

# THE IRE JOURNAL

Return of Organization Exempt From Income Tax

Winter 2010

Volume 33

Number 1

Officers, Directors, Trustees, and Key Employees

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52	Political expenses and related activities	
53	Investments - securities	
54	Investments - land, buildings, and equipment - lease	
55	Less: accumulated depreciation	
56	Investments - other	
57	Land, buildings, and equipment - basis	
58	Less: accumulated depreciation	
59	Other assets (describe)	
60	Total assets (total lines 45 through 59)	
61	Accounts payable and accrued expenses	
62	Deferred revenue	
63	Loans from officers, directors, trustees, and key employees	
64	Loans from other persons	
65	Other liabilities (describe)	
66	Total liabilities (total lines 61 through 65)	
67	Net assets or fund balances	
68	Unrestricted	
69	Temporarily restricted	
70	Permanently restricted	
71	Capital stock, trust principal, or current	
72	Part-in or capital surplus, or land, build	
73	Retained earnings, endowment, accum	
74	Total net assets or fund balances (add columns (A) must equal line 19; column (B) must equal line 21)	

1	Direct public support	18	570,463.
2	Indirect public support	19	
3	Government contributions (grants)	20	570,463.
4	Total (add lines 1a through 3c) (cash & equivalents)	21	292,146.
5	Program service revenue including government fees and contracts (from Part VII, line 93)	22	257,921.
6	Membership dues and assessments	23	7,611.
7	Interest on savings and temporary cash investments	24	
8	Dividends and interest from securities	25	
9	Gross rents	26	
10	Less: rental expenses	27	
11	Net rental income or (loss) (subtract line 26 from line 27)	28	
12	Other investment income (describe)	29	
13	Gross amount from sale of assets other than inventory	30	
14	Less: cost or other basis and sales expenses	31	
15	Gain or (loss) (attach schedule)	32	
16	Net gain or (loss) (combine line 3c, columns (A) and (B))	33	
17	Special events and activities (attach schedule)	34	
18	Gross revenue (not including 5 reported on line 14)	35	
19	Less: direct expenses other than fundraising expenses	36	
20	Net income or (loss) from special events (subtract line 36 from line 18)	37	
21	Gross sales of inventory, less returns and allowances	38	
22	Less: cost of goods sold	39	
23	Net sales	40	
24	Net assets or fund balances (add lines 19 and 23)	41	

# Examining Nonprofits

University Ave., W.

University Ave. W.

CC 7b. Transition of the Five Highest Paid Officers, Directors, Trustees, and Key Employees (See page 2 of the instructions for each one, whether full-time and address of each independent contractor)

Part IV Reason for Non-Private Foundation Status

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

5  A church, convention of churches, or association of churches

6  A school, section 170(b)(1)(A)(ii). (Also complete Part V.)

7  A hospital or a cooperative hospital service organization

8  A Federal, state, or local government or governmental unit

9  A medical research organization operated by a corporation or other entity

10  An organization operated for the benefit of a college or university

11  An organization that normally receives a substantial part of its support from the general public

12  An individual trust, Section 170(b)(1)(A)(i), no more than one donor, and the donor receives no more than 1% of the total support

Part V Information on the Organization

13 Total support from the general public

14 Total support from the general public (add lines 13 and 14)

15 Total support from the general public (add lines 13 and 14)

16 Total support from the general public (add lines 13 and 14)

17 Total support from the general public (add lines 13 and 14)

18 Total support from the general public (add lines 13 and 14)

19 Total support from the general public (add lines 13 and 14)

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22 Total support from the general public (add lines 13 and 14)

23 Total support from the general public (add lines 13 and 14)

24 Total support from the general public (add lines 13 and 14)

25 Total support from the general public (add lines 13 and 14)

30 Does the organization include a statement of its faculty nondiscrimination policy toward students in all its written communications with students, admissions, programs, and scholarships?

31 Has the organization published its faculty nondiscrimination policy through newspaper or broadcast media during the past 12 months?

32 Does the organization maintain the following:

a Records indicating the racial composition of the student body, faculty, and administrative staff?

b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis to all eligible students?

c Copies of all catalogues, brochures, announcements, and other written communications to the public that indicate the organization's admissions, programs, and scholarships?

d Copies of all material used by the organization or on its behalf to solicit contributions?

33 Does the organization discriminate by race in any way with respect to:

a Scholarships or privileges?

b Admissions policies?

c Employment of faculty or administrative staff?

d Scholarships or other financial assistance?

e Educational policies?

f Use of facilities?

g Athletic programs?

h Other extracurricular activities?

34 Does the organization receive any financial aid or assistance from a governmental agency?

35 Does the organization certify that it has complied with the applicable requirements of 1975-2-C-8-357 covering racial nondiscrimination? If "No," attach an explanation.

**STUDENT PRIVACY**  
Universities use law to deny public access to sports information

**HIDDEN HOMICIDES**  
Houston looks safer as police undercount murder victims

**KIDS FOR CASH**  
Day-care providers reap windfall from Wisconsin taxpayers

2010

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### APR 19-20 ONLINE

"Using Social Media to Cover Business Better" with Robin J. Phillips, Web ME of BusinessJournalism.org.

### MAY 7 PORTLAND, ORE.

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### MAY 10-14 ONLINE

"Show Them the Money — Finding Personal Finance Angles on Any Beat" with BusinessJournalism.org blogger Melissa Preddy.

### JUN 9 LAS VEGAS

"Investigative Business Journalism on a Beat" with former Washington Post reporter Alec Klein. Pre-IRE event.

### JUL 19-23 ONLINE

"Unlocking Financial Statements" with University of Kansas journalism professor Jimmy Gentry

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Photo illustration by  
Wendy Gray, *The IRE Journal*

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ART DIRECTOR

Wendy Gray

SENIOR CONTRIBUTING EDITOR

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The IRE Journal (ISSN0164-7016) is published four times a year by Investigative Reporters and Editors, Inc. 141 Neff Annex, Missouri School of Journalism, Columbia, MO 65211, 573-882-2042. E-mail: [journal@ire.org](mailto:journal@ire.org). U.S. subscriptions are \$70 for individuals, \$85 for libraries and \$125 for institutions/businesses. International subscriptions are \$90 for individuals and \$150 for all others. Periodical postage paid at Jefferson City, Mo. Postmaster: Please send address changes to IRE. USPS #451-670

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## FROM THE IRE OFFICE

# Partnerships help us train the newest wave of journalists

BY MARK HORVIT

IRE EXECUTIVE DIRECTOR

IRE heads into 2010 with some exciting new programs in place that build on our rich heritage. We are kicking off the year with the launch of the Campus Coverage Project, which will train college and university students in investigative reporting methods, with a focus on providing better coverage of their own institutions.

IRE has a long history of working with students. In past years we held workshops specifically for the college crowd, and our ongoing Better Watchdog Workshop series of regional sessions – which often are held on campuses – consistently draw students interested in enhancing their coursework.

The Campus Coverage Project, made possible by a grant from the Lumina Foundation for Education, will arm student journalists with the skills they need to provide increased scrutiny of school policies and procedures at campuses large and small throughout the country. In addition to a conference held this month at Arizona State University's Walter Cronkite School of Journalism and Mass Communication, resources will be made available throughout the year.

The project also continues IRE's tradition of collaboration with other journalism groups. Our partners in this effort are the Education Writers Association and the Student Press Law Center.

Also on tap for 2010 is the first in a new series of workshops to be held along the Texas-Mexico border. The workshops, which will offer sessions in English and Spanish, will provide training in investigative reporting skills, with a focus on issues crucial to the region.

These workshops continue IRE's long history of collaboration with journalists in Latin America, including the IRE-Mexico project of the mid-1990s.

This latest series stems from a pilot project we did in El Paso in 2009 as part of our Better Watchdog Workshop series, which is funded by the Ethics and Excellence in Journalism Foundation and the *Las Vegas Sun*. The new series is funded by a grant from the Ford Foundation.

The Ford grant also will allow IRE to continue its collaboration with several organizations to host an annual Ethnic Media Workshop in New York City. The sessions are hosted by *The New York Times* and were initially funded by the Times Company Foundation. About 200 journalists from ethnic media outlets in the region attended the first two workshops, which are held in conjunction with the New York Community Media Alliance and New America Media.

The NYC workshops also build on IRE's legacy. Our organization began offering Ethnic Media Workshops in partnership with New America Media under the leadership of my predecessor, Brant Houston, who remains involved in the project. That series, which has brought training to journalists in cities throughout the United States, continues this spring with funding from the McCormick Foundation.

You'll notice a few threads running through all of these efforts. One is the support of numerous foundations that have made investigative journalism training a priority. Without them and others like them, notably the John S. and James L. Knight Foundation, none of these training programs would be possible.

Equally crucial to the success of all IRE programs is our membership. One of the key elements that sets our training apart is the involvement of top journalists from across the country who volunteer their time and their expertise. The strength of IRE is that we harness the knowledge of the nation's best reporters, editors and producers and channel that to new generations of journalists.

And that is our greatest legacy.

*Mark Horvit is executive director of IRE and the National Institute for Computer-Assisted Reporting. He can be reached at [mhorvit@ire.org](mailto:mhorvit@ire.org) or 573-882-2042.*

## Membership drive boosts IRE; three win prizes in drawing

More than 440 people joined IRE, renewed expired memberships or signed on for another year during the October membership drive.

IRE also received several thousand dollars in donations, made by those of you who chose to offer additional support when you joined or renewed. Much of this success was due to the many members who volunteered to recruit and who held informational sessions in their newsrooms or on their campuses.

IRE is only as strong as its membership, and we are significantly stronger today thanks to each of you.

Here are the winners in the random drawing for those who joined or renewed their IRE membership in October:

1st place – Michael Cetera, Sun-Times News Group, Aurora, Ill. He won three nights at the Paris Hotel and free registration for the 2010 IRE Conference in Las Vegas from June 10-13, 2010.

2nd place – Dan Ferber, freelancer (science writer), Indianapolis. He won \$150 toward purchases from the IRE database library.

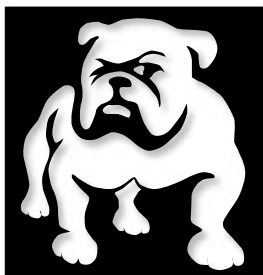
3rd place – Ryan Duffy, *First Coast News*, Jacksonville, Fla. He won a \$50 purchase from the IRE bookstore.

## More watchdog workshops scheduled for winter, spring

IRE will present several Better Watchdog Workshops during the coming months. These daylong workshops feature presentations on topics such as more effective use of the Internet; juggling and managing time to produce more enterprise stories; the art of the interview; quick-hit investigations; and strategies for obtaining and analyzing public records and data.

Workshops are scheduled for several cities:

- Jan. 22: Lexington, Ky.
- Jan. 23-24: Birmingham, Ala.
- Feb. 20-21: Austin, Texas
- March 27-28: Oklahoma City, Okla.
- April 17-18: Philadelphia, Pa.
- May 1-2: San Francisco, Calif.



**WATCHDOG**  
**IRE® JOURNALISM**

Several additional watchdog workshops are in the planning stages, too. Please check our online training calendar at [www.ire.org/training/watchdog](http://www.ire.org/training/watchdog) for updates and details about schedules and speakers.

## IRE fellowships available for conferences, boot camps

IRE offers a number of fellowships and scholarships for professional journalists to attend our Computer-Assisted Reporting boot camps, as well as our annual CAR and IRE conferences. Special awards are available to journalism students in Arkansas, Louisiana, Mississippi and Oklahoma.

These fellowships typically offer the recipient a one-year IRE membership; conference or seminar registration fees; hotel reimbursement and/or help with travel expenses.

To see what's available for 2010, please visit the fellowship section of our Web site at [www.ire.org/training/fellowships](http://www.ire.org/training/fellowships).

If you have questions or need clarification regarding a particular award, please e-mail or call Membership Coordinator John Green at [jgreen@ire.org](mailto:jgreen@ire.org) or 573-882-2772.

## MEMBER NEWS

The paperback edition of "Family of Secrets: the Bush Dynasty, America's Invisible Government, and the Hidden History of the Last Fifty Years," by **Russ Baker**, was released in November.

**Debbie Cenziper** and **Robert O'Harrow Jr.**, both reporters at *The Washington Post*, have been named to the paper's investigative staff.

California Watch, a project of the Center for Investigative Reporting, announced its investigative team. They are: **Mark Katches**, editorial director; **Robert Salladay**, contributing editor; **Lance Williams**, senior investigative reporter; and investigative reporters **Agustin Armendariz**, **Chase Davis**, **Christina Jewett**, **Corey Johnson** and **Erica Perez**. Multimedia producers are **Lisa Pickoff-White** and Mark Luckie.

**Hagit Limor**, investigative reporter, WCPO-TV, Cincinnati, was elected president-elect of the Society of Professional Journalists.

**Karen Magnuson**, editor of the Rochester (N.Y.) *Democrat and Chronicle*, and Troy Turner, editor of *The Daily Times* in Farmington, N.M., received the Robert G. McGruder Awards for diversity leadership.

**R. Scott Moxley's** "Hate and Death," a probe into a California white supremacist's crime spree and brutal murder of a Vietnamese student, was included in "Best American Crime Reporting 2009."

**Jim Parsons**, Kendall Cross and Michael Lazorko, WTAE-TV, Pittsburgh, received first place, outstanding story, for small-market television, from the Society of Environmental Journalists, for their report on natural gas drilling's impact on water supplies.

Please send Member News items to Doug Haddix ([doug@ire.org](mailto:doug@ire.org)). Read updates online at <http://data.nicar.org/irejournal/membernews>.

To keep their watchdog teeth sharp, journalists need to stay connected with the latest news and trends about public records and open meetings at the federal, state and local levels.



# Use it or lose it

## Newsroom cuts impede access to public records

BY CHARLES N. DAVIS  
NATIONAL FREEDOM OF INFORMATION COALITION

The results showed that while litigation is slowing as a result of the shifting media economy, the worst may be yet to come. The level and intensity of FOI work on behalf of the news media is slowing, not only in terms of litigation but also of FOI requests and informal appeals of denials.

The wrenching economic collapse of traditional news models has claimed many victims, from the ever-increasing ranks of unemployed journalists to the resources once dedicated to investigative reporting. As statehouse bureaus grow thinner, city desks make do with fewer reporters and everyone tries to monetize Web operations, what's falling between the cracks?

The National Freedom of Information Coalition began to wonder if FOI advocacy – a hallmark of American journalism – also might be falling victim to shrinking newsroom budgets. It stands to reason that in this Darwinist era, the news business might be losing its appetite for the fight against government secrecy.

The idea for a response to declining levels of FOI advocacy crystallized in the summer of 2009, when we asked NFOIC members to respond to a brief informal survey – just a handful of questions designed to get a sense of whether our hunch was correct – that support for litigation, and for the work of FOI coalitions themselves, was threatened by the media economy.

The results showed that while litigation is slowing as a result of the shifting media economy, the worst may be yet to come. The level and intensity of FOI work on behalf of the news media is slowing, not only in terms of litigation but also of FOI requests and informal appeals of denials.

What we found convinced us that we needed to move forward with a more rigorous look at the issue, so we surveyed the membership of the Media Law Resource Center, the nation's media lawyers.

The MLRC – formerly the Libel Defense Resource Center – is a nonprofit information clearinghouse originally organized by a number of media organizations to monitor developments and promote First Amendment rights in the libel, privacy and related legal fields. The MLRC survey went out in July to MLRC legal members, and nearly 100 prominent media lawyers responded.

The results were alarming: 53 percent of respondents said that the frequency of open government violations has increased in the past two to five years. Less than a third said that reporters in their jurisdiction have increased the number of FOI requests.

When it comes to the resources devoted to seeking legal compliance with open government laws, the survey clearly illuminates the erosion of the media economy, as 53 percent of respondents

said that resources have decreased – with 35 percent reporting that resources have decreased substantially.

That decrease in resources translates to fewer legal interventions, with 42 percent of respondents reporting that the number of instances in which their firm had intervened in an open government matter for media clients had decreased over the past two to five years. When asked to assign a percentage of the increase or decrease in open government-related activity, a majority of respondents (31 of 50 who responded to the question) cited an average decrease of 36 percent.

When asked to elaborate on the reasons why respondents felt that their firm's open government activity had slowed, the responses repeatedly cited the lack of discretionary funds on behalf of media clients: Media and newspapers have no money for this.

"Our news media clients no longer have the financial resources to commit to access matters. The access matters we have handled most recently have either been contingency-fee engagements, where my firm has undertaken the risk of the litigation (at no out-of-pocket expense to the client), or where a coalition of news media entities have joined together to spread the burden of the financial expense."

Another respondent underscored my greatest fear in explaining the rise in secrecy: brazen government officials. They know that no one, as a practical matter, will sue them. They also know there is little public outrage for open government violations. They pay the litigation costs and fines with public money – there is no downside to withholding public records, in the minds of most public officials.

One respondent underscored what's at stake: "Legal rights are like muscles. If you don't exercise them, they atrophy. That is what I fear is happening to public access laws around the country."

If we don't think creatively about exercising those metaphorical muscles, the costs will increase on two levels. First, and most practically, we'll fail to gain access to as many records and meetings. Misconduct will go unchallenged, readers will be deprived of important information, and citizens will confront a bureaucracy bent on secrecy.

Longer term, without the press serving as the enforcement arm for the sunshine laws, more government officials will deny access with impunity, especially because government seldom enforces the access laws against public officials who violate them.

As Mike Giudicessi, one of Iowa's most prominent media attorneys, told me, "Soon, stern letters from journalists and their lawyers will be mere cries of wolf."

*Charles N. Davis is an associate professor at the Missouri School of Journalism and the executive director of the National Freedom of Information Coalition, which is headquartered at the school. Visit the coalition's Web site at [www.nfoic.org](http://www.nfoic.org).*

# COVERT ACHIEVERS

Data analysis, public records point to cheating on state tests

BY HEATHER VOGELL  
THE ATLANTA JOURNAL-CONSTITUTION

I was browsing a database of state test scores when I came across a stunning feat by Atherton Elementary, a school serving mostly poor students in a suburb outside Atlanta.

Half of the school's fifth-graders failed Georgia's standardized math test on the first try. But when each of those 32 students took a retest that summer, everyone passed. And 26 scored at the highest level possible.

With so many kids above average, Atherton seemed an outstanding example of Garrison Keillor's Lake Wobegon effect. An expert made this analogy: Atherton's leap was as statistically unlikely as a July snowstorm in Atlanta.

During the next 11 months, we ran a series of stories that showed how adults at Atherton and other Georgia schools most likely cheated on the standardized tests, how the Atlanta school district sometimes left complaints of cheating unresolved, and how state and district officials had neglected to check the validity of state test scores for years – despite regularly handing out money

and accolades for big gains. The stories are online at [www.ajc.com](http://www.ajc.com) (search "test scores").

Last summer, police filed felony charges against Atherton's principal and assistant principal for falsifying state documents. A state investigation following our original story confirmed cheating likely took place there and at three other schools. The state Board of Education revoked the schools' status as having met federal standards, or made "Adequate Yearly Progress" (AYP), and invalidated dozens of children's test scores.

But it wasn't over. In October, *Journal-Constitution* data analyst John Perry and I wrote another story showing 19 other schools statewide exhibited extremely improbable gains or drops on the main administration of the state tests this spring. A dozen were in Atlanta, where rumors of cheating had swirled for years.

Atlanta officials say they don't believe cheating occurred but will review the test results in question. The state announced this past fall it is scrutinizing all schools' test scores for grades one through eight. The question of scores' legitimacy is an important one as the federal government considers placing more emphasis on test scores. For instance, states are encouraged to use scores in teacher evaluations. Kids whose tests are faked also suffer directly. In some cases, they are ineligible for state-sponsored tutoring because they didn't fail.

Cheating is hard to write about because it almost always takes place in secret, leaving little incontrovertible evidence. We weren't the first journalists to delve into test scores. The *Dallas Morning News*, *Philadelphia Inquirer* and *New Orleans Times-Picayune* are among the newspapers that have published stories about test-tampering.

In Georgia, digging out the story required a mix of strategies, from data analysis to confidential sources to open records requests for districts' internal investigations. Challenges included satisfying public officials' concerns about protecting student privacy and thumbing through mountains of paper documenting districts' own cheating probes.

The stories each took between one and four weeks to report. Costs for the information ranged from free to about \$250.

For the first story in December, we requested several databases from the Georgia Department of Education. They showed schools' AYP status and students' pass/fail information for the state test, the Criterion-Referenced Competency Test. While interesting, they were not detailed enough for the sort of score analysis we needed to do, so we requested another database showing each student's scale score.

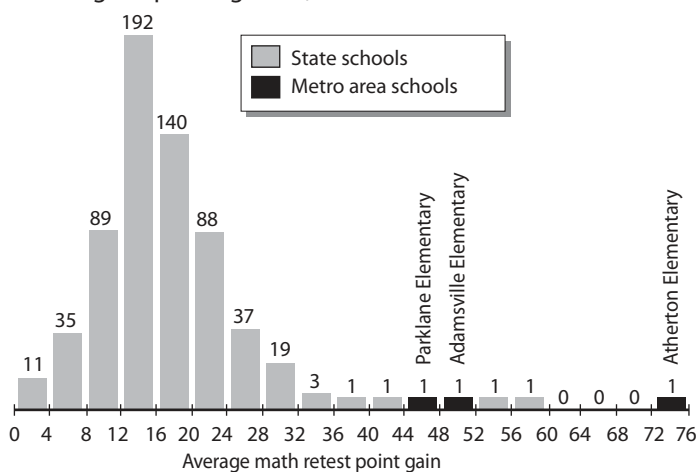
The department provided the data, after redacting students' names and other identifying information. Perry used the statistical measurement of standard deviation to identify schools that had the most highly unusual gains between the first administration of the test and the retest.

For the handful of schools with the most improbable improvement, I called the principals and asked them how they had gotten such amaz-

In Georgia, digging out the story required a mix of strategies, from data analysis to confidential sources to open records requests for districts' internal investigations.

## EXCEPTIONAL RETEST RESULTS

While average CRCT retest gains at most schools clustered tightly around the state average of 16 points, a handful of schools showed extraordinary results, including three metro area elementaries. Numbers above bars represent the schools within the range of points gained, shown on bottom of chart.

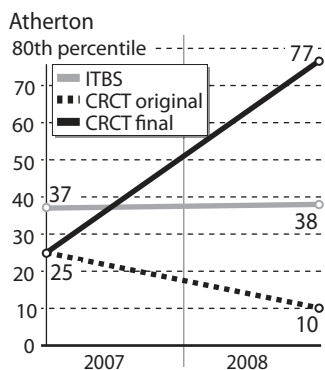
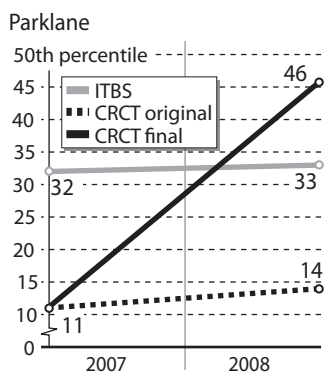
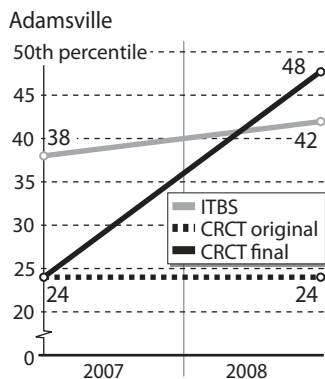


Note: Schools with at least 18 fifth-graders taking the retest  
Sources: Georgia Dept. of Education; research by JOHN PERRY / Staff

SHANNON PEAVY / Staff

## STEEP RETEST GAINS

For fifth-graders in three metro elementary schools, CRCT\* scores roughly paralleled scores on another standardized test, the ITBS\*\*. But when the students retested on the CRCT, their scores not only increased but were much higher compared with the ITBS.



\*Criterion-Referenced Competency Tests  
\*\*Iowa Test of Basic Skills

Sources: Georgia Dept. of Education and school district data; research by JOHN PERRY / Staff

SHANNON PEAVY / Staff

ing performance from children who had been struggling. The answers I heard – extra tutoring, small groups, or careful identification of students’ strengths and weaknesses – didn’t seem enough of an explanation to justify the size of the gains. Although we had no first-hand proof of cheating, two testing experts who reviewed our findings before publication called the gains suspicious.

After the story ran, I heard from several Atlanta teachers who said they had seen cheating, or suspected it, but didn’t want their names public because they feared reprisals from the district. These whistleblowers pointed me to helpful documents.

One such tip was to request internal investigations into cheating conducted by the Atlanta district’s Office of Internal Resolution. The second was to ask for students’ scores on the district’s practice tests, taken two months before the state test. These were more likely to reflect students’ actual achievement level, my source told me.

In June, the state announced it had examined erasure marks on answer sheets and found unusual numbers of answers changed from wrong to right at some schools highlighted in our original story, including Atherton. But the state’s probe was fairly narrow, and officials said that in the future, they likely would review only some test scores each year. I knew some other states did a more systematic analysis. I wrote a quick story on Georgia’s lukewarm commitment to monitoring scores’ validity.

I also requested the personnel files for principals at three schools in question. I received two, and was denied the third after the district cited an exemption for documents that were part of an investigation. We protested, and eventually obtained the documents.

The personnel files offered a look inside the pressures on principals in an era when test scores can make or break careers. I wrote about how one of the principals had won national recognition for students’ performance. Another was reprimanded after scores dipped.

While working on these two shorter-term stories, I set about collecting the internal investigative documents from the six big districts in the metro Atlanta area. It took a few weeks to gather the documents, which

filled 2,445 pages. It would take a few more weeks to read them all. As I did, I logged key details in a spreadsheet, such as who reported the allegation, whether the district substantiated it, the penalty, and whether investigators ignored evidence or additional allegations of wrongdoing they found. Meanwhile, the superintendent of the Atlanta district had stepped into a dispute with the governor over the scores. The state said it found cheating on retests in an Atlanta school, but Superintendent Beverly Hall said the district’s own probe found no proof. Gov. Sonny Perdue called her response outrageous.

In August, a story headlined “Atlanta Soft on Cheats?” reported that while cheating allegations were relatively rare given the number of tests taken, Atlanta’s handling of them raised serious questions about its ability to police its educators.

The district had redacted the last name of parents and students involved in complaints, but an unusual first name helped me find the mother of a child who said a test proctor had given him answers. The district had marked the complaint “unsubstantiated,” despite two other students’ comments supporting the allegation. The mother felt her son had missed out on extra help because his answers were improperly coached. They became my lead.

Finally, in September, Perry and I decided to take a look at the most recent test data we received from the state education department. This time, he performed a regression analysis on 2008 and 2009 scores, looking at the difference between each class’ scores one year versus their scores in the next grade.

The analysis showed a cluster of schools with unbelievable scores in the Atlanta district. For some tests, the odds of those scores happening naturally were long: Perry calculated them at less than one in a billion. Overall, we saw scores swinging wildly from year to year, as some schools placed near the bottom statewide one year only to rank first the next year – or vice versa.

Atlanta had rejected my original request for practice test scores, citing a part of Georgia code related to “trade secrets,” among other things. We had complained to the attorney general, and the district eventually released the scores. We used those records in the story, too, finding that some kids who nearly aced the state test had failed the district’s practice tests at astonishingly high numbers.

In one class, 94 percent of students failed the practice test, but scored so high on state tests little more than two months later that they placed fourth of nearly 1,200 schools statewide.

Atherton’s former principal pleaded guilty in December. A dozen more educators have been professionally sanctioned. Now, for the first time, the state is undertaking a broad search for test cheats. Officials will audit schools that stand out as suspicious.

A testing expert summed up the problem presented by extraordinary improvement:

“It’s very hard to explain these huge gains,” said Tom Haldyna, a professor emeritus at Arizona State University who reviewed our findings. Schools that attribute them to a successful program have a responsibility to show others what they did, he said. “The whole world wants to know this.”

*Heather Vogell is a reporter on The Atlanta Journal-Constitution’s watchdog/investigative team. She writes mostly about education.*

I heard from several Atlanta teachers who said they had seen cheating, or suspected it, but didn’t want their names public because they feared reprisals from the district.



# NOTABLE BOOKS OF 2009

Journalists can benefit from long-form investigations

By Steve Weinberg  
The IRE Journal

Only the staff of The IRE Journal would be crazy enough (or, if we wanted to place a shine on the project, service-oriented enough) to obsess all year trying to keep track of investigative and explanatory books written by American journalists, published in English and offered for sale in easily accessible retail outlets.

There is no one place to monitor to compile a comprehensive list, and nobody else (to our knowledge) even tries. Ultimately, we will fail to spot at least a few eligible books, which will quite likely result in plaintive letters from the authors and publishers.

Still, we soldier on. Much of our research occurs in bricks-and-mortar bookstores. Hey, that's hard work, but somebody's got to do it. (Just joking – spending hours in bookstores browsing the shelves under the guise of “research” for *The IRE Journal* is one of life's finest pleasures.)

We also track reviews in trade magazines, especially *Publishers Weekly*, *Kirkus Reviews*, *Booklist*, *Library Journal* and *Choice*. We hear from authors, both within IRE and outside IRE, or their publicists.

Despite the widely discussed illness of print journalism, it seems the flood of investigative and explanatory books has not slowed. For that matter, even if the number would be halved, it is doubtful whether any mortal could digest the information from all the books on the list before a new year arrived, bringing a flood of new books.

For readers of this feature thinking of researching a book proposal, sharing it with a literary agent and hoping for a contract from a publisher, good news and bad news mingle. Many agents and acquiring editors say the market for new books is weak, mostly because of the extended economic hard times. Weak, however, does not mean non-existent. Lots of authors received contracts for investigative and explanatory books during 2009. The new deals sections in *Publishers Weekly* magazine and on a Web site named *Publishers Marketplace* should generally prove inspiring rather than discouraging.

Some of the publishers are part of multinational conglomerates such as Harper Collins, Random House, and Simon & Schuster. Yet they bring to market books that sometimes issue criticism of multinational corporate behavior. Other publishers are sizable but independent of larger corporate ownership, most notably W.W. Norton. Medium-sized and small presses show up on the list, as do a few of the more adventuresome university presses. In an era often termed the death of print, book publishing is still diverse.

The reason to read as many of the listed books as possible

extends beyond general self-improvement. Obviously, some of the books are highly relevant to stories being reported by IRE members in newsrooms across the nation, or reported outside walled newsrooms by freelancers.

Some of the books will be entered by authors or publishers in the annual IRE awards competition. We will read the entry forms carefully, and perhaps extract valuable reporting and writing lessons from what the authors share, then share the lessons with you. (See the spring 2009 issue of *The IRE Journal*.)

Sometimes we receive questions about trends we might notice as we compile the annual list. Despite the length of the list found on the IRE Web site (more than 250 books), the sample is relatively small. Talking about trends

makes little sense scientifically. It seems evident that at least a few books on the list will cover relatively ephemeral

topics that qualify as scandals, such as the American military invasions of Iraq and Afghanistan, the aftermath of Hurricane Katrina, a specific spectacular homicide, a specific

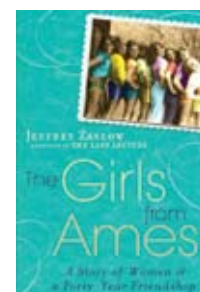
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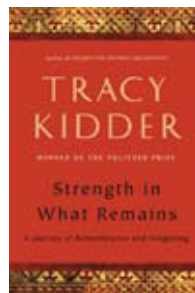
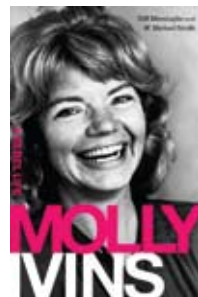
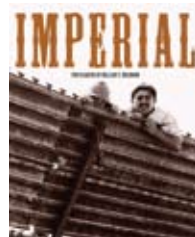
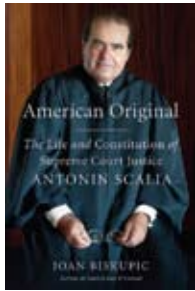
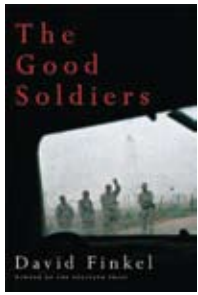
bribes or conducting an extramarital affair. Other books will cover seemingly endless phenomena that qualify as scandals, such as inadequate nursing care for the elderly, regulatory agencies taken captive by those they are supposed to regulate, criminal justice agencies that rush to judgment so that innocent defendants end up imprisoned, environmental degradation by for-profit corporations, campaign finance corruption, inequitable taxation by all levels of government, and many more evergreen problems begging for journalistic scrutiny.

Because we include books of explanatory journalism, some readers who examine our list might question our choices. Fair enough. But we prefer expansiveness within the list because in-depth explanatory books can prove just as valuable to investigative journalists seeking background as books focused on unambiguous corruption.

For the first time, IRE has turned its annual list of investigative books into an online database. More than 250 books published in 2009 made the list. The books database is online at <http://data.nicar.org/irejournal>.

## Investigative Books of 2009





Mentioning a few of the books on the 2009 list and not elaborating on the rest is unfortunate. But, hey, we certainly could not read them all—a tribute to the richness of book publishing today.

So, to authors of books not mentioned in this essay, your work still has redeeming value. You have not read all of the books on the list, either; we can state that with certainty. So many important books, so little time.

We will proceed alphabetically by author.

**Jake Adelstein**, “Tokyo Vice: An American Reporter on the Police Beat in Japan.” Most of us can relate to police beat reporting and editing, at least early in our careers. Adelstein absorbed a gigantic dose of law enforcement culture – but in Japan, not in the United States. By comparing and contrasting the exceedingly different journalism cultures in Japan and elsewhere, Adelstein offers a rare kind of perspective. (A brief back story here: Adelstein grew up in Columbia, Mo., home to IRE headquarters. His father has served as medical examiner locally. Adelstein did not study journalism, and did not travel to Japan to become a journalist. Instead, he became fascinated with Japan, traveled there soon after high school to “find himself,” stayed, learned the language and, against high odds, found employment as a reporter there.)

**Amy Bach**, “Ordinary Injustice: How America Holds Court.” Bach is a journalist-lawyer who writes well. This well-reported book is about as good a primer about the criminal justice system as any we have read previously.

**Joan Biskupic**, “American Original: The Life and Constitution of Supreme Court Justice Antonin Scalia.” Biskupic covers the Supreme Court for *USA Today*, so her amazing access for this biography is not a total surprise. What is surprising, perhaps, is her highly critical (yet nonetheless compassionate) portrait of Scalia. For a current beat reporter to demonstrate such candor at the risk of losing valuable access feels unusual to us, and definitely praiseworthy.

**Dave Cullen**, “Columbine.” Ten years after two students became mass murderers inside their own Colorado high school, a reporter sets the record straight in an amazingly detailed, highly readable account. While correcting the mistakes of other journalists about the rampage, he simultaneously offers a highly

human story of the two murderers, who turn out to be far more than stereotypes.

**David Finkel**, “The Good Soldiers.” A *Washington Post* reporter who long ago established himself as an excellent feature writer spends time in Iraq with an Army battalion. Amid many other excellent books by journalists about the invasion of Iraq, Finkel’s is quite likely to win favor as timeless – maybe even qualify as a classic about war on the ground.

**Terry Gould**, “Marked for Death: Dying for the Story in the World’s Most Dangerous Places.” We all know that reporting in certain nations outside the United States can be death defying and, too often, deadly. Gould relates a half-dozen of those deadly sagas in depth.

**Tracy Kidder**, “Strength in What Remains.” Kidder is rarely thought of as an investigative journalist. But the term “explanatory journalism” could have been invented to describe what he has been doing breathtakingly well for three decades. Whether immersing himself inside an elementary school or nursing home or computer think tank, Kidder produces vivid books. This book is about a refugee who travels from the African continent to the American continent, becomes a physician against overwhelming odds, then tries to give back to the continent of his birth.

**Peter Maass**, “Crude World: The Violent Twilight of Oil.” Plenty of journalists have documented how an oil-dependent nation like the United States is headed for collapse. But perhaps no previous journalist has documented the dangers so vividly by traveling the globe to gather the facts.

**Bill Minutaglio** and **W. Michael Smith**, “Molly Ivins: A Rebel Life.” You gotta love Molly Ivins, who died way too young earlier this century. Two journalists team up to mine her remarkable life as investigative reporter and acid-pen commentator about contemporary politics.

**William T. Vollmann**, “Imperial.” When Vollmann writes fiction, he thrills his loyal readers. When he switches to journalism, his methods and his subjects are almost always quirky, outside the mainstream. For this massive feat of journalism, Vollmann spent about 10 years to fill the 1,300 pages about one of the most troubled, starkly beautiful and weird regions of California, near the Mexican border.

**Jeffrey Zaslow**, “The Girls From Ames: A Story of Women and Friendship.” Perhaps we are the only folks in the world who would place this book on a list of investigative/explanatory titles. But Zaslow, of the *Wall Street Journal*, is so skilled about mining the places in the human heart that we could not resist. Ames refers to Ames, Iowa, where a gaggle of ordinary/extraordinary women grew up together and remain close – not geographically but emotionally/intellectually – except for one who died mysteriously.

*Steve Weinberg, a former executive editor of IRE, has written eight nonfiction books. He teaches at the Missouri School of Journalism.*

IRE members have learned invaluable lessons during years of refining their investigative skills. They generously share their wisdom so others may benefit.



# Project Bulletproofing

By Mark Katches  
California Watch



Too many reporters and editors wait until the end of a project to begin the bulletproofing process. That can lead to stress, tension and angst. The process should begin soon after the story idea is conceived. Here are 20 discussion points and issues that, if weighed carefully and at the right time, can help ensure that everyone sleeps well when the story is finished.

## *Reporting phase*

1. Vet the reporting methodology. Are you looking at enough years of documents or data? Are there questions of logic or ethics that need to be weighed? What steps need to be taken to ensure the story has enough context? Now is the time to begin asking these questions – before the records requests go out. If reporters rush ahead without thinking things through, it could lead to additional expense and time to get it right. It's especially important to hold good discussions early if the story may rely upon or require any unusual reporting techniques (i.e. stake-outs, use of laboratory testing, undercover or hidden camera work).
2. Identify key sources or targets, and attempt to contact them early. It's almost always better to open a dialogue sooner rather than jump out of the bushes at the end. And don't just fish for quotes during interviews with key subjects. Find out everything you need to know about their role. Really get to know them and how they think.
3. Share critical documentation with your editors. This is especially important for stories that are more nuanced or gray. An extra set of eyes early can help make sure everyone is on the same page when interpreting key points. I'm not suggesting an editor review every page of the thousands of pages gathered up – just the most important pages that could set the tone or lay the foundation for the story.
4. Find someone to play devil's advocate. It can be an editor, a trusted colleague, a spouse (or Mom or Dad for all you "watchpuppies") – anyone who is willing to challenge you.
5. Keep an open mind. The dangerous reporter forms conclusions too early in the reporting process.
6. Ask someone who really knows math to double-check the numbers. Many of us got into this business to avoid math. You can run, but you can't hide.
7. Write the nerd box early. Writing the nerd box or the "how we did it" sidebar is often one of the last things done. It ought to be one of the first. It's an excellent way to lay out your methodology in a clear manner. Don't just write it early. Make sure your editor reads it early. It could help identify any red flags.
8. Don't rely on outlier, extreme examples to tell the story. Look for examples that are representative of your findings.
9. Background all subjects who will appear in your story. Don't limit the backgrounding to just the targets. You should background the sympathetic victims too – to make sure they're really sympathetic. That will help avoid any embarrassing distractions from surfacing after the story runs.

10. Give targets a chance to respond to all your key findings. If your investigative subjects pick up the paper and are surprised by what you are reporting, you haven't been fair enough.

## *Writing/editing phase*

11. Consider how your sources or targets might try to poke holes in your story. Put yourself in their shoes, and make sure you plug these holes with more reporting.
12. Disclose caveats. Be upfront about any mitigating circumstances. It will only make your story stronger and more credible.
13. Tell readers what you don't know. This also boosts your credibility with readers.
14. Footnote all facts meticulously. Done right, this will raise the confidence level of everyone involved in the project – especially if there is a challenge after publication. Few things are more troubling than the reporter who can't find key notes or documents when faced with a retraction demand.
15. Enlist a copy editor who is not afraid to ask tough questions. Encourage him or her to be brutal and frank.
16. Get a good lawyer. If you're on the fence about whether the story should be vetted by legal counsel, always err on the side of caution. The best First Amendment lawyers can be pains but are committed to helping you publish. And that's precisely what you need.

## *Final production phase*

17. Triple-check all of your facts. Build in time for one last careful review.
18. Cross-check graphics and Web elements. Be certain that if any facts are changed in the final edits, that the same changes are applied to graphics, sidebars, second or third parts or Web-only features. It's surprising how often this gets overlooked at the last minute – leading to inconsistent names, numbers, titles and more. If one fact changes, ensure all other references are caught.
19. Make sure the reporter and principal editor are reviewing all of the headlines and cutlines. If there are nuances in the storytelling, it's important to make certain that the display text doesn't oversimplify the situation.
20. Speak up if there are any last-minute doubts. After taking all of these steps, the biggest mistake you can make is rushing into print when your comfort level is less than high.

*Mark Katches is editorial director of California Watch, the largest investigative reporting unit in the state. Previously, he worked at the Milwaukee Journal Sentinel overseeing projects, investigations and newsroom planning. He also helped build a nine-person watchdog team. In the last six years, Katches has edited or directed one Pulitzer Prize winner and three Pulitzer finalists.*



"Everything I have, I worked for and I worked very hard," says day-care owner Latasha Jackson at her Milwaukee facility.

# CASH FOR KIDS

Child-care fraud tops \$20 million in Wisconsin

BY RAQUEL RUTLEDGE  
MILWAUKEE JOURNAL SENTINEL

The taxpayer funding allowed the 32-year-old woman to buy a Jaguar convertible and build a million-dollar mansion, complete with an indoor swimming pool and basketball court.

Latasha Jackson ran a Milwaukee day care center for a decade, and was paid nearly \$3 million by the state for doing it.

The taxpayer funding helped the 32-year-old woman to buy a Jaguar convertible and build a million-dollar mansion, complete with an indoor swimming pool and basketball court.

She was still living large this past summer when a tipster told me that Jackson had been caught conning the system a couple years earlier. I was familiar with the scamming of the Wisconsin Shares subsidy program; I had spent eight months investigating it, producing more than two dozens stories on the subject. This was the first glimpse at where some of the money was going.

In a follow-up piece, "Private fortune, public cash," the *Journal Sentinel* revealed how regulators kept the money spigot open, despite Jackson's numerous and serious program violations. She had a history of lying, and had lost her license for beating her 12-year-old nephew with a belt.

We told readers how Jackson was still tapping the funds right up until state regulators learned the newspaper was preparing to publish a story. They yanked her license two days before we published – and only when Jackson turned herself in, a day after photographer Kristyna Wentz-Graff and I confronted her.

We followed up the next day with a story that named regulators and revealed how lawmakers who had promised to fix the program after the first installments of the "Cashing in on Kids" series in January had failed to deliver. We ran their photographs, e-mail addresses and phone numbers. The series and follows are online at <http://bit.ly/X18fH>.

Readers went crazy. They flooded my e-mail and voice mail with messages of outrage at the lack of oversight of their tax dollars. They thanked us for the investigation. The stories clearly

struck a nerve. Publisher Betsy Brenner and Editor Marty Kaiser said they had never seen such a strong response from readers.

Regulators and lawmakers, too, responded. Officials moved swiftly to cut off more than 130 providers suspected of fraud. A top administrator resigned. Two other administrators were fired. And others are under investigation. Lawmakers introduced a bill to make it a crime for government workers not to report suspected fraud. The Milwaukee County district attorney pulled in the police department and sheriff's office, the FBI and U.S. Attorney's Office and others to form an anti-fraud task force. They launched a criminal investigation into Jackson and several others featured in our report. After initially saying that she had worked hard for everything, Jackson has declined further comment on the pending investigations and referred questions to her attorney, who also has declined comment. Two subjects of the newspaper's investigation have been indicted on federal fraud charges. At least one other faces state charges of theft for bilking the child-care program.

## A tipster's guidance

The "Cashing in on Kids" series began with a tipster's call to the city desk late one night in July 2008.

The caller was upset about the death of a 4-month-old boy left in a hot day-care van for more than seven hours. The caller read that the baby's mother used to work at the day care center, but had been recently laid off. If true, the baby shouldn't have been at the center that day.

I dialed the tipster, who told me about Wisconsin Shares, the state's \$350 million a year taxpayer-financed program that covers child-care costs for low-income families. Launched in 1997, it was intended primarily to help women join the workforce. But child-care providers and parents were easily scamming the system, collecting millions of public dollars, the tipster told me.

The tipster was a whistleblower with confidential documents who would turn out to be critical in providing a road map for the story.

The scams work in multiple ways. Sometimes providers seek moms with many kids and offer them employment, just to qualify the moms for the public child-care assistance. Then the moms enroll their kids at the center, bringing in about \$200 per week per child, depending on the age and number of hours of care. The mom can actually stay home, while the provider bills the state.

In one case, four sisters stayed home and took care of each others' kids and collected nearly half a million dollars in just a few years. While regulators conceded the arrangement violated the spirit of the program, it didn't actually violate any rules. As long as the sisters actually swapped the children, which regulators never verified, the set-up was legitimate.

Other times parents simply claimed they worked for phantom companies. Regulators didn't seem to notice. They accepted sloppy notes as proof of employment.

Armed with documents from the whistleblower that the government refused to release – such as where parents receiving public subsidies claimed to work, the names of their child-care providers, and the number of children, along with their ages.

Photographer Wentz-Graff and I went to work. We staked out providers for hours at a time, waiting for the children to arrive.

Kristyna Wentz-Graff | Journal Sentinel



Jackson's 7,600-square-foot mansion in Menomonee Falls, Wis.

Most times they never did. Yet two weeks later, the providers would bill the state, alleging they cared for children.

And the state paid.

We knocked on parents' doors who were supposed to be at work. We'd often hear, "It's my day off."

I called landlords at addresses where people claimed to work and was told no such company ever existed there. I checked public databases for business registrations, criminal records and civil suits, federal records and the state Department of Revenue's net tax records.

I got state files on all of the providers including inspection reports, complaints, letters of suspension, revocation, applications, complete with names of references – which sometimes linked providers to parents.

And when Jackson re-applied for a day-care license less than a year after losing hers, I received from the state the transcript of her rehabilitation hearing.

## Broken promises

The first installment of "Cashing in on Kids," published in January, prompted plenty of outraged e-mails. Lawmakers and regulators responded swiftly. Legislators proposed new laws, and 86 lawmakers demanded a full-blown audit of the program – the first since 2001. Preliminary findings released in June estimated the state misspent about \$20 million in tax dollars in 2008 alone on undeserving child-care arrangements. The auditor admits the figure is conservative.

Prosecutors vowed to investigate, and officials in the child-care system promised changes.

But that was not the end of the story. Once these stories ran, other sources who held jobs throughout the system began to surface and offer more information. Mark Katches, the projects editor at the time, as well as top editors George Stanley and Marty Kaiser, saw the importance of these stories and knew we needed to do more.

We found the state was continuing to make payments to suspicious providers, and I uncovered more and more major problems in the system.

In a subsequent installment called "Millions Down the Drain," I exposed how regulators actually did spot fishy paperwork and suspicious set-ups, but deemed them mistakes by parents or providers, rather than crimes. They almost never referred cases for prosecution. And when they would calculate how much they overpaid a provider, regulators were seldom able to collect the misspent money.

Through an examination of records from dozens of centers with revoked licenses and from the state's data on overpayments, we told the story of how child providers with horrific records of rule violations continued to be paid with tax dollars.

Next, I focused on how regulators allowed people convicted of crimes – sometimes serious – to become child-care providers. We crossed the state's criminal database with our database of all the child-care providers in the state. Ben Poston, our CAR guru, discovered that more than 400 providers in the state had criminal records and were collecting millions of tax dollars. One provider had whipped a child with an electrical cord but was still allowed to care for children. Another was charged with at least 10 counts of prostitution and was married to a convicted killer and notorious crime boss.

She even was caught with weapons in her house within reach of the children. But each time, the state kept on paying until the newspaper exposed the details.

In September, we shifted our focus to the politicians and bureaucrats who were allowing the fraud and mismanagement to continue.

The story was told from the perspective of a worker who sat at her desk and rubber stamped an authorization allowing a convicted cocaine dealer to work in a day-care center. The drug dealer was well known to supervisors and investigators. We had written a story about her just a couple months earlier. But that didn't stop the worker from signing off on the spending.

We named her and other bureaucrats responsible for the spending in numerous questionable cases. We ran a large graphic with photos and contact information for as many of the decision-makers in the program as we could.

We talked with current and former workers who had complained about fraud in the past. Some had saved e-mails showing how they had reported problems and how supervisors failed to put an end to them.

We examined the drafts of legislative bills and traced and named the politicians who softened the language offering more protection for child-care providers.

We ran the story the day after exposing Latasha Jackson and her lavish lifestyle.

"THANK YOU, THANK YOU, THANK YOU," wrote *Journal Sentinel* reader Barb Schmidt. "And please tell the *Journal Sentinel* to continue exposing what has been going on and to keep the watchdog stance for as long as it takes..."

Ken Heun, another reader, wrote, "Your article was a breath of fresh air...I believe strongly that the No. 1 reason for a newspaper to exist is to be a tireless watchdog over government. Most newspapers seem to have forgotten that."

After more than one year of reporting on this story, it is far from over. The tips continue to roll in. I continue to uncover more holes in the system that not only cheat taxpayers out of millions of dollars but also harm children.

And so, the investigation continues.

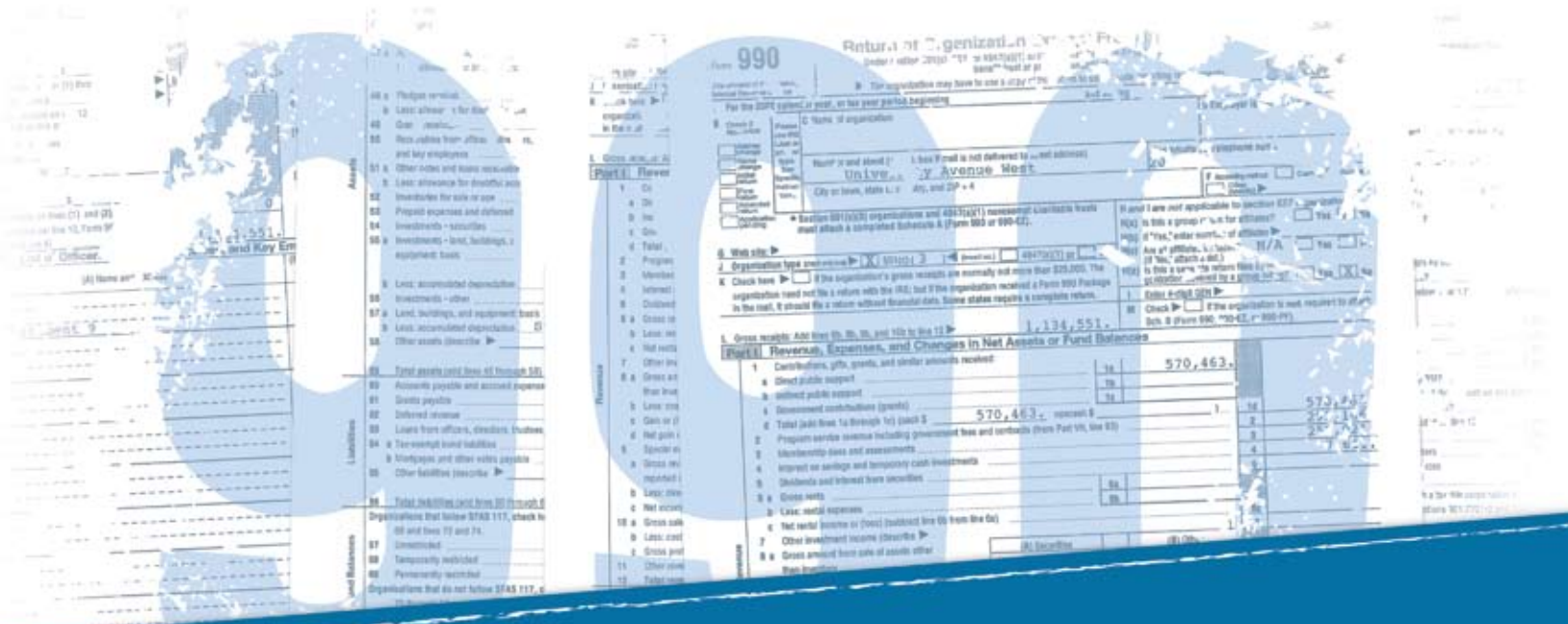
*Raquel Rutledge is an investigative reporter assigned to the Public Investigator Team at the Journal Sentinel. She focuses on consumer watchdog stories.*

Preliminary findings released in June estimated the state misspent about \$20 million in tax dollars in 2008 alone on undeserving child-care arrangements. The auditor admits the figure is conservative.

**Anatomy of a child-care scam**  
Parents and child-care providers are finding ways to scam the taxpayer-funded Wisconsin Shares child-care program.

- 1.** A mom has 5 kids. Let's call her Jane.
- 2.** Jane tells the county she works 40 hours a week at a minimum wage job. She qualifies for taxpayer-financed child care.
- 3.** She has a friend who claims to be her employer. He writes her checks, which she shows the county as proof that she has a job. But this is a sham. There is no job.
- 4.** They have a third partner in the scam who becomes a child-care provider. Although she isn't watching Jane's children, she claims she does and gets paid by the state, as much as \$200 per child every week.

ENRIQUE RODRIGUEZ/erodriguez@journalsentinel.com



# Examining Nonprofits

Enterprising reporters can find valuable information about nonprofit organizations from the Internal Revenue Service 990 form. Best of all, the forms are free and readily available for download at [www.guidestar.org](http://www.guidestar.org). Tax-exempt hospitals, universities, sports clubs, chambers of commerce, United Way chapters, arts groups, museums and charities must file the detailed reports annually. The IRS 990s are filled with detailed salaries, budget numbers, potential conflicts of interest and lists of key contractors. Investigative reporters continue to find new and creative uses for the documents.

# Jewels for journalists

IRS Form 990 offers a financial treasure trove for dissecting nonprofits

By Ronald Campbell  
*The Orange County Register*

**O**n a cold winter's night, there is nothing as soul-satisfying as digging into a good IRS Form 990.

It's that rare jewel, a public document about a private organization, available instantly at no charge to anyone with an Internet connection.

It is also by turns mystifying, obscure and infuriating. For all of its flaws, however, the 990 is one of the great investigative tools and by far the best source for a reporter probing nonprofits.

Why should you care about nonprofits?

Reason one: money.

Diana Aviv, president and CEO of Independent Sector, a coalition of 600 nonprofits, ticks off the numbers: 1.5 million charities with \$1 trillion in annual revenues, \$3 trillion in assets and 13 million employees. The "nonprofit sector" controls 5 percent of the nation's gross domestic profit.

Reason two: impact.

"Every American is touched by a nonprofit every single day," says Bob Ottenhoff, CEO of GuideStar, the group that puts 990s on the Web. "It may be the school your kid goes to. It may be a hospital. It may be listening to public radio."

Reason three: influence.

Burnis Morris, a journalism professor at Marshall University in West Virginia, recalls a lesson he learned from the late Frank Karel, communications director for the Robert Wood Johnson Foundation.

"He told me that the Chicago papers were surprised by the civil rights movement because they weren't following where the Chicago foundations were spending their money," Morris said.

In the 1950s and '60s, foundations were pouring money into community organizing, including several of the groups that campaigned for civil rights. Today, causes ranging from charter schools to global warming get their money from foundations and other nonprofits.

And there is a final reason that reporters should care – a "social contract" between nonprofits and society. "There is a contract between the charitable sector and the American people that we will serve the public good," Aviv said.

"There's a lot that can go wrong in that value equation," Ottenhoff said. "We hold nonprofit organizations to a high standard. We expect them to try a little harder and be a little better because of where their money comes from."

Despite their considerable size and influence, nonprofits get little coverage because only a few reporters cover the nonprofit beat full time. Notable stories are relatively rare, compared with the attention lavished on for-profit businesses.

"It's more important now than ever," said Morris, who for five years directed an annual conference training reporters on nonprofit coverage. "Even in good times, journalists didn't spend enough time following nonprofits."

## Finding a 'Rosetta Stone'

Let's start with a basic question: What nonprofits are based in your area?

You can probably guess the biggest ones. They're local hospitals, universities and museums, and they've named everything from buildings to park benches after some rich guy.

But there are lots more nonprofits that you may know nothing about. The best way to identify them is to buy the Internal Revenue Service's exempt organizations database. IRE sells it for \$40 to \$115, depending on your market size or circulation. Or IRE will pare the massive database down to your state or region, reducing the cost to \$15 to \$70.

The IRS database is like a headline: It provokes but does not inform. The few numbers it contains are eye-catching but not terribly revealing.

The 990 is the Rosetta Stone that will help you decipher what is really going on inside a nonprofit.

The 990 came into its own as an investigative weapon in 1972. Its unlikely first target: an orphanage.

That year the Sun Newspapers of Omaha decided to investigate Boys Town. The weeklies' editor, Paul Williams, suspected that Boys Town, despite its frequent mass-mailings warning of imminent doom, was in fact quite wealthy.

Boys Town refused to discuss its finances.

But the Sun Newspapers had an edge. Their publisher ran a foundation, which filed a 990 every year. He thought that Boys Town did the same. The publisher's name was Warren Buffett.

Out went a letter to the IRS asking for Boys Town's 990. Twenty days later, the document arrived. The bottom line was staggering: Boys Town had a net worth of \$209 million – \$1.1 billion in current dollars. It was raising several times more than it spent, all while crying poverty.

The Sun's stories compelled Boys Town to provide more services to its children. The stories also earned a Pulitzer – and alerted reporters nationwide to the existence of 990s.

## Discovering Guidestar

During the next three decades, the number of nonprofits, and 990s, exploded. And the wait to get them from the IRS lengthened into months, creating a high barrier for reporters on breaking news stories. (A federal law enacted in the late 1980s requires nonprofits to provide 990s on request, but compliance was spotty for years.)

In late 1999, my *Orange County Register* colleagues and I began to investigate the trade in human body parts, a practice that linked for-profit processors with nonprofit tissue banks.

## Tracking nonprofits online

American Institute of Philanthropy ([www.charitywatch.org](http://www.charitywatch.org)): Not as well known as the other charity raters, it has dozens of tartly worded reports on charities that it thinks are abusing donors.

Better Business Bureau ([www.give.org](http://www.give.org)): The BBB judges hundreds of charities on "20 standards for charitable accountability," which cover governance, finance, measures of effectiveness and transparency.

Charity Navigator ([www.charitynavigator.org](http://www.charitynavigator.org)): Charity Navigator examines and rates more than 5,000 nonprofits by the numbers, just as a stock analyst might evaluate a public company. It compares charities against other organizations with similar missions. But its approach depends on the "statement of functional expenses," one of the less reliable sections of the 990.

GuideStar ([www.guidestar.org](http://www.guidestar.org)): Millions of 990s. Advanced search tool allows you to look up nonprofits in your city.

IRS Charity Search ([www.irs.gov/app/pub-78/](http://www.irs.gov/app/pub-78/)): If a new group is raising money, the simplest way to determine if it's tax-exempt is to go to the source: the Internal Revenue Service.

National Center for Charitable Statistics (<http://nccs.urban.org/index.cfm>): Has extensive data on nonprofits, drawn from the 990s, and easy-to-use tools for analyzing it online.

– Ronald Campbell, *Orange County Register*

Form **990** **Return of Organization Exempt From Income Tax** OMB No. 1545-0047  
 Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation) **2008**  
 Department of the Treasury Internal Revenue Service **Open to Public Inspection**

**A For the 2008 calendar year, or tax year beginning 2008, and ending 20**

**B** Check if applicable:  
 Address change  
 Name change  
 Initial return  
 Termination  
 Amended return  
 Application pending

**C** Name of organization: Doing Business As  
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite  
 City or town, state or country, and ZIP + 4

**D** Employer identification number  
**E** Telephone number ( )  
**G** Gross receipts \$

**H(a)** Is this a group return for affiliates?  Yes  No  
**H(b)** Are all affiliates included?  Yes  No  
 If "No," attach a list. (see instructions)  
**H(c)** Group exemption number

**I** Tax-exempt status:  501(c) ( ) (insert no.)  4947(a)(1) or  527  
**J** Website: **H(c)** Group exemption number

**K** Type of organization:  Corporation  Trust  Association  Other **L** Year of formation: **M** State of legal domicile:

**Part I Summary**

**1** Briefly describe the organization's mission or most significant activities:

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

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

	Prior Year	Current Year
<b>8</b> Contributions and grants (Part VIII, line 1h)		
<b>9</b> Program service revenue (Part VIII, line 2g)		
<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d)		
<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)		
<b>12</b> Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)		
<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1–3)		
<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4)		
<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)		
<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e)		
<b>b</b> Total fundraising expenses (Part IX, column (D), line 25)		
<b>17</b> Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)		
<b>18</b> Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)		
<b>19</b> Revenue less expenses. Subtract line 18 from line 12		
	Beginning of Year	End of Year
<b>20</b> Total assets (Part X, line 16)		
<b>21</b> Total liabilities (Part X, line 26)		
<b>22</b> Net assets or fund balances. Subtract line 21 from line 20		

**Part II Signature Block**

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

**Sign Here**  
 Signature of officer \_\_\_\_\_ Date \_\_\_\_\_  
 Type or print name and title \_\_\_\_\_

**Paid Preparer's Use Only**  
 Preparer's signature \_\_\_\_\_ Date \_\_\_\_\_ Check if self-employed  Preparer's identifying number (see instructions) \_\_\_\_\_  
 Firm's name (or yours if self-employed), address, and ZIP + 4 \_\_\_\_\_ EIN \_\_\_\_\_ Phone no. \_\_\_\_\_

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

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions. Cat. No. 11282Y Form **990** (2008)

New Form 990.

Churches get a free pass; they don't even have to seek tax-exempt status from the IRS. Charities with revenue under \$25,000 also don't have to file a 990.

It took us just minutes to download financial reports for the publicly traded processors from the Securities and Exchange Commission's EDGAR database. It took us months to get 990s for dozens of tissue banks from the IRS.

Then we, along with dozens of other reporters nationwide, discovered a fledgling service named GuideStar. Backed by foundation money, GuideStar was posting online tens of thousands, then hundreds of thousands, then millions of 990s.

GuideStar rescued the 990 from near irrelevance for journalists and made it possible for the first time for a reporter on deadline to get detailed financial information about nonprofits.

Today GuideStar holds more than 5 million 990s from 1.8 million nonprofits. Register for free, and you can download up to three years worth of 990s for any organization. Buy a premium subscription – available at a discount price of \$200 to \$300 to IRE members depending on your company's market size or circulation – and you can search GuideStar's entire stash of 990s, some of them a decade old.

### Avoiding the land mines

Now for the messy part. Analyzing a 990 is not for the faint of heart. There are several land mines awaiting the unwary reporter.

First, many nonprofits do not file 990s. Churches get a free pass; they don't even have to seek tax-exempt status from the IRS. Charities with revenue under \$25,000 also don't have to file a 990.

You need context to understand a 990, and there is only one way to get that: Read at least the last three years' 990s and preferably the last five. That will tell you the organization's history and give you a clue about financial problems.

Now for another land mine: The IRS has rewritten the 990 during the past few years. As a result, a line-by-line comparison of 990s from different years no longer works. For example, "Contributions and grants," which formerly held pride of place as Line 1 on Page 1, is Line 8 on the 2008 form, and the detailed breakdown, once Lines 1a through 1d, is now contained in Part VIII on Page 9.

That doesn't make a year-to-year comparison impossible. It simply means that you cannot go on auto-pilot.

Here's a cookbook approach to analyzing 990s. It will work for most nonprofits, though you will have to customize it for some.

Open a blank spreadsheet. Your columns will be years, your rows categories. The key rows to capture from the 990: Contributions and grants (Line 8 in the 2008 990), program service revenue (Line 9), total revenue (Line 12), grants paid (Line 13), salaries and other compensation (Line 15), total expenses (Line 18), revenue less expenses (Line 19), total assets (Line 20), total liabilities (Line 21) and net assets (Line 22).

After calculating percentage changes, you'll know the financial basics of the nonprofit: whether it's growing or shrinking or flatlining. And if you were reporting about, say, a furniture manufacturer, you'd be ready to write your story. But nonprofits are not like other businesses.

"Journalists still don't know how to evaluate the work of a nonprofit well," Ottenhoff said. "The trap that journalists have fallen into is they think there's a (single) number that tells you this is a good nonprofit or not."

That brings us to a key question: What exactly is the nonprofit doing with its money?

In an attempt to coax better answers from nonprofits, the IRS has doubled the space for a charity to describe its spending to a full page and bumped it up to Page 2.

This might stop charities from simply repeating their "statement of program service accomplishments" from one year to the next, as many have done. By reading several years worth of program statements, reporters can determine which charities are doing the same thing year after year and which ones are adapting to changing needs.

### Running a numbers racket

One of the best things about the new 990 is that it demotes the spectacularly deceptive "statement of functional expenses" from Page 2 to Page 10. In this statement, nonprofits allocate their expenses into three broad categories: program service, management and fund raising.

The breakdown is deceptive because there is no hard-and-fast rule for deciding how to split the numbers. And since watchdog groups such as Charity Navigator and the Better Business Bureau frown on high management and fund-raising costs, nonprofits have an incentive to minimize them.

A few years ago, just to amuse myself, I looked at the 990s for





several big universities or their foundations. Most listed no fund-raising expenses. If the numbers were right, these universities were getting tens of millions of dollars in unsolicited checks, which then opened and deposited themselves and even wrote thank-you letters, all without human intervention.

"It is so easy to fudge those numbers," Ottenhoff said, "and there's no downside to the nonprofit for fudging the numbers."

And now for the most controversial number of all: compensation. Nonprofits generally must report how much they pay their top officers, directors, employees and contractors. In its latest rewrite of the 990, the IRS rescued this information from exile (Schedule A) and put it on pages 7 and 8 of the main form.

Better yet, the new 990 requires nonprofits to report when they pay \$100,000 or more to former employees. Previously, nonprofits could hide severance payments.

But what to make of these numbers? Ottenhoff says that a quarter of the calls he gets from reporters are about compensation.

"When you say nonprofit and you mention compensation," he said, "it gets a reporter's antenna quivering."

One question to ask after you get the compensation figures: How does the top boss' pay compare with his counterparts at similar organizations? A hospital CEO is always going to make more than the director of a literacy program. The question is whether he's making more than other hospital CEOs.

## Honing the story

Most stories about nonprofits boil down to two categories: good works or scandals.

Covering scandal is important, Aviv said. She praised Washington Post reporter (and former IRE board president) James Grimaldi's takedown of the Smithsonian, as well as stories by others on the American Red Cross, the Getty Center and the Nature Conservancy.

"Those kinds of stories are central to keeping the sector conscious of its responsibilities," Aviv said.

But she, Morris and Ottenhoff said reporters are missing some big stories.

"One of the stories that doesn't get coverage is impact," Aviv said. "All this money is contributed, but what actually gets done?"

The recession, and the widespread suffering it has created, makes nonprofits more important than ever, Morris said. If he were reporting now, Morris said, he'd ask "whether nonprofits, especially charities, are making major contributions to society during this recession."

Ottenhoff harkens to the classic charity story, Boys Town. Sometimes, he said, charities that have been around for a long time have built big reserves and rewarded themselves with big salaries.

Reporters, he said, need to ask: "What are they actually doing with that money?"

*Ronald Campbell of The Orange County Register has written extensively about abusive charitable fund raising. He shared an IRE Certificate in 2000 for stories about the for-profit trade in donated human body parts.*

# The Knight-Bagehot Fellowship



## Columbia University is now accepting applications for the Knight-Bagehot Fellowship in Economics and Business Journalism.

Administered by the Columbia Graduate School of Journalism, the Knight-Bagehot program offers experienced journalists a full academic year of study at Columbia University in New York City.

The nine-month fellowship is open to journalists with at least four years of experience who can demonstrate that greater knowledge of economics, business and finance could add depth to their reporting.

As many as ten fellows selected for the 2010–2011 academic year will receive free tuition and a living-expense stipend of \$50,000. An MS in Journalism is possible upon completion of the program.

**The deadline for the 2010–2011 academic year is March 1, 2010.**

### FOR APPLICATIONS, CONTACT:

Ms. Terri Thompson, Director  
Knight-Bagehot Fellowship  
Columbia University  
Graduate School of Journalism  
Mail Code 3850  
2950 Broadway  
New York, NY 10027  
Phone: 212-854-6840 Fax: 212-854-3900  
E-mail: [tat5@columbia.edu](mailto:tat5@columbia.edu)  
[www.journalism.columbia.edu/knight-bagehot](http://www.journalism.columbia.edu/knight-bagehot)

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The Journalism School  
Columbia University

# Connect the dots

New tools visualize questionable conduct by a web of charities

By Robert Anglen  
*The Arizona Republic*

Using a controversial but legal accounting maneuver, charities transferred ownership of the supplies only on paper. This allowed multiple charities to take credit for donating the same goods to the same destination.

**M**idway through the investigation, I had a mind-numbing image: A 20-foot wall covered with property deeds, corporation records and tax returns, all connected by thumb tacks and strands of different colored string. It was like something out of a 1970s cop flick. But it was the only way I could conceive of explaining a network of charities that moved cash and goods from one to another and almost nowhere else.

I had spent months compiling records, monitoring “donations,” running down addresses and creating databases to understand how this charitable daisy chain functioned. Now I had to figure out a way to show it, and the best I could come up with was an epic version of connect the dots.

Perfect. Editors were going to love this. And I didn’t need the Psychic Hotline to know what they’d be asking: How will readers understand it, let alone visualize it?

New technology provided the answer. Social networking software (much like the underpinnings of Web sites such as Facebook and LinkedIn) merged plain-old gumshoe reporting with 21st century applications to take readers inside the story. It provided them with proof of how charities manipulated the system and gave them a tool to see information in a completely different way.

## Paper transfers

On paper, these charities operated as separate and distinct organizations dedicated to fighting hunger and curing diseases such as AIDS, cancer, diabetes, leukemia and heart disease.

But my year-long investigation (“Perfectly Legal,” *The Arizona Republic*, May 3-6, 2009) revealed that 22 charities and a dozen affiliates were all tied to a charismatic televangelism ministry called the Don Stewart Association. The charities are run by association employees, their relatives and friends. The series is online at <http://bit.ly/4rY7zO>.



David Wallace | The Arizona Republic

The Paradise Valley home of Phoenix televangelist Don Stewart and his wife, Brenda. The \$2.5 million home is owned by the church and is listed as a parsonage on financial documents.

The majority of cash donated to the charities – \$29 million over three years – comes almost exclusively from federal employees who give a portion of their paychecks in the world’s largest annual workplace charity drive, the government’s Combined Federal Campaign. The national campaign has raised more than \$250 million annually in recent years, so the network of charities represents a slice of the whole pie.

And how are those cash donations used by the network of 22 charities? Not for much charity work. They are mostly transferred from one charity to another and go to pay salaries, cars, mortgages, land purchases, travel, furniture and other perks.

What’s more, the charities reported on federal tax forms that they distributed more than \$80 million in medicine, food and other supplies that they never physically collected, stored or even touched. Using a controversial but legal accounting maneuver, charities transferred ownership of the supplies only on paper. This allowed multiple charities to take credit for donating the same goods to the same destination.

Representatives of the charities say it doesn’t matter how many of the groups take credit on tax forms as long as the needy see results. “Do you see the kids on the other end that are getting help?” said Don Stewart, leader of the Don Stewart Association. “The kids got fed, didn’t they?”

I tried mapping exchanges for just one charity and ended up with a spider web of lines and arrows. Confusing is an understatement.

The transfers of cash and goods made it appear as if the charities were doing more work than they actually did, bolstering the financial profiles they presented to federal donors in the Combined Federal Campaign.

The investigation also revealed:

- Charities give cash to groups and causes unrelated to their names or missions, such as a breast cancer group giving to a childhood diabetes group.
- Loopholes in the federal tax code allow charities run by related parties to do business together without disclosing relationships to donors.
- Lax oversight by federal agencies overseeing the federal campaign means charities are rarely monitored about how donations are spent; once a charity meets basic entrance requirements, it likely will never be screened again.
- Charities have little reason to fear an audit; the Internal Revenue Service reviews less than 1 percent of the nation’s 1.5 million nonprofits.

## Ties that bind

Like most stories, this one began with a tip, rumor and a question: Was the Don Stewart Association using charities to benefit key executives?

Only problem: executives weren’t easily identifiable. This is no mega church boasting Sunday soul salvations. It operates out of a nondescript warehouse in Phoenix. Its head and namesake is a 69-year-old faith healer who turned tent revivals into a multimillion-dollar religious empire with operations in Europe and the Philippines.

He and his employees guard their privacy. There is no church roster, no names on Web sites or weekly service bulletins. State corporation records provided me with the names of church officers. Using a subscription service called Accurant (a powerful database



Phoenix televangelist Don Stewart leads a crusade featuring faith-healing in Secaucus, N.J.

that collates all manner of public records), I cross-referenced the officers with existing business records.

Bingo. On the first try, I found that the association's chief executive officer, Larry MacKay, was running a charity out of his home.

To get a picture of MacKay's charity I turned to 990s, the tax returns filed by nonprofits each year (free at [www.Guidestar.org](http://www.Guidestar.org)). Returns require each charity to list the name, address and salaries of officers and detail all operating expenses. They also require charities to list the value of any cash and goods it distributed and give the recipient's name and address.

The pattern leaped off the page: Year after year, money going to the same organizations, most using post office boxes, many in the same ZIP code. I picked one organization at random, pulled its 990 and found that the president of that charity was MacKay's wife.

Bouncing between 990s for the two MacKay charities, I saw that they were giving cash to many of the same organizations, regardless of their missions.

In minutes I had a dozen more charities to check and the beginnings of an exponential equation that Stephen Hawking would have trouble keeping straight. If I give to 10 friends, and they give to 10 friends, and so on...

## Charities helping charities

I am not a nonprofit expert. I've never covered nonprofits nor done any serious investigation of them. Turns out, those weren't requirements. I simply had to follow the old journalistic axiom about money.

After a moment of panic and a nod to those advanced math classes I skipped in college, I created a series of Excel spreadsheets based on 990s; one for officer names and salaries; one for expenses; and one for recipients of cash and goods.

The recipient spreadsheet became the core of the investigation. Each time a new charity arose as a recipient, I added it to the list, then set about documenting where it made "donations."

The 990s told an interesting tale. Most charities operated out of private residences; their boards were association employees or relatives; the president was the only paid staffer; different charities used the same answering service and the same accountant; and they did business primarily with one another.

Even charities not operated directly by association employees operated in similar fashion.

# Lessons learned

Examining  
Nonprofits

## Tax returns have gaps; 990s often are wrong.

- Information comes from the charities, so double-check addresses, names, etc.
- Required information is sometimes withheld.
- There are virtually no IRS audits of nonprofits' tax returns.

## Use additional resources to verify charity operators and recipients.

- Corporate records
- Property deeds
- Postal records
- Check out the charity's physical location. Does it have an office or a staff?

## Cash matters: It's how charities pay bills.

- Look closely at how and where a charity spends money.
- Look at what is not expensed, such as warehouses, trucks or shipping containers. If a charity tells you that it sends goods all over the world, then there should be a host of expenses related to shipping.
- Look at the type of donations a charity makes. Are they cash or other gifts? Why?

## Understand the system.

- Donations are the lifeblood of charities.
- Charities are rated by outside organizations based on ratios of expenses to donations.
- Donors often choose charities based on these ratios.
- A charity can inflate the perceived number of donations in order to make expenses seem low by comparison.
- Look at the way charities categorize expenses, as this can affect ratios.

## What is the story?

- Get buy-in from editors before beginning.
- Be prepared to spend a lot of time poring over records.
- Look for bigger issues. What will this investigation expose beyond a questionable non-profit? (In our case, it was manipulation of the federal government's charity drive, lax federal oversight and IRS loopholes.)

— Robert Anglen, *The Arizona Republic*

Of the total \$29 million in cash that the 22 charities reaped from donors in the Combined Federal Campaign and elsewhere, only \$1.5 million went to identifiable organizations unaffiliated with the group of interconnected charities.

I found about three dozen charities and other organizations tied to the Don Stewart Association that were involved in the transfers of cash and goods. Tax records were available for 21 of those charities in the United States and one in England (using British financial records), so that became the de facto criteria for establishing the network.

I tracked 725 donations made by these 22 charities. Out of those, 307 went from one of the 22 charities to another in the group.

Of the total \$29 million in cash that the 22 charities reaped from donors in the Combined Federal Campaign and elsewhere, only \$1.5 million went to identifiable organizations unaffiliated with the group of interconnected charities.

The single biggest cash recipient: the charity owned by the Don Stewart Association.

### The key question

The most important revelation came almost by accident. Call it dumb luck. Were it not for a hastily lobbed question during a marathon six-hour interview (the first of several) with Don Stewart Association lawyers, publicists, charity representatives and their accountant, I might have missed it altogether.

How do charities operating out of apartments and single-family homes move thousands of pounds of food and medical supplies to foreign countries? *Are you trucking semis into gated communities? Storing it in garages?*

At first there was silence; then several voices rushed to fill the gap. But these guys weren't talking about trucks and warehouses. They were talking about accounting procedures, ownership transfers, IRS rules. And suddenly I understood that the 22 charities not only didn't have the supplies. They never did.

And officials weren't denying it. They were justifying it.

I went straight from the interview and back to the 990s. I saw two categories: foreign medical supplies and domestic donations of food. I concentrated on the medicine, which appeared to be giving first to two charities in St. Louis and then to charities in Ari-

zona, California, Texas and England. From there, the goods were reportedly being shipped overseas (at least on paper).

Further investigation revealed that the goods were being transferred on paper to St. Louis by a Canadian nonprofit that operated from a modest seaside home in British Columbia. In exchange for a fee, the Canadian firm transferred ownership of the goods and arranged to have them shipped from yet another party.

That means charities took credit on tax forms for donating millions of dollars worth of supplies when they really paid just a few thousand dollars for ownership rights.

Food donations worked in a similar fashion. Five charities operated by Don Stewart Association employees and their relatives took credit for food donations that were actually made by the Northern Arizona Food Bank (which is owned by the Don Stewart Association).

The food bank transferred ownership of \$16.4 million in food to the charities, which then reported donating it to shelters, food banks and other relief organizations. The food changed hands only in ownership paperwork.

The charities don't have trucks or warehouses.

### Spinning a digital web

That's when I proposed a map-and-string flowchart across half the newsroom.

Editors, to their credit, didn't offer me indefinite mental health leave. It seems my connect-the-dots concept caught the attention of our data team and they wanted to try it, electronically. The newspaper agreed to buy software. Editors saw the potential for social networking software during an IRE conference in 2007 and had been waiting for the right story to come along and make buying it worthwhile.

Data manager Ryan Konig took my original spreadsheets and converted them into graphic format (Konig would eventually build two additional programs to ensure accuracy and safeguard the data). Artist Andrew Long built an interactive display to showcase the data, giving readers an interactive experience.

The results were stunning. Readers could go inside the web of donations and see every charity and every family connection. They could click on a specific donation and see how it moved through the charities, how the money never left the charities, how goods moved on paper.

The format drove home the four-day print series like hammer to anvil. It was something a reader rarely gets: raw data. No interpretations, incontrovertible evidence.

See for yourself at: <http://bit.ly/6VK1cw>.

Following our investigation, federal authorities confirmed that the Office of Inspector General launched a probe of charities involved in the Combined Federal Campaign. The Arizona Attorney General's Office announced its own inquiry. The nation's largest food bank, St. Mary's Alliance, severed contracts with the Don Stewart Association. Just weeks after being contacted by *The Arizona Republic*, the Canada Revenue Agency shut down the British Columbia charity.

*Robert Anglen is an investigative reporter for The Arizona Republic. Previously, he worked at The Cincinnati Enquirer and the Reno Gazette Journal. He has worked as a skip tracer to track people, bill collector, cab driver and process server. He also writes crime fiction.*

## Data analysis

**For the series "Perfectly Legal," Arizona Republic reporters and artists used social networking software to give readers an inside look at how 22 charities moved millions of dollars in cash and goods between themselves while making it appear they were benefiting worthwhile causes. Here are the technical details:**

- Data originally was collected in a Microsoft Excel spreadsheet.
- Excel data was transferred into Pajek, a social network analysis program, and NetDraw, to create visual connections between organizations.
- A Visual Basic program was built to sum up the number of donations, as well as the value of the cash or goods sent and received by the charities.
- An Actionscript program was built to graphically show the relationships among the core 22 charities.
- The data was converted to XML.
- Adobe Flex software was used to create an interactive graphic.

– Robert Anglen, *The Arizona Republic*

# Solid foundation

IRS records help with daily stories and large projects

By Lewis Kamb  
*The (Tacoma) News Tribune*

In the past year, my colleagues and I have ferreted out conflicts of interests among local Boy Scouts groups, exposed ballooning compensation packages at one of the nation's largest nonprofits, and documented sharp climbs in executive pay while a local affordable housing agency spiraled to the brink of financial collapse.

These investigative stories all were told using basic information provided on the IRS Form 990.

From adding context to dailies or breaking news stories to providing the framework for a multi-part investigative series, the sheer utility and accessibility of the 990 make it one of the best weapons in an investigative reporter's arsenal.

Use them alone to quickly break off stand-alone watchdog stories that advance developing news. Use them creatively as comparatives to other records to expose accounting gimmicks, conflicts of interest or other financial shenanigans for longer-term projects. Or, use them simply as a reference, to help you organize your reporting and guide you to other valuable people and paper sources.

Here's how 990s played a role in two very different investigations:

## “Chain Saw Scouting”

A seemingly routine daily story in 2004 for the *Seattle Post-Intelligencer* about neighbors fighting a logging proposal ultimately led to the first companywide investigation for the Hearst Newspapers chain.

Published earlier this year, “Chain Saw Scouting” examined the Boy Scouts of America's widespread logging and land-use activities for the past two decades. It's available online at [www.seattlepi.com/specials/scoutslogging](http://www.seattlepi.com/specials/scoutslogging).

Among its findings, the series determined that scouting councils nationwide have routinely carried out clear-cuts and other high-impact commercial logging in and around sensitive and protected forests and wildlife, despite the organization generally touting a green-friendly record.

Other key findings included that scouting councils made millions by logging or selling campgrounds to developers, even though the properties specifically were given to them for preservation and recreation. We also found scouting councils sometimes have engaged in such activities as a way to help make up for economic losses due to the organization's bans of gay and atheist members.

The effort took months of work by staffers across the Hearst chain. It resulted in a three-part investigative series with follow-ups that ran simultaneously in Hearst's five largest newspapers and included shared online resources, as well as broadcast news components carried by more than 20 local TV stations.

The investigation also relied heavily on information garnered from hundreds of IRS Form 990s – documents mined for financial data as well as key textual information that we used in at least a

dozen different and creative ways.

The story began when residents of a wildlife-sensitive forest on Washington's Olympic Peninsula notified me that the Chief Seattle Council of Boy Scouts was pursuing a clear-cut in one of the nation's oldest scout camps. The council denied that the logging was a money-making endeavor and claimed it was meant only to protect campers from diseased trees.

Key logging records, expert interviews and financial information reported in 990s showed otherwise.

## Profits from logging

While I was covering controversy, opponents told me that such scout-led logging projects were widespread. So, I filed the first of what would be more than 300 public records requests.

I initially asked the Washington Department of Natural Resources for 20 years' worth of state logging records submitted by scouting councils. I soon had a list of more than 20 past and pending projects – many of them clear-cuts, salvage harvests or other high-impact projects seemingly motivated by profits.

When I started pulling corresponding 990s for the local scouting councils – independent nonprofits affiliated with the umbrella National Boy Scouts Council, but which filed their own annual tax-exempt reports to the IRS – I began gleaning additional revenue information about the projects, plus a bonus beyond the numbers.

Listed among names on many of the local councils' boards of directors were executives and employees of corporate logging businesses. For example, several current and past Weyerhaeuser executives sat on the boards of some of Washington's biggest scouting councils. In other states, I also found employees, volunteers and executive board members directly tied to other timber, real estate and development firms.

I soon found that Washington is among a handful of states that have any meaningful regulation that requires permits (read: public records!) be issued before logging of public or private lands. Called Forest Practice Applications/Notifications, these obscure technical documents provided a plethora of wildlife and environmental information about land involved in such projects.

I gathered similar records from California, Idaho, Oregon and a few other states. In the states with no such records, I identified through talking with experts the next best documents – usually state-issued Forest Stewardship Plans – that also often detailed past and future logging projects on scout-owned lands.

These records helped us build a scouts logging database, supplementing fields with additional data about revenues from IRS 990 reports and local tax records from state revenue departments.

## A national project

While I was building the database, Hearst began looking for ways to share resources by seeking collaborative projects among its big papers. Using the material I'd already assembled, Hearst I-teams from the *Seattle P-I*, the *San Francisco Chronicle*, the *Houston Chronicle*, the *San Antonio Express-News* and the *Albany Times-Union* formed an uber I-Team

Examining  
Nonprofits

Among its findings, the series determined that scouting councils nationwide have routinely carried out clear-cuts and other high-impact commercial logging in and around sensitive and protected forests and wildlife, despite the organization generally touting a green-friendly record.

Gilbert W. Arias | Post-Intelligencer



An aerial view of loggers harvesting timber at the Delezene Boy Scout camp near Elma, Wash., in 2008.

The board blamed the two former top officers for engaging in risky investments, including buying undeveloped property on speculation and using affordable housing units as collateral, without the board's approval.

that worked together to expand and enhance the scouts project to include land sales and development cases – also an emerging trend in recent years – that we found through court and property records, news clips, data searches and other reporting.

The IRS 990 was crucial in helping us organize our reporting and helping P-I CAR reporter Daniel Lathrop create an interactive national map of case examples.

Early on, P-I chief investigative reporter Eric Nalder and Hearst investigations coordinator Phil Bronstein helped our team buy raw 990 data from Guidestar that included information pulled from reports filed by every Boy Scouts-related nonprofit in the nation.

My colleagues Bob Port, Sarah Hinman and Nadja Drost in Albany helped put together a database of those records that included the EINs (employer identification numbers) and other helpful information mined from that data – shared resources that would serve as great reference tools for our reporting nationwide. Among other things, the database helped us to quickly identify and divvy up key councils across the nation and ensured that our coverage was comprehensive, covering every scouting group in the nation.

The reference database was just one way we used 990 reports. Other examples included a more straightforward examination of the Texas-based National Boy Scouts Council's historic 990 records for an explanatory piece on organizational financial trends. Project reporter Todd Bensman and investigations editor Audrey Lee of the *San Antonio Express-News* headed that eye-popping analysis, which detailed national scouting executives' big salaries and deferred compensation packages, and how they were larger than those offered by many comparable nonprofits.

Similar analyses of local scouting councils' 990 records throughout our various coverage areas conveyed strong findings, as well.

### Conflicts of interest

The final day of coverage included a meticulously reported story by San Francisco's Seth Rosenfeld, who detailed a North California river's fish kill of at least 30 endangered steelhead trout caused by a scouting council's illegally built summer dam.

Facing scrutiny from federal and state wildlife regulators, the scouting council later called in favors from scout-friendly politicians to make a case against their dam go away. The day's coverage also included a report by me that detailed a host of apparent

and potential conflicts of interest nationwide involving scouting executives, volunteers and employees whose business or personal dealings were tied to scout-led logging or land-use projects.

Both stories relied on 990s to help flesh out and identify key details. The tax returns helped identify board members, business contracts (one field on 990 reports lists an organization's top contracts), logging revenues, property dealings and other financial details. Other records and reporting helped expose cozy relationships between scouting councils and their associates.

In Mississippi, one scouting council was conducting clear-cuts and taking the timber to a mill owned by a board member, in a deal she helped approve. I found similar deals in Washington and Oregon.

In all, the investigative series, edited by former P-I investigations editor Rita Hibbard, resulted in government reviews in California, Oregon and Washington that led to policy changes. Officials in Oregon also ordered the clean-up of logging violations next to a protected salmon river. Part of a forest slated for development in Washington also was set aside for preservation.

### Housing agency turmoil

After the Hearst Corp. shuttered the Seattle P-I's print operations not long after we published the Boy Scouts investigation, I headed about 35 miles south to take a city watchdog job at The (Tacoma) *News Tribune*.

I'd barely walked in the door when longtime columnist Peter Callaghan passed along a tantalizing tip: Amid claims of financial mismanagement, the charismatic but controversial leader of a local affordable housing nonprofit had been fired.

New to town, I had few sources and knew nothing about the Martin Luther King Housing Development Association or its executive director, Felix Flannigan. The claims were explosive because the agency – an institution in the city's once gang-infested Hilltop neighborhood – is considered one of Tacoma's largest affordable housing groups and has ties with some of its most prominent residents.

I immediately turned to the agency's 990 reports. They served as a valuable guide, quickly revealing the lay of the land: potential sources and a year-to-year snapshot on the agency's purported financial health leading up to the near-collapse. They also immediately gave me story ideas.

Before I'd even written the first story chronicling the firings of two top officials (including CEO Flannigan) amid the nonprofit's financial turmoil, the 990s showed me that Flannigan's pay had increased dramatically in recent years.

I also noticed a name on the agency's payroll belonged to Washington's former speaker of the House. He was paid \$60,000 per year for part-time public relations work. In blue-collar Tacoma, that part-time pay was higher than what the typical household brings in each year, according to census figures.

The records also showed me a big year-to-year turnover among the nonprofit's board of directors. While a core group remained consistent, several players came and went, including some prominent politicians and professionals. Some of the former board members said they'd left because of widespread disorganization. One local politician called his tenure on the board the worst experience of any of the dozens of nonprofit groups that he had served.

Russ Carrack | News Tribune



Board members say they fired Felix Flannigan, former executive director of the Martin Luther King Housing Development Association, for mismanaging the agency. Flannigan says the board approved his actions as director.

Examining Nonprofits

## The money trail

I also was clued into other important records, including a city-commissioned performance audit that showed the agency had long had rampant financial and supervisory problems. The consultant who headed the audit said she had recommended Flannigan be fired years earlier because of the agency's deep-rooted issues, but the nonprofit's board ignored her recommendation.

In short order, I was armed with a flood of records and allegations about a nonprofit that only a day or so earlier, I wasn't aware even existed. With that knowledge, I confronted board members, who confirmed they'd fired Flannigan and the agency's chief financial officer due to financial mismanagement. They also said they were conducting their own investigation and seeking an outside audit because the agency's books were in such disarray.

The board blamed the two former top officers for engaging in risky investments, including buying undeveloped property on speculation and using affordable housing units as collateral, without the board's approval. Flannigan and the CFO both denied the allegations, saying the board was kept informed and approved of their actions.

The nonprofit had lost two properties to foreclosure, including a multi-unit apartment for low-income residents put up as collateral to buy vacant land. More than a dozen other homes and buildings also faced foreclosure, as mortgage payments were missed. In fact, the agency hadn't paid any of its bills for months, had laid off about two dozen employees and had lost dozens of housing units.

Through interviews and by obtaining board meeting minutes and the agency's employment manual, I also pieced together a story about alleged nepotism among the nonprofit's employment ranks that ran counter to its own rules. Among other details, the former state speaker of the House had persuaded Flannigan to hire a cousin, who some staffers later claimed did little to earn his pay. Both the politician and his cousin denied the claims.

Edited by TNT Public Life Editor John Henrikson, my coverage resulted in several big take-outs and quick-hit dailies that drew strong community reaction and ultimately led the state's commerce department to launch its own investigation. Coverage remains ongoing. Stories are available online at [www.thenewstribune.com](http://www.thenewstribune.com) (Search: "King Housing Development Association").

Stepping blindly into a developing story, I found that 990 reports helped shine a light on key information that guided the reporting.

*Lewis Kamb is a city government watchdog for The (Tacoma) News Tribune. He also has written for the Knight-Ridder Washington, D.C., bureau, the Birmingham Post-Herald, The Philadelphia Inquirer, the Seattle Post-Intelligencer and The Seattle Times. He recently helped former P-I reporters launch the investigative journalism nonprofit, InvestigateWest.*

# Tips on IRS 990 forms

**Associated documents:** IRS Form 990s are great resources, but don't forget to obtain associated records for nonprofits and charities, including IRS Forms 1023 and 1024 (information tax returns), and IRS Forms 990-T (unrelated business income tax, which reports revenues not associated with a nonprofit or charity group's core mission). Also, check with your state for any nonprofit and charity records that may be required on the state level that are similar to federal 990 reports.

**Employee salaries:** Is an organization's financial health failing at the same time executive pay is increasing? Read several years of 990s to identify trends over time. Sometimes, all of the information you need to turn a quick watchdog story is contained in the forms. Contact nonprofit watchdog groups to add context about how your nonprofit's executive pay stacks up nationally.

**Conflicts of interest:** Pay attention to the names on nonprofit directors' boards. Look at the top outside work contracts awarded by the nonprofit, sometimes disclosed in the reports. Are there relationships? Are names of relatives emerging in the records? If so, there could be nepotism. Check the backgrounds of nonprofit board and staff members to find additional context. Are prominent politicians or professionals tied to troubled nonprofit agencies?

**Raw data:** Pre-sorted raw data available from Guidestar and other resources is a quick way to gather nationwide data about nonprofits and charities. But always be sure to spot-check raw data against paper records to weed out potential omissions and mistakes.

**In-person review:** Whenever possible, read the IRS 990s at the nonprofit or charity you're investigating. While 990s are now widely accessible online, federal law stipulates tax-exempt groups must make their last three reports available for public inspection. Often, reviewing these records at the agencies themselves leads to more informed reporting. When an uncooperative police union stonewalled me during a probe about police corruption, I showed up at the union office and spent several days reviewing its 990s. The visit ultimately resulted in a first-hand perspective of how the office ran and fleshed out more important details and interviews.

**Resources beyond Guidestar:** The leading online repository for nonprofit information, Guidestar ([www.guidestar.org](http://www.guidestar.org)), is a valuable tool for quickly obtaining 990s. But other Web sites can sometimes prove more helpful. If you don't have the expensive Guidestar premium account, you'll typically be able to obtain a tax exempt group's last three 990 filings. Sometimes, more 990 reports are available through other online sources, such as The Foundation Center ([www.foundationcenter.org](http://www.foundationcenter.org)).

**Records triangulation:** Whenever possible, cross-reference information contained in 990s against other records – audits, corresponding state revenue and nonprofit records, follow-up IRS filings, bankruptcy records – to check if the 990 details are accurate. Some of the best investigative stories have found nonprofits underreporting their finances or hiding revenues in related entities or over-reporting their annual expenses.

**Filing lag time:** IRS 990 reports are typically filed a year after the fiscal year ends. Often, records for the most current year haven't been filed. Organizations also can seek filing extensions.

– Lewis Kamb, *The (Tacoma) News Tribune*

# Neighborhood clues

Big yellow boxes lead to review of far-flung charity

By Tisha Thompson  
WTTG-Washington, D.C.

All five charities in South Africa, for instance, had the same street address. But when the South African Embassy ran them through its charity databases, none were listed as registered charities.

**D**uring my college years, former IRE Executive Director Brant Houston took my journalism class on a field trip – down the street. He told us to walk one city block and find “10 investigations to write about.” I think I probably came up with six terrible ideas.

But the lesson never left me, which is why I was so suspicious when big, yellow clothing donation boxes labeled “Planet Aid” showed up in my neighborhood. Two were left in front of my grocery store, while another showed up at my gas station. Two more were plopped in front of an RV supply store.

In bold letters, the boxes say that Planet Aid is a nonprofit “501(c)(3) tax-exempt organization.”

Hello, GuideStar.

If you’ve never been to GuideStar ([www.guidestar.org](http://www.guidestar.org)), it’s a lovely place for fishing. The free version requires you to log in, but doesn’t send you spam. Once inside, you can search the tax records for most nonprofits.

The 990s are full of obvious, and not-so-obvious, treasures. One of the easiest things to do is to look up how much the head honchos make. For instance, I discovered our local kiddie soccer league pays more than \$100,000 a year for what I had thought was a volunteer position.

Planet Aid’s most recent 990 revealed it raised just under \$30 million last year. It sent about a third of its total revenue to other charities. The document gave me the names and addresses of the group’s management.

Tisha Thompson | WTTG-Washington, D.C.



This same 990 prompted groups such as the Better Business Bureau to conclude that Planet Aid spends too much on administrative costs and not enough on charity.

But if we’ve learned anything in this rough economic climate, it’s never to accept an organization’s balance sheet at face value.

The IRS requires all nonprofits to list the name, address and amount of “Cash Grants and Allocations to Others” in Section 5 of the form. Planet Aid says it gave more than a third of its profits to a six-page list of charities in 15 different countries.

At first, the list looks impressive. But then I started to notice trends jumbled up among the numbers. All five charities in South Africa, for instance, had the same street address. But when the South African Embassy ran them through its charity databases, none were listed as registered charities. Instead, the address came back for the “International Humana People to People Movement.”

I repeated the exercise for each country and found every charity listed in Section 5 was part of the “International Humana People to People Movement,” a mega-organization based in Zimbabwe under the protection of dictator Robert Mugabe. Humana listed the vast majority of these charities on its own Web site. That same list included Planet Aid. In a widely publicized criminal trial, European investigators have linked Humana to the controversial Danish group “Tvind,” which some critics label a cult.

After researching Tvind in the United States and Europe, I was able to link some of Planet Aid’s leaders directly to Tvind. I also found their names listed on the 990 forms for at least five other nonprofits based in the United States.

Critics say Tvind uses Planet Aid and Humana’s other charities to funnel money directly into the pocket of its enigmatic leader, Amdi Pedersen. European investigators say Pedersen is worth an estimated \$850 million and used the nonprofits to pay for his lavish lifestyle, including million-dollar homes, a yacht, a television station and for-profit corporations in places such as Tahiti and Brazil. As a result, Pedersen and his top lieutenants have been on the run from Interpol for years. The one Tvind leader who has been caught was convicted in January by the Danish government for tax fraud and embezzlement.

Planet Aid repeatedly refused an on-camera interview, but did say in a statement it was “not aware of a recent trial in Denmark that is linked to Planet Aid” and that Pedersen does not have “any relationship with the organization.” As for calling it a cult, Planet Aid says that’s “a most ridiculous claim.”

Since our series aired, some of the yellow boxes have started to disappear. The one outside my gas station was suddenly replaced the other day by a donation bin from a well-respected local charity.

I guess it’s time to go find the other nine stories I have yet to uncover in my own back yard.

*Tisha Thompson is the investigative reporter for WTTG-TV in Washington, D.C. She learned to be suspicious when she went to get her master’s degree at the University of Missouri School of Journalism.*



# Resources

By Alecia Swasy  
The IRE Journal



## Stories

**Story No. 22688:** Kevin Begos and Laura Giovanelli, *Winston-Salem (N.C.) Journal*. "Public Schools, Private Money" exposed problems with the management and transparency of nonprofit foundations associated with the North Carolina State University system, and excessive fees charged by Bank of America to run the North Carolina School of the Arts Foundation's endowment. (2005)

**Story No. 23894:** John Carreyrou, Barbara Martinez, Geeta Anand, *The Wall Street Journal*. "Prescription for Profits" examined whether nonprofit hospitals, which account for the majority of hospitals in the U.S., deserve the billions of dollars in annual tax exemptions they receive. The Journal's series revealed that many nonprofit hospitals have become profit machines while shirking their charitable missions. (2008)

**Story No. 23192:** David Wren, *Sun News* (Myrtle Beach, S.C.). "Investigating Five Rivers" showed mismanagement of money by a nonprofit meant to help find jobs and buy homes for those with low to moderate incomes. The majority of the revenues during the past 10 years paid the salary, insurance, travel and other expenses that benefited Five Rivers' executive director and her children. (2006)

## Tipsheets

**No. 2155:** "Investigating a nonprofit, church-based organization," John W. Allman, *Tampa Tribune*. Allman lists sources that can help reporters find documents regarding religious organizations. The Internal Revenue Service has different regulations for churches than most other nonprofits. Because of this, some of the documents that reporters rely upon when investigating nonprofits aren't available.

**No. 1124:** "Tips for Tracing Tax Exempts," Jackie Koszczuk, Knight Ridder Washington Bureau. This tipsheet lists ways to track the use of tax-exempt organizations to finance political activities.

**No. 2549:** "Investigating the nonprofit business world," Duff Wilson, *The New York Times*. Wilson explains how to read the tax forms that nonprofits are required to submit. He discusses IRS form 990 and IRS form 1023. Wilson also suggests other ways to investigate nonprofits, such as finding public records and using the WayBack Machine to probe the Web site.

## The IRE Journal

"Local probe uncovers financial sleight of hand used by nonprofit group." Carol Ann Alaimo, *Arizona Daily Star*, reports on an investigation of United Way's questionable fund raising, money management and accounting practices. The article points to resources on charities and nonprofits. (March/April 2003)

"Closer look at 990s reveals hidden costs in nonprofit fundraising." Harvey Lipman, *The Chronicle of Philanthropy*. Lipman explains how he discovered that nonprofits don't always report all of their expenses. (March/April 2002)

## Extra! Extra!

"Army charity holding onto millions of dollars," The Associated Press. The biggest charity inside the U.S. military has been stockpiling tens of millions of dollars meant to help returning soldiers get back on their feet. Between 2003 and 2007, the Army Emergency Relief grew into a \$345 million behemoth. During those years, the charity packed away \$117 million into its own reserves while spending just \$64 million on direct aid, according to an AP analysis of its tax records. (Military, Nonprofit, Feb. 25, 2009)

"County cancels contracts with troubled nonprofit," *The Fresno (Calif.) Bee*. The newspaper's lengthy investigation found Fresno County had millions of dollars worth of contracts with Genesis Family Center, a nonprofit social-service agency headed by two sisters who had been convicted of embezzling the agency's money. Even after the convictions, the agency continued to engage in questionable spending practices, such as giving each sister a \$25,000 raise, leasing one of them a BMW and spending hundreds of thousands of dollars on their legal defense. Critics argue that the money should have gone to the children served by the agency. As a result of the coverage, the county canceled its contracts with the agency. (Government, Nonprofit, June 4, 2009)

## Uplink

"Private Foundations," Jeff Porter, *Arkansas Democrat-Gazette*. Porter explains how the newspaper investigated the state's 273 private foundations, which control \$1.5 billion in assets. Porter also offers tips on how to find information on nonprofit organizations. (October 2000)

"Uncovering 'back-door vouchers,'" James E. Wilkerson, *The Morning Call* in Allentown, Pa. A Pennsylvania program started in 2001 gives businesses up to 90 percent state tax credit for money they donate to nonprofit organizations, which then distribute the money to students for tuition. *The Morning Call* gathered information on the organizations that received the money and on how much money they got from the state to show that private, nonprofit schools were getting the majority of the benefits. (September/October 2002)



**The Reporters Committee for Freedom of the Press** is seeking an experienced reporter/editor to serve as its **Journalism Fellow**.

**Description:** The recipient of the one-year fellowship will have the opportunity to learn about free press issues first hand. The fellow will write, edit and design for the Committee's publications and Web site.

**Minimum requirements:** Three years journalism experience and a strong interest in free press issues.

**Benefits:** \$40,000 plus full health benefits for a one-year fellowship beginning in September 2010. The fellow also will audit a course on First Amendment /media law.

**Application deadline:** March 1, 2010

See <http://www.rcfp.org/fellowships> for more information

# PORK OR PROTECTION?

Follow the money in your community to fight terrorism

By G.W. SCHULZ

CENTER FOR INVESTIGATIVE REPORTING

The biggest mistake any reporter could make now is to assume that the best homeland security stories already have been done, as if that costly legacy merely faded away with the Bush administration.

Nearly \$70,000 worth of surveillance gear left unused in its original packaging by a county north of San Francisco. A \$2,300 plasma TV for university cops. More than \$1.3 million spent without maintaining proper documentation to show where it went. Millions more in bomb-disposal robots and new communications systems bought from suppliers who weren't forced to compete.

The biggest mistake any reporter could make now is to assume that the best homeland security stories already have been done, as if that costly legacy merely faded away with the Bush administration.

A September story published and broadcast by the Center for Investigative Reporting and its new nonprofit California Watch showed there are plenty of opportunities to expose mismanagement and excess.

Waste, fraud and abuse still afflict America's newest bureaucracy, the Department of Homeland Security. Special interests continue to rule Washington, and the spigot of spending on security initiatives flows freely. Federal homeland security grants, fortified by President Barack Obama's plan to save the U.S. economy, are just the beginning.

Local emergency managers, firefighters and police departments – each with considerable lobbying power at City Hall and on Capitol Hill – insist to news organizations that federal anti-terrorism grants have slowed to a trickle and communities are left with too few resources to prepare for catastrophe or fight terrorists.

That's compared to the breathtaking sums Congress appropriated to cities and states in the years immediately following Sept. 11. Investigators from the Government Accountability Office and the Homeland Security Department's inspector general say that despite \$29 billion in grants distributed since 2001, the federal government can't fully explain how much safer the spending has made America.

While there are critics of extravagant grant programs, the funds have nonetheless become an entrenched form of government pork that policymakers are reluctant to give up, something the 9/11 Commission warned against in its final report on the hijackings.

Now there are even greater reasons to examine the grants since the passage of Obama's economic recovery package. That colossal wave of taxpayer dollars is being funneled to state and local coffers through existing grant programs, including those created to protect the homeland. Many have experienced years of dysfunction described in audits and other documents that are busily collecting dust in state agency offices.

Homeland security officials in May 2009 announced an injection of a half billion dollars of Recover Act funds into just three grant programs designated specifically for port and transit security and new fire-station construction. That money was in addition to the \$1.3 billion for such projects Washington already had awarded during the fiscal year – grant programs that have not been deeply probed by journalists the way others have.

## Focus on your state

When the Center for Investigative Reporting created a partnership with the Center for Public Integrity in September 2008 with funding from the Open Society Institute to report on homeland security, we knew that much of our attention would have to be turned from the federal government to the states. (A.C. Thompson, now a reporter at ProPublica in New York, helped get the project off the ground. Reporter Sarah Laskow of CPI took on congressional oversight and other subjects inside the Beltway.)

The governor of each state is responsible for designating an office to distribute and oversee readiness grants, which means Washington has largely distanced itself from the responsibility.

So we set out to request from every state all electronic information we could get showing where the money has gone, hoping to later create a national database. That proved to be an arduous task. Emergency management officials in Illinois told us in a response letter: "The agency has conducted a search of its files and has found the information included herein." The information included herein was just three sheets of paper for a state that's been given more than \$525 million in grants.

Some states said they had only mountains of paper records that would cost thousands of dollars to duplicate. Others claimed that if we publicized the brand of \$175,000 bomb robot they purchased, terrorists planning an attack would use such insight to their advantage.

But we were successful in getting some states to create

California Emergency Management Agency



Ion mobility spectrometers can detect nerve and blister agents used in a possible chemical attack, including mustard gas. This one was purchased by the city of Burbank with federal homeland security grants.

convenient digital spreadsheets that didn't previously exist. They listed expenditures by type of equipment, cost per item, jurisdiction, grant year and more. With such files, we could answer all kinds of new questions. We noted that communities in Louisiana together bought several dozen new Dodge Durangos, each categorized as response equipment for threats posed by chemical, biological and nuclear agents. Other times, we obtained records after putting up a fight and appealing denials.

Before submitting your own open-records request for grant spending information, consider first seeking a list of those programs that are available or have been in the past. There are lots of relatively obscure grants a state may be in charge of, and some have disappeared over time while others were created anew. California last year received \$5.7 million from the Department of Homeland Security for boating safety and crisis counseling.

The language in your letter might look something like this: "I am seeking access to lists documenting all equipment and services invoiced and paid for under the [add grant programs here separated by semicolons] received from the Department of Homeland Security and administered by [your state]."

There's another key component you should include. Request "any and all financial, management and performance audits and/or other reports gauging the effectiveness and administration of [your state's] receipt of homeland security grant funding since 2001."

## Examine the site visits

Each state is required to carry out so-called "site visits" in which officials travel to cities and towns, inspect equipment to make sure it's in good order and check for the proper maintenance of invoices. Many states still have not begun this process, pointing to staff shortages. That in itself should cause concern about oversight.

If purchases aren't being documented electronically and the state also isn't inspecting gear, how can officials efficiently keep track of billions of dollars worth of spending? Site monitoring reports may also not be very informative. Some states are compiling little more than checklists.

Site-visit reports in California, on the other hand, revealed scores of problems in hundreds of pages of records we obtained. Counties couldn't produce paperwork needed to verify spending, or they had faulty accounting systems that led to excessive charges. Pricey gear was not deployed, or some purchases just didn't make sense, like one county's attempt to buy a lawnmower.

We traveled to the state capitol with a portable scanner and retrieved hundreds more pages of records that explained how communities responded to the findings. In one letter, a local sheriff described how his county hired a contractor to manage grants, but it took two years to discover he had little knowledge to perform the job. We also found in grant files CDs that contained photos of purchased gear, which we saved on a laptop and later used for a multimedia feature.

Newspapers, radio and television stations, and news Web sites across the Golden State helped to publish and broadcast our resulting main story. It's online at <http://bit.ly/2R3dfv>. We even tailored individual versions by including content specific

California Emergency Management Agency



Vehicles such as this incident-response truck in Marin County were commonly purchased with homeland security grants across California. They are equipped with computer terminals, communications equipment, DVD players and more. Authorities deploy them as a central command post during catastrophes.

to a news organization's coverage area. Online, we posted an interactive map showing ranges of how much each county received in grants and lists of where the money went. In a sidebar, we profiled a California company that specialized in building expensive incident-command vehicles but went bankrupt after becoming entangled with a convicted fraudster.

An additional key document you can use for a roadmap of not just homeland security grants but also stimulus funds is the A-133 single audit. IRE has touted the audits for years in training sessions. Any entity that receives more than \$500,000 in federal grants has to undergo this basic financial audit. Your state government faces one every year that reviews how it passes through federal funds to local grantees or uses the money for itself. Then your city and county each will have its own yearly single audits, as will offices within them, such as the local police department and sheriff.

It's important to understand that some homeland security grants and other types of federal assistance go directly to local communities and independent entities such as public transit, port or bridge authorities, universities and nonprofits. You can identify them online in the Federal Audit Clearinghouse. Consider obtaining the last five years of single audits from large government bodies or nonprofits across your coverage area for a look at poorly performing programs that are now being pumped full of new stimulus cash.

Around the country we've seen auditors question millions of dollars in spending, disclose investigations into potentially criminal conduct and indicate whether the same problems are

continued on page 35

Consider obtaining the last five years of single audits from large government bodies or nonprofits across your coverage area for a look at poorly performing programs that are now being pumped full of new stimulus cash.

# PLAYING DEFENSE

Universities use federal student privacy law to shield sports records

BY JILL RIEPENHOFF  
THE COLUMBUS DISPATCH

... about a dozen or so schools wanted so much money that we could not afford to buy public information. For example, Iowa wanted \$100; Michigan, \$850; and Maryland asked for \$35,000.

The catalyst to examine a federal student privacy law began in 2003 with former Ohio State University running back Maurice Clarett.

The NCAA and Ohio State suspended the football player indefinitely for an undisclosed ethical-conduct violation.

To this day, no one outside the closed society of the NCAA knows what benched Clarett, thanks to Ohio State's interpretation of a federal student privacy law.

It wasn't the first time that Ohio State invoked the Family Educational Rights and Privacy Act (FERPA) to shield records. And it certainly wasn't the last.

As other scandals emerged at Ohio State in men's and women's basketball and football, FERPA became a bulletproof vest on a \$115 million athletic department. The law was created to protect academic records. Yet Ohio State was using it to withhold many records, including plenty that had nothing to do with academics.

The Columbus Dispatch set out to find out how FERPA was being applied nationally.

I started with James L. Buckley, the former U.S. senator from New York who authored FERPA. I sent him a certified letter explaining what *The Dispatch* was attempting to do and asked him to call.

I was reluctant to cold-call the 86-year-old former senator because I didn't know if he was in good health. He called as soon as he received the letter, and we talked for 30 minutes. He was outraged that his law had been "bastardized by the universities," noting that he never intended for FERPA to protect athletes or their records.

Game on!

The next week, *Dispatch* projects reporter Todd Jones and I sent out 119 public records requests to schools in 39 states for documents related to athletics. To save time, we used the state public-records letter generator provided online by the Student Press Law Center ([www.splc.org/foiletter.asp](http://www.splc.org/foiletter.asp)).

We requested passenger flight manifests for football team travel to away games, football players' complimentary ticket lists, summer-job registrations and reports of NCAA violations. Each offers clues. The manifests, ticket lists and job information all are important records to determine boosters' access to top athletes. Do boosters sit next to the quarterback on the plane? Is a football player giving an agent or bookies access to the games? Is the booster supplying athletes with no-work jobs?

## The first obstacle

Within a week, we had received documents from Clemson and Texas Tech. Then the real battle started.

Though it has its warts, Ohio's public records law is rather friendly.

Records in Arkansas, Tennessee and Virginia, however, were available only to residents of their state or commonwealth at the time. (Tennessee recently rescinded the residency requirement.)

We were able to comply with the Virginia law because one of our Washington bureau reporters lives in Virginia. But we were shut off from records in Arkansas and Tennessee, which prevented us from seeing records from five public universities.

Pennsylvania also has a weak public records law, which prevented us from getting information from Penn State, Pitt and Temple.

Money, however, became the biggest barrier to records at several universities, including Iowa, Michigan and Wisconsin – all states with Big Ten powerhouse athletic programs that compete against Ohio State.

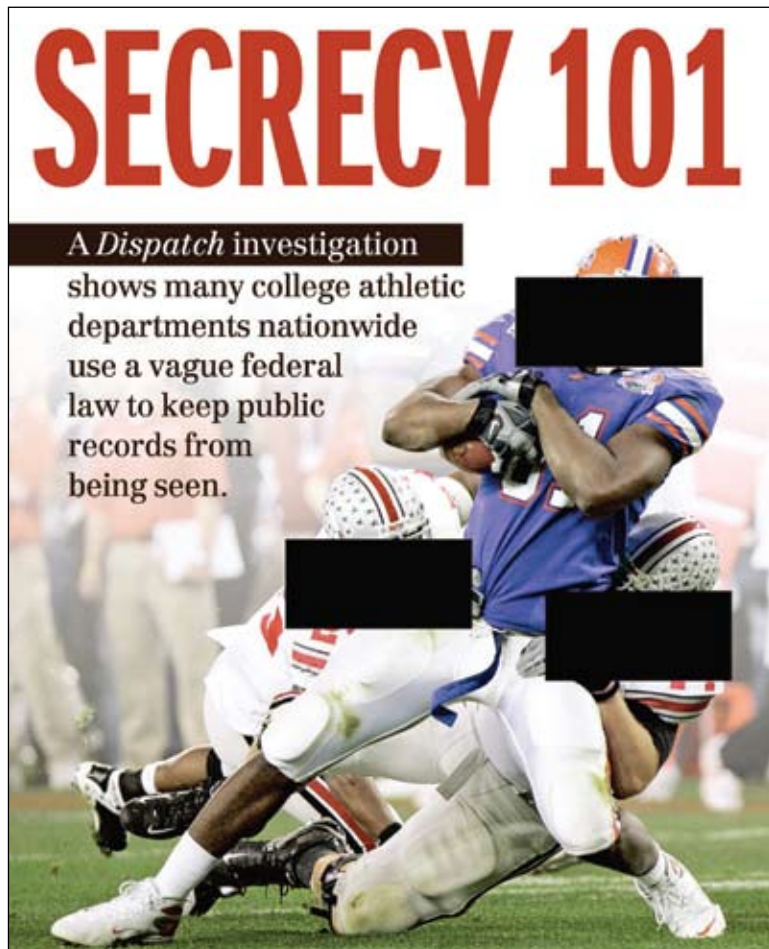
Laws in those states and many others allow public agencies to charge staff time for retrieving, copying and redacting documents. This was a foreign concept to us. In Ohio, agencies are allowed to charge only for the cost of copying documents – typically about 5 cents a page.

This took much negotiating on our part. In the end, about half of the schools provided the documents free. Another 40 percent charged us nominal fees, averaging \$40.

Still, about a dozen or so schools wanted so much money that we could not afford to buy public information. For example, Iowa wanted \$100; Michigan, \$850; and Maryland asked for \$35,000. (We laughed.)

University of Idaho officials said that if we wanted to see their

Columbus Dispatch Illustration



documents, we'd have to fly there, and then pay them \$400 to review the records.

Ultimately, we spent months negotiating with schools to pry loose records. In some cases, our efforts worked.

### The ultimate hurdle

As the records trickled in, it became abundantly clear that there was no consensus among public universities on how to interpret FERPA.

West Virginia and Nebraska both refused to give us any documents. They claimed that every word on every piece of paper was private, student information.

Other schools redacted all names including coaches, boosters, raffle winners and others who weren't students.

Some redacted only students.

Some redacted only athletes and left the names of other students uncensored.

A handful didn't redact any information.

We created a ranking system to measure how open or closed each school was on each record.

For example, if no information was withheld, the school received a score of 1. If the school blacked out the names of people other than students, they received a score of 2. If they blacked out details other than names, they received a 3, and so forth. (And we put all of that into a set of nifty online openness meters for each school: <http://bit.ly/7zL3V7>)

Those results gave us the power to say with authority who abused FERPA the most.

### The so-what barrier

The trickiest part of this project was to make readers care and avoid sounding like whiny journalists.

Touching on the money involved in major collegiate athletics (\$5 billion annually) and the fact that many of these programs are supported by fans and taxpayers helped provide the why-I-should-care factor.

But ultimately, the most interesting point for readers was how secretive some public universities have been about wrongdoing in sports.

Our coverage included a searchable online database of Football Bowl Subdivision schools and their NCAA violations, graduation rates, academic performance scores, athletic spending and how they scored in terms of openness when asked for public records (<http://bit.ly/7zL3V7>).

Through our records requests, we found some unreported scandals. We considered trying to flush out details but ultimately decided they didn't matter for this investigation. The point was to show how forthcoming universities were, and for the most part, they weren't.

The beauty of this project was that so many newspapers picked up the story and ran with it.

Our managing editor offered free, one-time use of the story, photos and graphics to any newspaper via an item in the Associated Press Managing Editors newsletter. Within a week, about two dozen newspapers had run the story. Some produced local sidebars, providing details of wrongdoing.

The project prompted the U.S. Department of Education to examine the varying interpretations. It is considering new directives to universities.

### Advice to others

Get organized. Records came by snail mail and e-mail. We tracked each document from each school in an Excel spreadsheet, including when the record was requested, when it was received, how much we paid for it and whether it was redacted.

Be persistent. Many universities ignored our requests at first.

Prepare for the fight. Read the state's public record laws and attorney generals' opinions on records requested by media outlets. That knowledge helped pry loose some records. Appeal to university public information officers.

Search your archives about your hometown team. We dug up this gem from Ohio State's former athletics director Andy Geiger, explaining why he wouldn't comment on the quarterback's suspension from a bowl game: "People don't need to know everything." We also counted up how many times (at least 10) the football coached benched a player for "undisclosed team violations."

Be vigilant. College athletics need watchdogs more than ever. Most programs aren't used to handling public record requests because sadly, some news organizations simply follow the ball.

*Jill Riepenhoff is a projects reporter at The Columbus Dispatch. The FERPA coverage won the 2009 Eugene S. Pulliam First Amendment Award, presented annually by the Sigma Delta Chi Foundation, the educational arm of the Society of Professional Journalists.*

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# UNCOVERING HIDDEN HOMICIDES

Police rule as suicide a man  
with a bullet in the back of his head

BY MARK GREENBLATT AND DAVID RAZIQ  
KHOU-HOUSTON

The autopsy would rule McCoy's death a homicide, not a suicide. The medical examiner's office based its conclusion on, among other things, that the victim had been shot three times through the chest and also had been shot in the back of his skull.

On the day her son died, Veola McCoy became a victim of the Houston Police Department.

Her 23-year-old son, Stephen McCoy, lay dead in his room, punctured with bullets and in a pool of blood. In their low-income, high-crime section of Houston, violence was an everyday event. The police had multiple suspects to interview.

But police soon ruled her son's death a suicide. McCoy and her family were stunned but did not know where to turn for help.

That aid wouldn't come until years later when KHOU's investigative team pulled the file on Stephen McCoy's death: It turned out the Harris County Medical Examiner's Office also disagreed with the police.

That official's autopsy would rule McCoy's death a homicide, not a suicide. The medical examiner's office based its conclusion on, among other things, that the victim had been shot three times through the chest and also had been shot in the back of his skull. The examination also revealed that the head-shot had been fired from a distance, much like an execution-style murder.

Stubbornly, the Houston Police Department refused to change its ruling or investigate the crime. That decision would set off a ripple effect that would have terrible implications for the family and the surrounding community.

To begin, they had to face the shame associated with suicide. But the ruling also penalized the family in another way.

The reason: When the death was not ruled a crime, the McCoy family could not qualify for a crime victim's compensation fund, set up by the city to assist with burial fees and crisis counseling for victims or their families.

What's worse, the gunman was still on the streets, and the police weren't looking for him. Once the death was labeled as self-inflicted, any investigation stopped.

And that pained Veola McCoy the most.

## A pattern of deceit

Our discovery of hidden homicides started with a tangential investigation about DWI enforcement in Harris County. In an informal story meeting, we began wondering about how the county with one of the worst reputations for drunken driving in the country was tackling the problem.

But in comparing various statistical charts used by the city and the federal government, we found glaring contradictions. So we began our own audit of Houston's crime statistics, particularly what police reported to the Department of Justice/FBI as part the yearly Uniform Crime Report. That national report is used by justice researchers, insurance companies, and cities as part of their public relations efforts to attract vacation dollars and new businesses.

However, we eventually found that the Houston police had been undercounting not only drunken-driving arrests but also crimes such as prostitution, embezzlement and others, making the city appear safer than it really was.

Houston Mayor Bill White admitted the city's crime statistics were inaccurate, but only in some lower-level categories of crime that would not affect the city's serious crime rate. But then he tried to minimize the seriousness by saying: "It's not as if you caught us undercounting murder."

We agreed. So we also immediately went to work, suspecting that if we had found a pattern of deceit with these non-violent crimes, there was good reason to wonder whether the city would be truthful in reporting really violent offenses.

We had discovered the city kept different sets of books for its lower-level crimes such as drunken driving. In fact, officials had as many as five different sets of numbers that they would give out to different agencies, depending on who would ask for a count of drunken drivers.

We wondered if there might be a similar set of separate books for the official homicide count. We found that separate count at the independent Harris County Medical Examiner's Office.

By comparing bodies ruled as homicides at the medical examiner's office to a similar database at the Houston police department, we quickly discovered that dozens of cases had been left off the books.

We searched giant computer databases filled with millions of crime and death records and hundreds of paper autopsy reports. Eventually, we developed a list of victims who should have been reported as murders, according to the FBI's rules for its crime reporting program.

We requested and read through police reports on each case to learn more details.

In the end, we discovered as many as 60 deaths we believed should have been counted as murders during just a few years. The murders being undercounted were enough to change Houston's official murder ranking. For instance, had Houston



One day after the KHOU investigation aired, the Houston Police Department called a news conference to defend not investigating many suspicious deaths.

police reported just two of the murders that KHOU identified, Houston would have had the nation's second-worst murder rate of large cities.

We found that Houston police were labeling brutal homicides simply as "dead man," "dead woman" or "dead child."

We knew our findings would be controversial. So at great expense for a local station, we flew to Philadelphia, Boston, and Washington, D.C., to visit with some of the nation's top experts in crime statistics. Their conclusion? Houston police were significantly undercounting murders.

Eventually, we convinced a chief with the Houston Fire Department to go on camera and tell us he did not understand why his colleagues over at the police department were not counting people who died in arsons as murder victims.

In another case left off the books, a baby had been left to die next to a trash bin, but the police would not rule the case a murder. An assistant police chief tried to justify the decision by telling us it's always possible the baby's mother abandoned the baby with good intentions, perhaps hoping it would end up at a hospital. We challenged that decision in the following interchange:

KHOU: But the law says if you want to abandon your baby, you take it to a fire station.

Houston Police Assistant Chief: "The law says you can take it to a fire station to avoid criminal prosecution for certain offenses. The law does not say, in my opinion, that when that happens, the Houston Police Department has to code it as a murder."

## Police offensive

Houston Police Chief Harold Hurtt refused to be interviewed and banned anyone from his department from appearing on camera for our initial story on "Hiding Homicide."

The morning after our broadcast, however, he called a news conference for the rest of Houston's media. He declined to tell KHOU about the press conference, but a source tipped us off. We showed up to take advantage of our first opportunity to ask top officials about our findings.

During the briefing, the chief challenged our story, calling it inaccurate and misleading. But instead of answering questions about his assertions, he simply walked out of the room and left lower-level supervisors to face the room of journalists. Reporters from other news organizations began to openly wonder why the chief was walking out.

We asked the captain of the homicide division if he really believed that Stephen McCoy could have committed suicide by shooting himself four times, including in the very back of his head.

"It's unusual.... But it does happen," he answered.

There was at least one admission: Houston police agreed that they should have been counting arson deaths as murders, per federal instructions.

During the next year, Houston police hoped our story would just go away. Instead, we continued exposing more problems, contacting the FBI and the Texas Department of Public Safety for comment as well.

Two members of Congress told us on camera they no longer believed Houston was telling the truth and called for an open audit. The mayor, who had appointed the police chief to his job, refused to allow one.

However, KHOU continued filing open records requests, trying to pry information out of the department. The Texas Attorney General called for a swift resolution to the matter, so crime victims could qualify for the compensation fund. We unearthed a document that showed Houston police had begun to quietly reclassify as murder as many as 20 of the suicides and problem cases we uncovered. The reclassifications also were reported to the FBI.

One case that was labeled "dead child" is now listed as a "capital murder." As a result, the criminal investigation was reactivated and a suspect was identified. The case has been forwarded to the county district attorney for prosecution.

Relatives of the 20 "new" murder victims were finally eligible for the victim's compensation fund.

Finally, there also was a change in the McCoy case: The police chief opened a new murder investigation into Stephen McCoy's death. The label of "suicide" was removed from his file.

*Mark Greenblatt is an investigative reporter and David Raziq is the executive producer for Investigative at KHOU in Houston. Their series, "Hiding Homicide," recently won a national Emmy.*

One case that was labeled "dead child" is now listed as a "capital murder." As a result, the criminal investigation was reactivated and a suspect was identified.

KHOU-Houston



KHOU found that police labeled Stephen McCoy's death as a suicide, even though the county medical examiner called it a homicide. McCoy had been shot three times in the chest and once in the back of his head.

KHOU-Houston



Curly and Veola McCoy discuss their son Stephen's death, which police ruled a suicide despite a gunshot wound to the back of his head.

# LIMITED MOBILITY

## Disabled passengers face obstacles on Chicago transit system

BY SUZANNE MCBRIDE  
COLUMBIA COLLEGE CHICAGO

When we requested the 2,000-some complaints in electronic form, CTA officials denied our FOIA, explaining it would be too hard for them to redact private information, such as the name of the person who had filed the complaint or the employee involved.

Not long after moving to the Chicago area, I realized the train stations I used to commute to work were not handicapped accessible. It seemed odd that my downtown station – one of the busiest in the system – had no elevator or even an escalator. I don't rely on crutches or a wheelchair or have trouble using stairs, so it isn't a problem for me. But that's not the case for the estimated 600,000 disabled Chicagoans.

Six Columbia College Chicago students and I set out to learn why one of the country's largest mass-transit systems doesn't have to be fully accessible and what effect that's had on hundreds of thousands of people.

We wondered just how many of the Chicago Transit Authority's 144 train stations could be used by disabled passengers. We were curious about what disabled people thought of not being able to use the CTA as easily as the rest of us. And we puzzled over how, if at all, the mass-transit officials would respond to our questions.

The results of our three-month investigation – six stories published May 12, 2009, on ChicagoTalks.org and two other articles on The Beachwood Reporter.com – provide yet another example of what college journalists can do if given a challenge and some guidance.

It also shows that the same barriers full-time journalists face when doing investigative work can confound college students, too. We encountered government officials who refused to answer questions, ran into problems getting public documents and had to figure out how to best use a voluminous amount of material.

We also faced some unique challenges: government agencies that didn't take our work seriously because students were asking the questions and a general disinterest in our findings from the major media outlets, with the exception of Chicago Public Radio.

But I'm getting ahead of myself. Here's what we found: Just 61 percent of the CTA's train stations were considered accessible in spring 2009. That's perfectly legal under the 1990 Americans with Disabilities Act, lawyers and advocates for the disabled told us, citing the age of the century-old CTA.

Even more interesting, of the 88 stations the CTA trumpeted as being fully accessible, 36 stations (41 percent) could be used only partially or not at all by the disabled. In multiple visits during eight weeks, students found broken elevators, out-of-

service doors and entranceways that couldn't be opened by someone in a wheelchair because there was no button to push. The team of journalism students – four seniors and two juniors who had enrolled in an honors seminar – documented each of these visits using Flip cameras. (Although they were told a few times by train workers that cameras couldn't be used on CTA property, we still managed to get video at each station.)

Another treasure trove of information: The roughly 2,000 complaints the CTA had received during the past five years about its train and bus accessibility. Students found a number of problems:

- There were several instances of blind passengers being denied access on city buses. In one incident, a bus driver failed to stop for a man in a wheelchair with a service dog in tow. When the customer caught up with the bus at a later stop, he asked why she didn't stop for him and was told, "You have a dog." The customer tried to explain that it was a service dog and would sit on his wheelchair once he was aboard. The driver responded: "I don't have to listen to your shit, and I don't have to pick you up if I don't want to." She drove away, leaving the man and other customers by the side of the road.
- There were numerous examples of bus drivers (and some train employees, too) berating disabled passengers. One woman traveling with her wheelchair-bound daughter reported that a bus driver kept saying "f-ing this and f-ing that" when the wheelchair got stuck on the bus lift. When the woman tried to explain it was her daughter's first time using the wheelchair, the driver replied, "She shouldn't be on the f-ing bus if she doesn't know how to use the scooter."
- And there was evidence of a longstanding pattern of broken equipment at some of the heaviest-used train stations. A customer commuting to his job with a disabled co-worker filed a complaint about the elevator at the most-traveled station in the system, noting that it was out of service for the third time in two weeks. Frustrated by yet another elevator malfunction, the pair – one in a wheelchair – made their way to another station several blocks away. That elevator was not accessible because of torn-up concrete. "It is ridiculous that the elevators at the busiest stop in Chicago are out of order so often," the able-bodied customer said in his complaint.

It was an eye-opening 15 weeks for the students. They were surprised by how willing disabled Chicagoans were to talk about their experiences and how resigned many of them were to being unable to use major portions of the transit system.

It was a frustrating time, too. When we requested the 2,000-some complaints in electronic form, CTA officials denied our FOIA, explaining it would be too hard for them to redact private information, such as the name of the person who had filed the complaint or the employee involved. Instead, they allowed us to go through a printout of each complaint form – with the private information blacked out – as a CTA employee monitored our activity. The CTA declined to waive the copying fee for the students, who didn't have the nearly \$700 it would have cost to get a copy of every complaint and create our own electronic database.

Another frustration: Despite repeated attempts, the CTA refused to talk to the students, even canceling an interview



Chicago Transit Authority

## CTA Accessible

Buses and Trains

March 2006



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A brochure on the Chicago Transit Authority's Web site touts accessibility.

as they sat waiting at the mass-transit system's headquarters. Officials also declined to answer questions in writing about the problems the students found as well as the problems revealed in the CTA's own records.

But there were triumphs. We scrounged up enough money to purchase copies of the minutes for each of the CTA's disability advisory committee meetings, which we then posted for free on Scribd.com. The students wanted others to see these public records they had bought.

And thanks to a \$1,600 grant funded by The Richard H. Driehaus Foundation and awarded through the Chicago (SPJ) Headline Club, the students were able to visually document their work with newly purchased cameras. The cameras will be used by other Columbia College students as they undertake future investigative projects.

But perhaps most gratifying was the feedback students received after the series was published. Through calls and e-mails, disabled Chicagoans and their advocates said they couldn't believe a group of students had been able to produce what we had. And

the comments left on the series, parts of which were republished on a popular Chicago blog, the Uptown Update, gave us more ideas about how to follow up our findings.

A seventh student, who had just completed her master's in public affairs at Columbia College, did some follow-up stories the same month the series was published. But because most of the students who worked on the original investigation graduated just a week after its publication, more substantive stories have not been done.

Another challenge of working with student journalists is identifying a place for the work to be published or aired. In our case, the outlet was ChicagoTalks, a 2 1/2-year-old local news web site that I founded with another Columbia College faculty member, Barbara K. Iverson. From the beginning, the reporters identified themselves as being college students and freelancers for ChicagoTalks. And just as we have done with two previous ChicagoTalks investigations – one of which was honored by IRE as the best student work in 2007 – some of the stories were jointly published on another more popular Chicago Web site: The Beachwood Reporter.

This practice of sharing stories with the competition was foreign to me when I worked as a newspaper reporter and editor. But it's something that's worked for ChicagoTalks and could make sense for newspapers, magazines and TV stations wanting to maximize the number of people who see their investigative work.

We're exploring the possibility of teaming up with a major media outlet on future projects. If such a relationship had been in place with the CTA investigation, perhaps one of the news organization's full-time beat or investigative reporters could have done the follow-up stories that are still on our list. Stories like: Are federal or state agencies investigating the CTA in light of our findings? Do members of Congress think the Americans with Disabilities Act is working the way they intended? How much money is being spent on an alternative transit system for the disabled because key parts of the CTA aren't accessible?

The biggest lesson for me: Student journalists can do amazing work. All you need is one interested instructor at your local college or university and a good story tip to get started. Just think how many more investigations could be published or broadcast if every higher education institution committed to doing one project a year.

*Suzanne McBride is associate chair of the Journalism Department at Columbia College Chicago, where she teaches investigative reporting and community news. Before joining Columbia's faculty in 2005, she worked as an editor and reporter for The Indianapolis Star. She's proud of the work done on this series by Elizabeth Czupta, Danielle Desjardins, Eli Kaberon, Kaitlyn McAvoy, Kirsten Steinbeck and Zach Wilmes.*

The Columbia College Chicago investigation is online at:

- [www.chicagotalks.org/?s=CTA](http://www.chicagotalks.org/?s=CTA)
- <http://bit.ly/6mpCSe>
- <http://bit.ly/8m1CGZ>

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New and expanded blogs on IRE's Web site provide tips, success stories and reporting resources. Here are excerpts from a few recent blog posts, in case you missed them or haven't explored the new online offerings.



## Snapshots from our blogs

### From "Watchdog wisdom at Duke University," IRE On the Road blog – [www.ire.org/training](http://www.ire.org/training)

By Jaimi Dowdell  
IRE training director

Just as schools run students through drills for tornadoes and fires, journalists need to do drills to be prepared. One way to incorporate quick-hit, investigative techniques into your daily reporting is to practice and know what you and your newsroom are going to do when faced with breaking news, said Stuart Watson of WCNC Charlotte. This advice was just one example of the many nuggets of wisdom more than 60 attendees received at a recent Better Watchdog Workshop at Duke University.

Other samples of the great advice offered over the weekend include:

- When making open records requests, don't put the request in your own name. Rather, put the organization's name behind it to give your requests more authority, said Joe Neff of the (Raleigh, N.C.) *News & Observer*.
- To get advanced notice of big layoffs in your area, Chris Roush of the University of North Carolina recommends regularly requesting Worker Adjustment and Retraining Notification Act (WARN) filings. Used correctly, they can give you advanced notice of layoffs and shutdowns in your community.
- To get the most out of an interview, do your best to try not to fill the awkward silences that follow questions, said Ames Alexander of *The Charlotte Observer*.

### From "A push for investigative reporting in Bolivia," IRE Journal online – <http://data.nicar.org/node/2937>

By Tracey Eaton  
Flagler College

Some reporters wanted to explore eastern Bolivia, where hundreds of Guaraní Indian families live in a state of semi-slavery. Others proposed investigating women's rights and sexuality.

No doubt, Bolivian reporters are eager to dig into all kinds of difficult and intriguing issues. Mexican journalist Pedro Enrique Armendares and I found that out in September when we traveled to Sucre in south-central Bolivia to conduct a workshop for Investigative Reporters and Editors.

Nearly 80 Bolivian journalists took part. About 35 journalism students also attended some of the sessions, covering everything from using the Internet and finding documents to cultivating sources.

But it's not an easy place for journalists to work. Dozens of Bolivian journalists during the past three years have suffered attacks, threats and intimidation – or worse. In March 2008, protesters swept into government-owned Radio Municipal and beat reporter Carlos Quispe Quispe. He died two days later. In July 2009, assailants attacked and beat Gigavisión cameraman Marcelo Lobo, then cut his cheek and his tongue, according to the Committee to Project Journalists in New York.

### From "Tracking documents on your beat," IRE On the Road blog – [www.ire.org/training](http://www.ire.org/training)

By Doug Haddix  
IRE training director

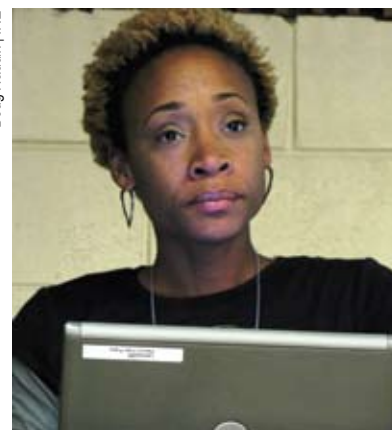
Each year, education reporter Chastity Pratt Dawsey of the *Detroit Free Press* files public records requests for five documents on her beat. She requests other records and data as story ideas emerge but makes sure that her sources know they need to produce key information regularly for her. Her advice came during an Ethnic Media Watchdog Workshop in Detroit.

Here are Dawsey's five key education documents:

- Expenditure reports, which show how the Detroit school district is spending its money.
- Personnel database, which lists names, titles, pay and other key information about district employees.
- Annual report for the school district, which provides an overview of what the district accomplished and its plans for the coming years.
- Annual audit, which dissects the district's finances.
- Comprehensive Annual Financial Report (CAFR), which gives details not found in other budget documents.

Reporters on other beats should consider which documents they need to be effective watchdogs and make sure to request them regularly, Dawsey told the group at Wayne State University. Documents and data, she said, are "how you make the story richer and watch out for taxpayer dollars."

Doug Haddix | IRE



Documents and data make stories richer, says Chastity Pratt Dawsey of the *Detroit Free Press*.

## Homeland

from page 27

occurring every year.

Finally, remember that the Department of Homeland Security isn't just managing anti-terrorism grants. The number of presidentially declared disasters has skyrocketed in the last two decades, not only in places such as Louisiana and Florida, so your community's handling of assistance from FEMA will appear in single audits. A report in Kentucky recently disclosed \$530,000 worth of contracts awarded to the business partner of a local emergency manager. The contractor later became his wife.

### Consider other angles

How else can you report on homeland security?

Request from the local office in charge of homeland security grants a list of all companies and consultants your community has used to buy equipment or services, particularly local businesses. Then call these suppliers and ask how procurement is going. Are purchases competitive? Does a well-connected contractor have an unfair advantage? Are officials making bad investments?

Is your community buying new public safety radios? Was Motorola or a competitor hired to design the system that would later be put out to bid? Is anyone surprised when that same company wins the contract to build the system?

We mentioned site-visit reports done by *state* officials. But the Department of Homeland Security is supposed to be doing its own by sending FEMA personnel to the states for a look at equipment and records. This activity is separate from grant audits the inspector general for DHS has completed in recent years. Ask your state if the Homeland Security Department has done any site monitoring there, and if so, request reports documenting it.

Ask your community for all inventory logs containing equipment purchased with grants. Under federal rules, they should be richly detailed, even listing the condition of the gear. Does anything just defy logic, such as the small town in Georgia that bought "crowd-control devices" when its total population hardly constituted a crowd?

Contact us in case we've already obtained spending records and other documents about grants used in your area that we can make available, something we've done for numerous reporters around the country in the past year. More generally, we may be able to help with an investigative strategy. There are plenty of homeland security stories to go around, and not just about federal grants.

*G.W. Schulz joined the Center for Investigative Reporting in 2008. He now knows far too much about night-vision goggles.*

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](mailto:beth@ire.org), 573-882-3364

**IRE AND NICAR 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: Jaimi Dowdell, [jaimi@ire.org](mailto:jaimi@ire.org), 314-402-3281; David Herzog, [dherzog@ire.org](mailto:dherzog@ire.org), 573-882-2127. To order data, call 573-884-7711.

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Contact: Jaimi Dowdell, [jaimi@ire.org](mailto:jaimi@ire.org), 314-402-3281; or Doug Haddix, [doug@ire.org](mailto:doug@ire.org), 614-205-5420

### Publications:

**THE IRE JOURNAL** – Published four 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: Doug Haddix, [doug@ire.org](mailto:doug@ire.org), 614-205-5420

**UPLINK** – Electronic newsletter by IRE and NICAR on computer-assisted reporting. 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](mailto:dherzog@ire.org), 573-882-2127

**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: Mark Horvit, [mhorvit@ire.org](mailto:mhorvit@ire.org), 573-882-1984.

### For information on:

ADVERTISING – IRE staff, 573-882-2042

MEMBERSHIP AND SUBSCRIPTIONS – John Green, [jgreen@ire.org](mailto:jgreen@ire.org), 573-882-2772

CONFERENCES AND BOOT CAMPS – Stephanie Sinn, [stephanie@ire.org](mailto:stephanie@ire.org), 573-882-8969

LISTSERVS – Amy Johnston, [amy@ire.org](mailto:amy@ire.org), 573-884-1444

### Mailing Address:

IRE, 141 Neff Annex, Missouri School of Journalism, Columbia, MO 65211



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