

[http://hirr.hartsem.edu/about/site\\_map.html](http://hirr.hartsem.edu/about/site_map.html)

#### Association for the Sociology of Religion

[www.sociologyofreligion.com](http://www.sociologyofreligion.com)

#### Church of the Nazarene

<http://map.nazarene.org>

### Databases

Federal Assistance Awards Data System

Religious Congregations

and Church membership 1980-2000

The General Social Surveys

EEOC enforcement data



## Global cult

CONTINUED FROM PAGE 34

paid official with the Family Care Foundation, is the former “prime minister” and third-ranking leader of the Family International, according to former members.

### Understanding the spin

Connecting to the Family Care Foundation and the Family was hindered by the fact that several of the principals in the story – including victim Angela Smith – used numerous aliases and had legally changed their names to “Smith” or “Brown.” Once again, information from defectors was essential in order to make sense of the public record.

Two of the figures linked to the Family and the foundation were accused of sexual molestation in child custody cases in England and California in the 1990s. They went on to start charities funded by the Family Care Foundation.

One of those cases is described in sealed court documents filed in San Diego in connection with a 1998 custody case and obtained by the *Chronicle*. We were able to get the sealed files through relatives who, like former members, are often good sources in cult investigations.

One thing to remember, however, is that defectors and disgruntled relatives will often put the worst possible spin on the activities of a religious sect. People who leave cults can be as fanatically *against* the sect as they were in support of it when they were members. That doesn’t mean they are lying, but make sure you try to talk to current members, remembering that they are putting the best spin on the story.

In our investigation, those San Diego documents helped us tell the story of a girl born into the Family in 1981 and sexually abused from ages 5 to 16. Her alleged abusers included a stepfather and longtime Family member, Phillip Slown, who she says repeatedly molested her in Thailand, where her mother was serving as a missionary for the Family International.

Slown went on to start a charity called From the Heart to help “at-risk youth.” It was based in San Francisco’s Mission District between 1997 and 1999 – during which time the organization received more than \$70,000 in donations collected by the Family Care Foundation.

*Don Lattin, the religion writer for the San Francisco Chronicle, is the author of “Following Our Bliss – How the Spiritual Ideals of the Sixties Shape Our Lives Today” (HarperCollins 2003) and co-author of “Shopping for Faith – American Religion in the New Millennium” (Jossey-Bass 1998). He is currently on leave from the Chronicle and writing a book on Ricky “Davidito” Rodriguez and the Family.*

## IRE SERVICES

INVESTIGATIVE REPORTERS AND EDITORS, INC. is a grassroots nonprofit organization dedicated to improving the quality of investigative reporting within the field of journalism. IRE was formed in 1975 with the intent of creating a networking tool and a forum in which journalists from across the country could raise questions and exchange ideas. IRE provides educational services to reporters, editors and others interested in investigative reporting and works to maintain high professional standards.

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**IRE RESOURCE CENTER** – A rich reserve of print and broadcast stories, tipsheets and guides to help you start and complete the best work of your career. This unique library is the starting point of any piece you’re working on. You can search through abstracts of more than 20,000 investigative reporting stories through our Web site.

Contact: Beth Kopine, beth@ire.org, 573-882-3364

**DATABASE LIBRARY** – Administered by IRE and the National Institute for Computer-Assisted Reporting. The library has copies of many government databases, and makes them available to news organizations at or below actual cost. Analysis services are available on these databases, as is help in deciphering records you obtain yourself.

Contact: Jeff Porter, jeff@ire.org, 573-882-1982

**CAMPAIGN FINANCE INFORMATION CENTER** – Administered by IRE and the National Institute for Computer-Assisted Reporting. It’s dedicated to helping journalists uncover the campaign money trail. State campaign finance data is collected from across the nation, cleaned and made available to journalists. A search engine allows reporters to track political cash flow across several states in federal and state races.

Contact: Brant Houston, brant@ire.org, 573-882-2042

**ON-THE-ROAD TRAINING** – As a top promoter of journalism education, IRE offers loads of training opportunities throughout the year. Possibilities range from national conferences and regional workshops to weeklong boot camps and on-site newsroom training. Costs are on a sliding scale and fellowships are available to many of the events.

Contact: David Donald, ddonald@ire.org, 573-882-2042

### Publications

**THE IRE JOURNAL** – Published six times a year. Contains journalist profiles, how-to stories, reviews, investigative ideas and backgrounding tips. *The Journal* also provides members with the latest news on upcoming events and training opportunities from IRE and NICAR.

Contact: Pia Christensen, pia@ire.org, 573-882-2042

**UPLINK** – Newsletter by IRE and NICAR on computer-assisted reporting. Published six times a year. Often, *Uplink* stories are written after reporters have had particular success using data to investigate stories. The columns include valuable information on advanced database techniques as well as success stories written by newly trained CAR reporters.

Contact: David Herzog, dherzog@ire.org, 573-884-7711

**REPORTER.ORG** – A collection of Web-based resources for journalists, journalism educators and others. Discounted Web hosting and services such as mailing list management and site development are provided to other nonprofit journalism organizations.

Contact: Brant Houston, brant@ire.org, 573-882-2042

### For information on:

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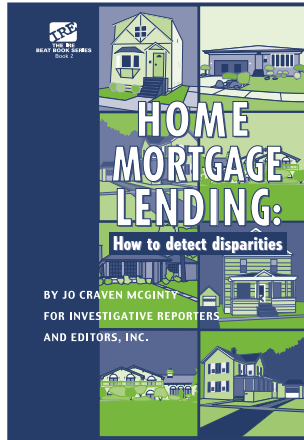
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# REQUIRED READING FOR YOUR NEWSROOM

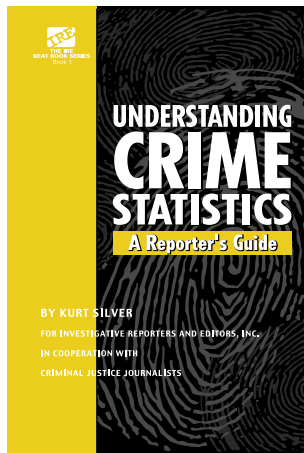
## HOME MORTGAGE LENDING: *How to Detect Disparities*

Pulitzer Prize-winning journalist Jo Craven McGinty guides reporters through understanding and using Home Mortgage Disclosure Act data. Included are specific story ideas and lists of tipsheets and stories available through IRE.



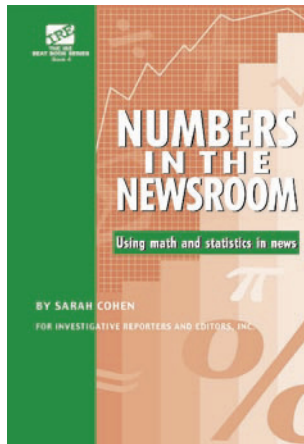
## UNDERSTANDING CRIME STATISTICS: *A Reporter's Guide*

Covers using Uniform Crime Reports, National Crime Victimization Survey, National Incident-Based Reporting System, other major statistical sources, writing the crime statistics story and database analysis of crime statistics. Includes law enforcement contact information and stories and tipsheets available from IRE.



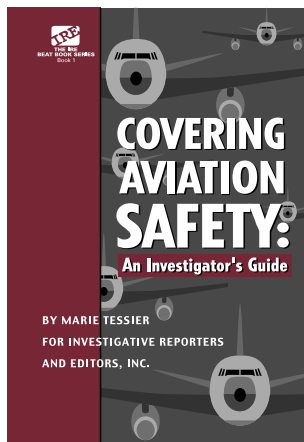
## NUMBERS IN THE NEWSROOM: *Using Math and Statistics in News*

Pulitzer Prize-winning reporter Sarah Cohen guides journalists through working with numbers, including fractions, rates, percents, per capita, measuring change, making inflation adjustments, understanding averages, working with graphics, doing budget stories, questioning surveys and polls, and much more.



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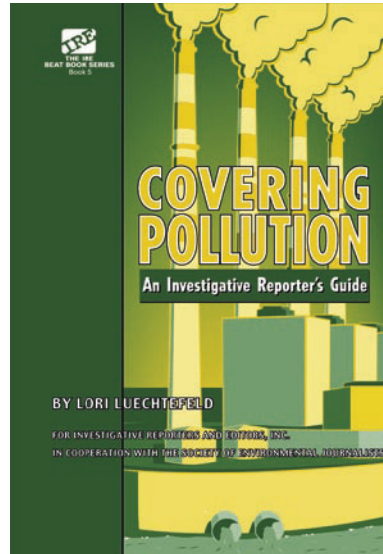


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by IRE in cooperation with SEJ

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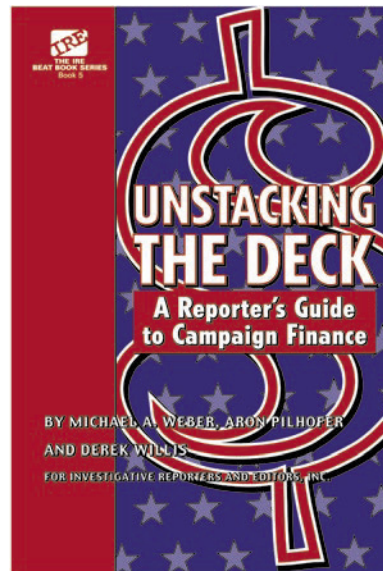


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