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P R O C E E D I N G S

(9:10 a.m.)

MR. JONES: Welcome to part two of the Goldsmith Awards Program. This is one of the parts that is extremely satisfying because it gives the people who are on the front lines in investigative reporting a chance to talk about what they do, and to talk to each other to a degree, and of course to talk to you.

The format that we will follow is, like last night, I am going to call on each of the finalists in alphabetical order by news organization, to talk briefly about their project, about the problems they ran into, about the particularly difficult obstacles or observations they would like to make that may have some particular relevance to them but also may have some broader relevance. The idea is to have a conversation about the state of investigative reporting, and this is a very highly qualified group to have that conversation.

So, let's get going. We'll start with *The Atlanta Journal Constitution*, Paul Donsky and Ken Foskett. You've got the floor first. Please use the microphone.

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MR. DONSKY: This story started out like many do, with an anonymous phone call tip. It was a vague sort of message about problems with computer wiring at some schools, that they might have been over charging, and it was a criminal thing, it was crazy. At that point I didn't even know what e-rate was and what the computer network was at the school system.

MR. JONES: If you would please, if you use something like e-rate just explain, because these people may not be familiar with it.

MR. DONSKY: E-rate is a federal program that was designed to help low income children get access to the internet. So low income school systems can get 90 percent or so of computer projects covered by the government. And it quickly became like an ATM machine for some school systems to go to. But early on we didn't have a clue of what we were even looking at. We quickly realized there was a mountain of paperwork that we had to go through, there was nothing on a computer hardly at all.

But I was able to do enough reporting initially to convince my bosses that we needed more help, and they brought in Ken from another project team to help go through the paperwork. And that is when I threw out my back, so Ken had to step in for several weeks and take the lead then.

MR. FOSKETT: This was a project that relied very, very heavily on records, mainly because a lot of the people who were responsible for this at Atlanta Public Schools either wouldn't talk or had left, and were not willing to talk. So, we through our open records law in Georgia, got access to about 5,000 pages of records from the Atlanta Public Schools.

One of the interesting things is we didn't leave it up to them to decide what records they wanted to give us, I actually was in their filing cabinets, going floor to floor and room to room, dealing directly with records keepers in the finance and in the program administration, and all the different areas, so that we could be sure that we were getting all of that paper.

We also used something in Georgia that had not been used before, in 2002 there was an amendment to our open records law which allowed limited access to private businesses that received substantial amounts of money from the government. The law was somewhat vague and we were not sure what we would be able to get out of it, but we took a stab and were able to get a lot of records out of the vendors themselves, which was great for the project and also great for establishing that precedent in Georgia.

After our articles came out the house government oversight committee at energy and commerce,

requested records from all of the vendors and from the school system. So at a later point, without revealing news gathering techniques, it became possible to gain access to some of those records. And one of the things we learned from that was a lot of the money we couldn't account for in our first series of stories ended up, according to the records that we were ultimately able to get from our sources from the vendors, being spent on things like plasma TVs and wiring football stadiums and concession booths for internet access and maintenance and floor cleaning, cell phone bills, and a long list of things that were a very long way from making sure that poor Atlanta school children had access to the internet.

The other thing that became every important and was very challenging in this project was understanding the context of all of this stuff that we were seeing, I mean all of this money was used to buy stuff. And this is where Paul really came in and was incredible in understanding all of these components that the school system was buying. And it was in, sort of talking to other school districts, we learned that one set of components that Atlanta was buying for every single one of its schools was powerful enough to run its entire network. So these were things that would cost anywhere from \$100,000 to \$250,000 per school, and

they bought them for all one hundred of their schools and in fact had many more that were in storage we found later.

So I'll end there and--

MR. JONES: Let me ask a couple questions about that. One, how on earth did you persuade them to let you go wandering around in their filing cabinets, that's a new one as far as I can see.

MR. FOSKETT: Well that was the first time that had ever happened for me--

(Laughter)

MR. JONES: And I'm sure it'll be the last.

(Laughter)

MR. FOSKETT: Well I hope that it's not, because right now I'm thinking back to other projects I've worked on where I did not have that kind of access and I just know that there is stuff that doesn't get turned over. But there was a guy at the Atlanta school system that was sort of the new guy, who claimed that he was there to kind of clean things up in the technology department, and he had been a journalism major at one point and was initially very receptive to our inquiries and to us. And he basically said, well you can come over and take one of our empty offices and anything you need to look at, go ahead. And so I mean

I did push that considerably, in fact I was reprimanded at one point when they found me in a, in one of their rooms where they had filing cabinets and I was just going through the filing cabinets.

(Laughter)

MR. FOSKETT: But there was a lot of stuff there, and as soon as I showed them look, it says e-rate here, this responds to our request, you know, we need to have this.

I think the other thing, as in all reporting, personal relationships are very important, and I really worked at getting to know the three main records keepers who had responsibility for these records. And one of the things that happened is I learned from one of these individuals that she kept what she called a job security file, and a job security file is something that is probably not unique to Atlanta but that people who fear for their jobs in large bureaucracies, when they come across pieces of paper that they have some reason to believe might be damaging to their employers--

(Laughter)

MR. FOSKETT: --they stick it in the job security file.

(Laughter)

MR. FOSKETT: And keep it in case they

need it. And when I discovered that this woman had her job security file, I told her that she had to give it to me. She said, I can't give it to you and I said, you understand that you have to give that to me, so she did. And that ended up being very helpful in some aspects of the story.

(Laughter)

MR. JONES: What happened to the man who started out helping you and then apparently changed his mind?

MR. FOSKETT: Well he is now probably under investigation, when Congress contacted him about coming to testify about this he told them that he would take the Fifth Amendment. And we have sort of come to the conclusion now that he was playing it both ways and probably was not as straight as he led us to believe.

MR. JONES: Thank you.

Next up, Jim Fallows. Jim is the prolific writer for *The Atlantic Monthly*, you'll remember from last night his article on why we got into Iraq without a plan for occupation is an amazing piece of work. For those of you have not seen it I certainly recommend that you read it.

Jim?

MR. FALLOWS: Thank you very much.

Before I go into the story I'll give you

my own version of the filing cabinet incident. There was one episode when I was preparing for this article where I had heard a lot about the so-called future of Iraq project report. This was a voluminous, so I was told, study that had been put together by the State Department that was being sat on, squashed or whatever, by other parts of the government.

And I finally came across a person that had a physical copy of the thing, and I arranged in sort of classic gumshoe fashion for the person to leave the room for four or five hours while I looked at it. And I had that mixture of good and bad feelings, on the one hand the treasure trove, on the other hand it was a list of books roughly five or six linear feet. So I sat down there reading this as fast as I could and my moments of elation came whenever I would find a hundred or two hundred page of this that was in Arabic--
(Laughter)

MR. FALLOWS: --and I could rush through that. And it's something that puzzles me, while this report was never technically classified, and while it's been alluded to in a number of other publications, I don't believe any other reporter has actually read it, because I've seen nothing more than the same one paragraph quoted from. And it's interesting to me, it's there, it's two-thirds in English. So that was my

filing cabinet story.

At *The Atlantic Monthly* everything we do is driven by two sort of iron realities, one is lead time. When this session is over I'm going over to the *Atlantic's* offices in the North End, where I'll be told once more that I'm way late for a story in the July issue, which is true. So you have to not simply project what it's going to be like when people in July are reading an article, it's hot, they're at the beach, world events will have changed, but also what the rest of the journalistic world might have done in that time. In particular, the dreaded *New York Times*, the knowledge that any subject the *New York Times* decides to cover it can throw a lot of people at, in a hurry, at very high quality, and get it out while we are still kind of having our meetings. So lead time is one big factor in everything we do.

The other is limited resources, we have a relatively small staff, there is just a handful of full time writers for the magazine. So when after the 9/11 attacks, Mike Kelly, who was then the editor of the magazine, had been relatively recently the editor, he said something that was both, showed great bravado and leadership and also perhaps a limited awareness of our circumstances at the magazine, he said, this is a story, the whole story of the attack and its aftermath,

that our magazine has to really make its mark in covering. And that led to a number of I think very successful ventures, William Langwishes' three part series on rebuilding the World Trade Center. Mike Kelly of course going as an imbedded journalist to Iraq and then being killed there, as the first American.

But both Mike, while he was in the U.S., and Cullen Murphy afterwards, the kind of story they wanted me to do, given my assignment of staying in D.C., and our long lead time, was to try to take advantage of things we thought the rest of the press wouldn't get to, they wouldn't get to putting it together, they wouldn't get to sort of telling it in one piece.

And the first installment of this I did in the year before the attack on Iraq, and I mention this because it was a prelude to what I was doing in this piece, was an article called "The 51st State", which was trying to, in the Summer of 2002, when it was a very high likelihood the U.S. was going to war, and a certainty that the U.S. would win the battle phase of the war very quickly, trying to ask people systematically, what do we know about how the U.S. functions as an occupier, what can be learned from Japan, from Germany, from Somalia, from Haiti. And it was amazingly easy to find people who had this kind of

experience and get all their predictions. And having done that in 2002, I simply kept in touch with these people, as history unfolded, as the war unfolded, and sort of led to networks.

And as the invasion happened in the Spring of '03, and then things started to go wrong, especially that moment when history changed and the looting be allowed to proceed without check, it became easier and easier to find people who said hey, this is exactly what we warned about. In particular, the Army War College had done a phenomenal job of doing, I'll take one diversion for a moment, especially from the administration in the six to eight months after Baghdad fell, they said oh yeah, we're having some problems, but you can't prepare for everything, and we prepared for lots of problems that didn't happen.

This was not amusing, in particular to the Army War College, which had done this very sweeping, very systematic, very serious sort of timeline on what you would have to worry about, the minute Saddam Hussein's statue came down, and the week after that when people realized they didn't have any electricity, and the month after that when there started to be sectarian killings and all the rest.

So the course of events of things going wrong made it easier to sort of, again, it expanded the

networks of people who had been thinking since the beginning of 2002, about how to govern Iraq and all the plans that they were doing. So I was sort of working my way through different channels, the intelligence channel, people in the CIA in particular, but other intelligence agencies, the military, which became this vast cornucopia of sources.

Something that is bad for America has been good for me journalistically in the last, well this is probably true of our business structurally, but the military is at Vietnam level odds with its civilian leadership. So you have people who feel that the military is being put in impossible situations, and not at the three and four star general level, basically every level below that you can find people willing to say this is going wrong, we're being misused. So the military sources I was dealing with, military sort of institutions like the various War Colleges, and all the rest, the administration was of less than zero cooperation in any form of this, with one exception.

After, anecdotally, I had known Paul Wolfowitz in a previous life, when I was living in Malaysia he was ambassador to Indonesia and he was this, he and his then wife were the very popular Jewish-American ambassador to the world's most populous Muslim country, and I went to visit them, they were

very successful then partly because his then wife had been a AFS exchange student in Bali, I'm sorry, Java, and spoke Javanese.

Anyhow, after it became clear that I was not in every way on the side of the administration's policy, I think in the last year and a half I have never once had a request for interview call even returned, from the White House, the State Department or the Pentagon, even returned to say no, you can't talk to anybody. With one exception, which was as I was about to put this article to bed, I had been trying all the different levels in the Pentagon and elsewhere, and finally, for reasons I will never understand, Douglas Fife's press secretary called back and said yes, you can come speak to Mr. Fife for an interview.

So I went over there and I had, and I say this with no disrespect, because I very much appreciated Douglas Fife's being willing to talk with me in contradistinction to everyone else in the administration. As I was talking to him I had the journalistic challenge of trying to keep a straight face, because when the interview began I asked, what has gone better than you expected in Iraq and what has gone worse? And he said oh, this whole matter of expectations, we don't even think that way, because that is like predictions, we don't predict, we don't

plan, we just kind of say you have to roll with the punches. So I was checking my tape recorders nervously, making sure this was all going.

(Laughter)

MR. FALLOWS: So it's, that was essentially the story. And it has been a matter of because of our lead time, because our limited resources, keeping in touch and cultivating a continuing network of people and having them know that they can basically trust me, over a period of years, to deal with them.

I have some larger structural thoughts on the state of investigative journalism but I'll leave them for the next round.

MR. JONES: Let me ask one particular question, Jim, I understand well how your network provided you with ample evidence of what was not used. Were you able to satisfy yourself that you cracked why it didn't get used, and how the decision making was done that led to it not being used?

MR. FALLOWS: That is a very hard question, and I am not, partly, I think that question is partly unknowable at this moment. For example, I have looked very hard and no one has come up with a good explanation I've found on why the looting was allowed to occur. Yes, you can see circumstances that

abetted that, for example, the fact that the invasion force was so much smaller than the army would have liked, meaning there were fewer people on the ground. But the fact that there were not orders in place when this started to say, look, we can't let this get out of control.

There were, I think there was a "Frontline" documentary that showed the first couple days of the looting and American officers just saying too bad. And how either from the corporal level up to the general level, they weren't immediately responsive, I don't know.

There were other things where I think you can find episodic explanations for it. For example, within the Pentagon a sense that phases, all combat is in four phases, phases one through three are for the real men, that's where you are actually shooting people. Phase four is post, so-called post combat stabilization, and that is for the losers, so a cultural bias that first team was planning for the combat and it was kind of a consolation prize to be on the phase four planning, that kind of cultural factor. inter-White House, the feuding between the State Department and Defense.

Also, I think this is partly something we know, partly something that has to be unraveled in the

long run, to what extent people were profoundly deluded. I believe it was in his article, it mentioned councils between the international and national NGOs, and a woman named Wendy Chamberlain, who was then a sort of senior aid official, when she was telling them the week before the war, don't worry so much, it's going to be over in a year, a year from now American troops are going to be out of there. She must have believed that when she said it, so I think it's willful self-delusion.

So I don't know the full answer to your question and I have been trying to grapple with it since.

MR. JONES: Is that for July?

MR. FALLOWS: Pardon?

MR. JONES: Is that for July?

(Laughter)

MR. FALLOWS: It's a different and even less cheery subject.

MR. JONES: Thanks.

Our winner of the Goldsmith Award is Diana Henriques, of *The New York Times*, as you know, her exploration of the way the Pentagon was complicit in allowing predatory practices to take advantage of soldiers headed to Iraq, was something that made a huge impact on the military and on, certainly on everybody

who has read it and reacted to it in I think quite an emotional way.

Diana, talk if you would about how you came across such, you were telling me last night that this was something that everybody knew but nobody knew.

MS. HENRIQUES: And that might seem contradictory until you understand the peculiarities of what I came to call Planet Military. I had never covered the military before and I was amazed at how isolated the world of the professional soldier, sailor, marine, coast guardsman, was from civilian life. It was disorienting at times.

I would encounter absolutely crackerjack JAG Corps lawyers who had never heard of the NASD, the civilian regulators who regulated the mutual fund salesmen who were coming on their base and causing them problems. The SEC, the NASD, civilian regulators in the financial markets are not in their chain of command. So that was not a solution that many of them saw.

State insurance commissioners were not in their chain of command. So they would kick a rogue insurance agent off the military base and never think of picking up the phone and calling the state commissioner who licensed that agent and say, lift this guy's license, he is preying on consumers here on our

base. So the isolation of the military establishment down at the working level, and the very distinctive culture were the first big hurdles that I really had to overcome here.

It helped that I had a little bit of a passport, both of my parents had been in the military during World War II and my husband had served during the Vietnam era, and I was asked that a thousand times in the course of the past year. And the fact that I could say, any military in your family, or tell me about your family, and the fact that I could say yeah, my dad was in the Army Air Corps, my mom was an Army nurse in World War II, my husband served in the Vietnam era. That gave me a credential, that was like having a visa to Planet Military. it opened more doors than it really should have.

There is also a very distinctive protocol and diplomacy, it's a very courtly world. In our world an e-mail is designed to be an expedient process of communication, and we usually don't even say dear so and so, it's could you please send me a copy of the such and such report by 4:00. Right? Not on Planet Military. Every single e-mail, Good morning, Mrs. Henriques, hope you had a nice weekend, you will find below the answers to the questions you submitted on Friday, or we will hope to be back to you by EOD

Thursday, end of day Thursday.

So there is a courtliness about it and I had to respond similarly because I found when I just hit back my usual e-mails, days would go by and I wouldn't hear, but once you got into that flow and understood that you got the protocols, rank was very important, I began to understand the difference between a captain here and a captain there and a commander here and a commander in that service. So learning that language was an important entree.

But one of the biggest obstacles I faced on Planet Military is the hostility towards the media, particularly the mainstream media, and on this certainly *The New York Times*, our editorial stance on Iraq meant that I was persona non grata going in the door. Almost nobody that I interviewed in the first rounds of these stories ever read *The New York Times*. They read *The Army Times*, *The Navy Times*, *The Air Force Times*, they lived in a very isolated shell.

Most of them thought that those publications, by the way, were official military publications, and I was the one that broke the news to them that they were commercially published and the military has absolutely nothing to do with it. No, they couldn't believe that. So I found myself really at sea in a world where working for the *New York Times*

didn't help at all, I know my fellow finalists might not believe that, but it was a liability.

The fragmented enforcement, just getting down to the nuts and bolts of investigative reporting, the fragmented enforcement of the rules with respect to commercial solicitation on bases made this just an investigative nightmare. There were no central records, that was part of the problem, there was no central tracking of rogue agents who would leave one base and literally go right down the road and start preying on soldiers at another base. And no way for the navy base in King's Bay, Georgia to know that this guy just got kicked off the army base at Ft. Benning, just right up the road.

So I found that court records in lawsuits against these insurance companies that I was able to isolate here and there around the country proved a good backstop to trying to get some of the military records that it was impossible to get otherwise. The Freedom of Information Act was absolutely useless, absolutely useless, I have FOIA requests that just celebrated their first birthday. And I don't know if they will ever be fulfilled.

The only time the FOIA worked for me was when I could get out to an actual base, contact the JAG office on that base, form a personal connection with

them, and then they'd sort of wink and say, well, if you give me a FOIA request, which I would write out longhand on my tablet, if you give me a FOIA request I can give you these records like right here. Or I'll drop them off at your motel room this afternoon.

If you could get down to the base level you could get, but DOD, Department of the Army, the Inspector General for the Department of Defense, absolutely useless in gathering FOIA information. The state and the national insurance commissioners were somewhat more helpful, I was just lucky that Georgia not only has more military bases than anywhere else, but a pretty good insurance commissioners office, with a very good website, a website by the way that the military bases had never consulted, to see if the agents showing up on base were even licensed in that state.

But that made it possible for me, when I had a tip, one of my soldiers, had come back from Iraq, with the only evidence he had that he had bought an insurance policy, which was this dog-eared business card, filthy, from the bottom of his pack, that he carried over and back. And on it it had the name of an insurance agent in Columbus, Georgia, and the name of an insurance agency and the name of an agent penciled in.

But I was able to track that agent through the website of the Georgia Insurance Commissioner's office. And it led me to the name of a company, he didn't even know which insurance company he had dealt with. So that was a big help, the insurance commissioner, and the NAIC, National Association of Insurance Commissioners, which has a centralized filing for insurance company documents and records, and I was able to track these little bitty insurance companies, nowhere near large enough to wind up on Wall Street's radar, through these state filings.

My best sources everywhere were the JAG corps, what an incredible body of men and women. I was reminded, I was talking with my editor on the train coming up yesterday, I had a quote from the *Gettysburg Union Army Hero* Joshua Chamberlain, I wrote out and kept on my desk while I was working all this, and it went like this. War is, for its participants, a test of character, it makes bad men worse and good men better. And the good men and women that I met doing this story almost made up for the bad men who'd been made worse, who were preying on their former colleagues.

And most of those good men and women had come up out of the military legal tradition, JAG officers, army judges, people involved in the process

of military justice. And I can't say enough about the professionalism and the idealism that drove them, they were just incredibly fierce in their protectiveness towards their troops. And once they figured out that I was somebody who might be able to help them protect those troops better, I got a level of cooperation that was really quite inspiring.

And finally, just by way of warning, anyone who is inclined to do this again, have your lawyers handy because the pre-publication and post-publication lobbying and legal attacks on the *Times* were absolutely fierce. I've just got to ask for your recognition for my editor, Glen Craven, who is sitting back there in the corner, he was an asbestos shield forme through some of the fiercest attacks I've ever encountered. I've dealt with Wall Street companies whose stock value I have just demolished for 20 years, I'm no stranger to the brushback that you get, but I had never really experienced --. There were Washington lawyers whose sole job was to stay on the telephone with me as often as possible. So you need to be prepared for that kind of thing.

These are companies that are very accustomed to having their way with the military, and it just came as quite a jolt to many of them that they too were dealing on a different planet, they had left

Planet Military and were back in our world, and few of them really knew very successfully how to deal with it.

MR. JONES: Diana, would you talk about how you came to devote so much of your time, you're an investigative reporter but your focus usually is business.

MS. HENRIQUES: Right.

MR. JONES: How did you come to devote this much time to this story? And if you would, go into more detail about the form that the blowback took and what happened, how you dealt with it and what it consisted of, and what the essence of it was?

MS. HENRIQUES: Well, we came to devote so much time to this continuing story because more tips kept coming in after the first two stories. It is a shameful thing that someone setting out to write about financial companies exploiting military people should find so damn much to write about. But there was an enormous amount to write about and Glen loved the story, the editors at the paper loved the story, my editor in Business Day, Larry Engrassia, was incredibly generous in letting me spend what was originally suppose to be three months and is now what, fifteen months and counting, to work on this piece.

One thing that mattered was the reader response, I think. I mean nobody ever said that, I

would like to believe that in the ideal world editors would have seen the platonic necessity of pursuing this story, regardless of whether anybody paid any attention to it or not, but the fact that we were getting so many e-mails from families of military people and from military people themselves, flooding in, saying the same thing happened to my son; the same thing happened to me in Vietnam; the same thing happened to me in Bosnia. That feedback helped affirm that we had hit a nerve here, we really had found something profoundly broken that our readers cared a lot about. So I think that was one of the reasons that we moved so far.

This began as a business story, to answer your second question. I didn't set out and say now I'll go cover the military, it began as a business story. We got a tip, in the Fall of 2003, financial mavens among you may remember that at that point New York Attorney General Eliot Spitzer's latest target was the mutual fund industry, he was exposing misbehavior in the mutual fund industry and as luck would have it, I am kind of an amateur historian of the mutual fund business, my book *Fidelity's World* was about the history of the American mutual fund industry. And I got, understandably enough, invited to participate in our coverage of that scandal.

And one of the stories that I'd written

prompted someone, who must remain nameless, to call me and say that he knew that these contractual plan mutual funds were being sold to the military. And it was like you told me that we're selling brontosaurus down at the pet store. I was convinced that the tipster was absolutely wrong, that he had screwed up, that he was confusing some newfangled form of mutual fund marketing with this old contractual plan. Because I knew about contractual plans, they've been around since the '30s, they've been involved in scandals at least five times in the mutual fund industry history. Bernie Cornfeld, one of the worst felons of the mutual fund industry used to sell contractual plans to military people abroad. Contractual plans were the tar baby of the mutual fund world. And I could not believe they were being sold to military people.

After looking into it and finding that yes indeed, these were the old fashioned contractual plans that were being sold, I went to Glen and said, I can't believe it but they're selling these awful mutual funds to military people. And his eyes lit up, and the fire never went out. So it started as a financial story and then it just led deeper and deeper into the culture of the military because the first thing I learned about the company, the first command, that was selling these mutual funds, is that they relied on a form of affinity

marketing that was a masterpiece of its type, I have never seen anything like the level of affinity marketing expertise.

MR. JONES: Explain what that means.

MS. HENRIQUES: Affinity marketing, standard marketing 101 here is using people who have instant credibility with a specific target market to sell to that market. It's like using athletes to sell athletic equipment or golfers to sell the greatest putter going. That is affinity marketing, and nobody thinks a thing about it. Sure an aspiring golfer is going to be impressed if Tiger Woods is promoting the equipment.

This was the use of retired military, both the glittering brass that you'd stick on your advisory boards or your boards of councilors, have their names on your website, or the former sergeant that retired after twenty years and is going to go back on base with his military retiree ID card and sell to the guys he used to work with. Or get the guys he used to work with to let him sell to the troops that they're in charge of, which was what happened more commonly.

And that form of affinity marketing so offended me, I know we are not supposed to have personal emotions about this, but when I saw how this was working. One of the killer quotes, you know you

get it and you know it's going to be in the story the minute you hear it, interviewing an army spouse at Ft. Knox, and she had worked for a time as a receptionist at the local first command office.

And she told of young officers coming in for their appointment with their financial advisor, who was a retired Lt. Colonel, and she recalled one young officer saying, should I call him sir? And I thought to myself, if you're calling your insurance agent sir, we've got a real imbalance in the marketplace here and something is going terribly wrong. So I was deeply offended by the use of that command influence in behalf of selling lousy products.

And then I talked to Capt. James Shaw down at Ft. Bragg, and Capt. Shaw helped me see that it wasn't just offensive, it was morally evil to do this, and here is why. If you rip me off, if you buy that putter that Tiger Woods was promoting, and it turns out to be a lousy putter, okay, what happens, you've got a disgruntled golfer that will never think the same about Tiger Woods again, all right.

But if you have a disgruntled consumer who is a soldier, if you've got a disgruntled private who feels like somebody in the military command structure has ripped him off, you've got a young man or woman who will be less likely to jump when command says jump,

less likely to be loyal to his unit as military tradition requires him to be. And loyalty and obedience are things that are drilled into the military brain because it saves their life in combat. And to the extent that this affinity marketing was preying on those noble traditions of military life, they were leaving these young men and women more vulnerable and less effective in the field. And that made me so mad, and still does.

So the affinity marketing tactics became, very early on for me, one of the most compelling areas of investigation. And interestingly enough, they are one of the areas of marketing that these companies are proudest of, and couldn't wait to tell me about.

So I just let them talk, tell me more about how many retirees you have on your force, tell me more about General Zinni being on your advisory board, just tell me more. Because I felt that was the true betrayal here, that the noblest of traditions and the most necessary lessons of military training were being exploited for personal profit, without any consideration of what the downside of that would be if that military person became a disgruntled consumer.

So that was a sermonette, and I'm sorry it went on so long, but it means a great deal to me, as you can tell.

MR. JONES: Thanks.

Let me get Andrea Mitchell into this conversation. I know that you are not an investigative reporter, per se, but I know that a lot of the work that you do involves reporting that means prying into people's business that may not want you to be there, and also that you work with people in an environment in which things I said last night about investigative reporting, about the expense of it, the time consuming nature of it and the difficulty of it are the very things that are in shortest supply now on television.

What is your take on television's version of investigative reporting these days?

MS. MITCHELL: It's obviously under attack, and somewhat for good reasons, because of some of the things that have happened in the last year or two. We have an investigative team in Washington, the I Team, which is led by Lisa Myers and has distinguished itself for both its caution and its credibility in the field. ABC has a unit led by Brian Ross. And I am less familiar, for obvious reasons, with everything that they do and with what goes in behind the scenes.

I can tell you that NBC legal is ferocious in the due diligence before we go on the air, and this has been the tradition since really a landmark mess,

which was many years ago under previous management, when there was the report on "Dateline", an early version of "Dateline", which involved the General Motors exhaust pipes. So we learned our lesson.

There is tremendous pressure, as everyone here would acknowledge, by our corporate owners, to be right and not make some of the mistakes that some of our colleagues have made. I think when we talk about the tragedy, and I think it is a tragedy what happened with CBS News, if you watched as I did, the hour report on Dan Rather's career that followed from 8:00 to 9:00 p.m. on their network the night of his retirement, well I guess you wouldn't call it a retirement, but the night he stepped down from the "Evening News".

The work that Dan Rather did in the field going back to 1965 in Vietnam, and I guess before that with the Kennedy assassination, was remarkable. Watching Dan Rather under fire, and Marvin here can attest to some of these things that were in the proud tradition at CBS, perhaps he is too hot to have been an anchorman and too passionate, and belonged in the field more appropriately. And we'll see how his career progresses, because I think anyone who counts him out is probably naive or doesn't know Dan Rather. But I think he obviously has a great interest in following up and fixing, to what extent he can, the record as it now

stands.

The real problem that I think CBS had, and there were numerous problems, was not only, I believe going into the report with a preconceived notion. And I think you have heard from everyone here the shock and surprise that Diana and Jim and others felt when they first had that oh my God moment, or the eureka moment. The essential fact of being a reporter is to not go in with a preconceived notion and not to try to prove something that you already believe before you see that filing cabinet or those facts. You have to be essentially surprised all the time, and be prepared to change your mind at every stage of the game. And to change your mind about sources as well as what they're telling you.

And I think the CBS problem was not only going in with a preconceived notion, but also being unwilling to reexamine it when the problem first arise. Now I have to tell you, I was on the firing line because when CBS came out with their report I was told to match it for NBC. And we started preparing a report that day to go on the evening news, under deadline pressure. And I went in with the preconceived notion that if this, since this was on "60 Minutes" it had to be true, I have to tell you that. And as the day progressed we ran into trouble on the thought initially

we were looking at the BLOGgers, sure. And we started to talk among ourselves about what are we going to do and how are we going to address this? And it was now 5:30 and at quarter of six we had the piece already written, and we started rewriting.

That happened on another story I was working on recently, where I got a call back from a source on a story that had been in the *New York Times* and several other news organizations for six months, and I called the CIA that day to check it out, because we were following up because we had a new angle on it. This happened two weeks ago. And the CIA called me back at 4:00 and said we will try and get you something on this. And we continued working, because we had plenty of sources on the story.

And at 6:10 the agency called back and said, it isn't true, and gave me a fairly compelling argument why, not that it wasn't true but there were different circumstances that we had to acknowledge. And I called New York right away and I said, I've got to rewrite. And what was so fascinating was the person at the agency said I was the first reporter who had called. The story had been repeated, on the web, in print, on the air--

MR. JONES: Can you tell us, since it's been on the air, what is it?

MS. MITCHELL: It was the story about a man named Arrar, who was a Canadian national, who had been the subject of a rendition. And as it turned out, it was a Justice Department rendition with some CIA complicity, and that is where the agency was not being completely straight with me, but we had to acknowledge that it was not a classical rendition.

But it was the first time that anyone had called the agency, because he was nabbed, he was picked up at JFK Airport and taken from his family and taken on a plane and brought to Jordan and then driven to Syria, where it has been demonstrated he was tortured for ten months, before under pressure from Canada he was finally released and brought home. And is now suing.

As it turned out, obviously the agency was involved at various steps of the way, informationally, and certainly in Aman and afterwards. But the initial steps were not done technically by the CIA, they were done by the Justice Department.

MR. JONES: One of the things that you mentioned that was interesting is that the CIA called you back, my understanding is that they very rarely respond. Is that because you are NBC and because you are Andrea Mitchell, what do you think?

MS. MITCHELL: No, I think they have an

office of public affairs and they are actually very responsive in calling, they are not very responsive in what they communicate once they call. And that is probably a combination of the people in the office of public affairs don't always have access, in fact most likely don't have access to the real information. And as I suggested last night, I think there is a problem of information flow and of bad reporting, if you will, from the field and then bad analysis once it gets in Washington.

Jim can bear me out on this, because what we certainly have found with the issue weapons of mass destruction, I've been doing some follow up reporting for a book that we talked about that I'm finishing, that is not an analysis of the Iraq war, per se, or any of that, it is really a career sort of memoir. But certainly my reporting on the weapons of mass destruction and my coverage of Colin Powell at the United Nations is one of the seminal events, and one of the issues about which I have the most concern.

And looking back, as I said last night, we really have to ask ourselves, when the secretary of state, with the CIA director sitting behind him, are at the Security Council with something we are told has been vetted by them personally for four days at Langley, and they rejected sections on terror

connections, al Qaeda connections to Saddam Hussein, which the NSC was claiming and the Pentagon was claiming, which they, in their due diligence felt did not meet their standard of evidence.

So you're being told by State Department officials and UN officials, the U.S. mission of course, so that's the state department, so you're being told by the CIA and the state department that they have pushed back against the Pentagon and the NSC. So you think that you have a "more moderate truth based document" and then you discover that the principles themselves feel that they were misled, that's pretty stunning, and better reporters than I are cataloguing how that happened.

But those are questions we all have to ask ourselves, particularly as we are now accepting the restructuring of the intelligence community as "reform". I love the way reform is used, from health care reform to welfare reform, to all kinds of, you know, Social Security reform. And we buy into it, we meaning the mass media, we are all buying into intelligence reform as a "good thing" editorially and suggestively in the way we analyze it, because it was recommended by the 9/11 Commission.

Well it wasn't writ from God on tablets, and there have been other proposals, perhaps better,

perhaps worse, and as I have also suggested, the proof of it will rest not only in structure but primarily in how the people involved work amongst themselves, and to what degree they take an appropriately skeptical view of information. So these are some of the challenges we face.

The most recent example of this whole issue of television using the words in a sort of emotionally laden way is with the Schiavo case, where we have had network reporters, correspondents, on the air, with a straight face saying the president returned from Waco because he felt strongly that this was a religious issue and an emotional issue. I mean there is no context, there is no sense of background here of the politics, or of the fact this is the same White House, any White House, which will say the president can take a vacation because he is in constant communication and doesn't need to be in Washington in the middle of a crisis.

So how do we get swept up in this in our live broadcasts, and communicate to the public that there aren't other agendas going on. For better or for worse. But not to even pay lip service to those other agendas is what I find very troubling.

Just one final diversion here if you'll indulge me just a second.

MR. JONES: Sure.

MS. MITCHELL: Today's *New York Times* coverage of CNN's changes, it has a story which I recommend to all of you about the new leader at CNN trying to compete against Fox, and telling his troops that the way to do this in prime time is to keep the viewer in prime time for a few additional seconds every month, and they can add up to perhaps six minutes by the end of the year.

And one thing that he praised widely to his people was a reporter who apparently on camera, in the aftermath of the courthouse shooting in Atlanta, tested a Tazer device on himself, and shocked himself to the point where he fell down.

(Laughter)

MS. MITCHELL: And this was described as a wonderful competitive moment by CNN against Fox.

(Laughter)

MR. JONES: The best quote in it is an anonymous quote, I'm sorry to say, by someone at CNN who said that the worst thing about it was not that they did it, but they were all going around congratulating themselves at CNN about what a great coup it was and how smart it was.

Thank you very much, Andrea.

Steve Suo and Erin Hoover Barnett, and

some of you may remember Erin last night wearing her name tag on her tummy--

(Laughter)

MR. JONES: --she is about to become a mom.

If you would, talk to us a bit about the methamphetamine story for the *Oregonian*.

MR. SUO: Sure. Well, I have to say I take some perverse pleasure in hearing my colleagues in the national media talking about Jim Fallows not getting his phone calls returned.

(Laughter)

MR. SUO: So I won't take it so personally anymore.

(Laughter)

MR. SUO: We really, because we set out to do a national story and a lot of times didn't get phone calls returned because we were a regional paper, or felt like it was because we were a regional newspaper.

But the story we did was about methamphetamine, and methamphetamine is, if you're not familiar with it, is a stimulant, it's often injected or smoked, and it's a really potent stimulant. And it is the most popular drug of abuse just about everywhere west of the Mississippi. It is to rural America what crack once was to the inner city. But none of this is

really news, that's not what we set out to write about. What we set out to write about is the fact that there is a solution to this growing problem and the leadership of this country has not pursued it aggressively.

The solution is to control the chemical ingredients to this drug, methamphetamine cannot be manufactured with either pseudoephedrine or ephedrine, which are chemicals whose only legitimate use is as a decongestant, it's an ingredient in just about every popular cold medication on the market, from Nyquil to Sudafed to Contac, Benadryl, a very long list.

The chemicals pseudoephedrine and ephedrine, are only manufactured in nine factories in the world, and that creates a very different situation than what exists for cocaine or heroin, which are grown in fields by people without much education. These are high tech factories that are hard to replicate, and there is a finite source of this product.

The origination of the story, or kind of the nut of the whole series, was the statistical analysis that we did looking at various indicators of supply and demand for methamphetamine across the country. And no one had really looked at this issue before, if you look to academia, methamphetamine has not been a popular topic to study, people are still

very much caught up in the cocaine wars of the 1980s.

So we were a little bit ahead of the curve on the original research, which was good and bad. I didn't find a lot of experts that I could quote, we had to do our own analysis. But what we found was a lot of people had talked about the growth of methamphetamine use over the past ten or fifteen years, and described it as this burgeoning menace, as many of us in the media are want to describe drug problems as.

When we look closely at the number of users over the years, the real surprising thing we found was that yes, it was growing, but you had these huge dips from time to time. And no one had ever really proclaimed or attempted to determine what was causing this. And that is really what got my attention from the beginning was to say hey, it looks like something went right here, and it's really important to figure out what went right. That's an unusual position to be in as a journalist, particularly an investigative reporter.

So we sort of started backtracking from there, from the statistical analysis and try to identify the key moments that may have brought these reductions in meth use. And what we found was we were able to identify specific concrete policies, new regulations that were enacted by Congress and the DEA,

that had the effect of really drying up the methamphetamine supply for up to a year at a time. No one had, even in the DEA they were not aware that they had actually produced this dramatic success. And much to my surprise the DEA did not want to cooperate with this series, in spite of the fact that I was providing all this potentially good PR.

So in terms of the obstacles in presenting this story, you can see with my feeble attempts to describe it, it's a very complex story and so just telling it to readers was a challenge. There was this complex statistical analysis and we really needed to break down a lot of misconceptions that exist about methamphetamine that have been fed by the news media frankly. The most pervasive myth about methamphetamine is that in popular culture, to the extent there is an awareness of the methamphetamine problem, it's pretty much associated with these small labs that people run in their kitchens or in their mobile homes. And then these things catch fire and cause all sorts of problems.

But in reality that is only about 20 percent of all the meth that is made in the world actually comes from that type of meth lab. Eighty percent comes from organized crime cartels down in Mexico. So part of what we were trying to do with the

series was to alert people to the fact that when you're talking about solutions to the methamphetamine problem you really need to look at foreign policy as much as you need to look at domestic law enforcement. And that was a radical kind of proposition unto itself, it's just now starting to catch on in Congress, there is some legislation to actually try and go, as we did as a newspaper, go to the factories in India and try to find out what is happening to the pseudoephedrine that is being manufactured there.

I guess the other obstacle, I mentioned that there has not been a lot of academic research on the methamphetamine market by economists or others, so I faced the task of having to essentially sell this analysis to a number of very smart people at the RAND Corporation and at Carnegie Mellon, and some other respected drug policy experts out there. And that was a difficult step unto itself, it's a very unusual project for a newspaper to do, not only sifting through the documents but essentially coming out with this thesis that we were trying to support with statistical analysis, and then somehow explain our math to our readers was a difficult challenge.

That was my participation in the project. Erin also faced a very different set of obstacles in following the life of a little girl whose mother was

addicted to methamphetamine.

Maybe you could describe that.

MS. BARNETT: What my humble colleague Steve fails to mention, among other things, is that when he says we he is being generous. Certainly the support of our editor, Tom Mauer, who is in the audience and Steve Engleberg, who we were lucky to lure from the *New York Times*, and Sandy and Peter, our leadership at the paper. But also, he is a product of the Kennedy School, he has a Masters in Public Policy, that's where he learned statistical modeling, was able to apply that to his craft as a journalist, in a manner that is I think fair to say beyond what just about any of us would ever do.

And the challenge he created on one level for himself was that one, he didn't have just one soundbite, he had like five. He found out that Pfizer, one of the biggest pharmaceutical companies in the world had been sitting on a patent for Sudafed that could not be made into meth, and they sat on it for more than five years while my story's subject was ruining her family because of her meth addiction. And when you realize how profits and politics got in the way of a solution to something that could have been fixed, it's tragic.

My role in this, and I was honored to take

part in it, was to tell a human story, as we really recognized, Tom and Steve, our editors understood we need a human element clearly. Because this was a challenge, he had a very intense and dense and complicated public policy story and we needed to bring this home to people. And I did a talk at a seminar for some young journalists and said, well the way you bring human stories into investigative stories is you, if there isn't an obvious human angle you figure out your thesis and then you find the perfect family to illustrate it.

Well of course that is not what happened to us, we had no idea what all he was going to find two years ago, we started this in the early Fall of 2002, we published in the early Fall of 2004. And we had no idea all the things he was going to find, so how do I find a family to represent what we have no idea we're going to write about. And I started out, I met Debbie Vick and her daughter Michaela through some parole and probation officers. And the initial plan, and the challenges I initially faced, and i won't take a lot of time here, was how to, you know, what was the story I was going to tell?

So initially I met Debbie, who is in her early 40s, she is just about my age, a little older. And she was going to be the success story, you know

here is this woman who had kicked this terrible meth habit, and how did she do it, because it's a terrible addiction and it gets to the point where you can't feel joy, literally, without it. So you take antidepressants and this sort of thing but it's extremely difficult to stay off of meth, it's a terrible addiction.

So this was the plan in the Fall of 2002, well of course as it turns out Debbie relapses in the Spring of 2003 and then we're telling a different story. That's when we realized that Michaela, the daughter, who was 13 when I met her, 15 when we published, was really the story, and she was a young woman who was born into her mother's addiction, her mother to this day is not certain who the father of Michaela is, because that's another thing that happens when you're on meth, a lot of things happen that you don't remember.

So the story became about Michaela and the name of the story was "Child of the Epidemic". And this was a young woman who you could cheer for, you know, who readers just could not write off and say well this was this family that was doomed, they're poor, I feel sorry for them but it's not my life. I feel sorry for them but it has nothing to do with me. Michaela was a young woman that you wanted to invest in and

believe in.

The challenges for me were, I mean part of my role was to cheer Steve on through all his incredible work, going to India, going all over the world to track down this story. Meanwhile I worked on three different reporting beats, I had a Nieman Fellowship, I got pregnant, there was a lot going on. So staying in touch with the family through all of that, calling them when I was here last year, and maintaining that relationship actually turned out to be a great joy for me and they were fantastic.

But I think just one other little challenge I'll mention that anybody, and I think Louise Kiernan is still in the audience, who is one of my great role models at the *Chicago Tribune*, can tell you, she does a lot of incredible human stories, is dealing with the vulnerability of your subject. And I really had to work with that, Michaela is a young teenager from a poor coastal Oregon town, obviously had never dealt with the media. She was so eager and excited, you know, it was exciting to have this reporter following you around and that was kind of cool, and her friends thought I was cool, and we hung out.

And at the same time, I understood her vulnerability and I also understood the things she was sharing with me about her experience with her parents

was going to be difficult for her parents to read, for her mother particularly. And I worried about that vulnerability, so trying to deal with those issues and protect her, but also tell her story in as unflinching a manner as we could do was probably my biggest challenge.

MR. JONES: Thank you, Erin.

Greg Barker?

MR. BARKER: Excuse my hoarse voice, I'll try to be brief.

I made a film for "Frontline" called "Ghosts of Rwanda", really a history of the international response to the genocide in 1994. It was a real personal project for me, I first went to Rwanda, I guess about eight years ago, I had a personal connection through a fixer who had worked with me in Africa, his mother had been a Tutsi and I didn't know anything about what really happened other than just what we all kind of knew. But I went in there looking for a different kind of way to get into the story, and not knowing what to find.

I met a guy who was a UN aide worker, an American guy, who was there during the entire genocide, or almost all of it, and I didn't know there were any aid workers there at all during, I thought everyone left except for a few UN peace keepers. And I had

heard about General Ulaire and all that but I didn't really know anything beyond that. He had been described to me as a hero by somebody who knew him.

I tracked him down, a lot of journalists had been to Rwanda trying to cover the genocide, this guy had been there the whole time, and had never talked to anybody. He was still working for the UN, in a little nondescript office, even his colleagues, most of them didn't know what he did. And I said, are you a hero, and he says well, and he kind of wishes that he was but he really wasn't, doesn't feel like he is. And he said, no I'm not, but I know a guy who was.

And then he told me the story of this Senegalese peace keeper named Capt. Bajang, who was an unarmed UN observer during the genocide. And from the very first moments of the genocide just ignored UN orders to remain neutral and do nothing, and went out and started saving lives before he himself was killed by a random mortar shell. And he became an inspiration to a lot of the guys on the ground.

I was just blown away by the story and also by the way this American guy, his name is Gregory, Alex, talked about this Senegalese guy. I had never heard another man described the way Alex and then other people who knew him described him. They called him like a real life Cool Hand Luke, the kind of guy you

meet once in a lifetime, just amazing language. And I just thought, I was just amazed by this.

And I set out really on my own, in between documentaries in the next several years, tracking down other people who were in Rwanda from the international community and had never spoken before, and there were a number of them. And they had spread out all over the world, most of them had formed very close bonds with each other at the time and then just left because the experience and the memories were too harrowing. And I just tracked him down and thought there was something in this, and I wasn't quite sure what. And then I knew there was a film but I wasn't quite sure if it was just that.

And then over the years I was talking to "Frontline" about this idea and then as the tenth anniversary approached we said okay, why don't we do that, and then also tell the big history of the international response. So what I did was just use this sort of network of sources from on the ground and sort of worked up the food chain of the international community all the way up, eventually we had Kofi Annan and Madeline Albright and Tony Lake, did not get a lot of the key decision makers like Bill Clinton and Warren Christopher and others.

You do these stories, and I drew a lot

sources at that level from Samantha Power, who was a consultant to the project, who a lot of you know. And people like Tony Lake, who spoke very openly to Samantha and then to me, and I think he watched "Hotel Rwanda" with a reporter from the *New York Times* in an empty theater in Washington and it was really emotional for him I think. But at least he talked, you know, Warren Christopher has just dodged this issue consistently, so you always feel slightly awkward, just the people you really want to get and who manage to stay silent and kind of escape any connection with the story at all.

So anyways, that's what we did, I tried to piece the story together, the international response, from the ground up, and trying to make sense on a human and institutional level of why nothing meaningful was done. And contrast the sort of paralysis at the highest levels with the handful of incredible heroes really, who were the very best of the international community on the ground, like this Capt. Bajang, the head of the Red Cross, a guy named Phillipe Guyard, who saved, we estimated about 65,000 lives, he and his team, and afterwards just hasn't talked to anybody. I was lucky, I was the only journalist that he really has ever talked to, he just put it behind him and went on with his job and just kind of carried on.

The crucial thing in all this was just time, it wasn't, on a sort of purely journalistic level it wasn't that difficult a story to do, because these people actually were desperate to talk once you got to them and built a measure of trust. It's just that the story is so under reported, even now, that I mean Samantha had contacted some of the people in the US and the UN a number of them, but a lot of the people on the ground nobody had ever tracked them down before, which was astounding to me.

And that's what we were able to do, and "Frontline" was very generous, once we actually began the film I spent about fifteen months making it, of which at least the first six or seven months was just pure research and just tracking people down and finding the stories. I never could have done that without that backing from them.

MR. JONES: While I would like I am going to resist the temptation to ask follow up questions because we've got two more finalists to have talk, and I want to give you the opportunity to talk as well.

Seattle, why did you choose; what were your obstacles?

MS. DAVILA: We chose the story based on a couple of tips. We have two colleagues that aren't here that deserve complete recognition and praise, Ken

Armstrong, a colleague, and our editor Jackie Bonashinski.

The story developed the way a lot of good stories develop, a tip over lunch to Ken, a source had remarked about a system of contracting that was problematic and a second source mentioned an attorney by the name of Guillermo Romero in a county in Washington State where there were some problems. Ken realized that that attorney was working in a contract system, started digging. Justin Mayo started digging as well.

And when we looked and realized that the demographics of Grant County was agricultural country, probably a migrant population, Spanish speaking population. I was brought in, and the three of us worked about six to eight months reporting a story that ended up showing that this contract system, that the state bar had raised concerns about in 1973, was problematic. And at the time in '73 there were only six counties employing this fixed fee system. Basically we will give you a set amount of money to handle indigent defense, and it doesn't matter how many cases come up, that is the only amount you're going to get. But after the state bar had sort of alerted concerns, by the time we did this story I believe 29 of the 36 counties in the state had been employing this

system.

I think one of the challenges that Diana and Erin both mentioned is to try to humanize the story. We knew the story was going to be about a system, but again, trying to convey it to readers, you always try to put the human element of it. And I think as journalists, when we had found our way and we knew what the story was, there is that adrenaline, there's that determination and satisfaction that you know what you're going to do.

But I think the passion really came when Ken and I ended up in a Shiloh Inn conference room, motel room out in Grant County, and it was during the disciplinary hearings for one of the attorneys and we heard testimony from moms and dads and brothers and sisters who had come in and talked about not knowing the system, getting sucked into the system by happenstance, and having a lot of faith in the court appointed attorney that they were going to do the right thing.

And I ended up in Mexico interviewing one of the defendants and he too was talking about, I looked to Guillermo Romero, my court appointed attorney, he was Latino, he spoke Spanish to me, I sort of felt he was an attorney, he was going to do the right thing. And he didn't, and that is the sort of

additional work.

MR. MAYO: I'm going to talk really quickly about some of the other problems we ran into and some of the results that have happened from the series.

One of the things we wanted to do was look at these contract systems and say, you know, evaluate them and compare them to other systems and how they failed their clients in the counties. And a really simple question, like how many cases an attorney had, was a problem to answer, there was no centralized source of data, there was no oversight. As Flora mentioned, these counties would just hand over the contract to a private firm, let them dole out how many cases they would give out, what they would pay, who they would subcontract to.

So we had to build sort of our own central data source of all this information. We were able to go to the state, they had some records, that was a starting point, but there were plenty of holes in the state database of all the criminal trials. So we had to go to the counties, get the paper records, and plug holes. We also surveyed all counties and asked them about their systems and how they structured their contracts, and who the subcontractors were, and we built that survey data into our central database. So

it was sort of a conglomeration of different data sources.

But once we did this we were able to have a really authoritative source of information, we were able to show how many cases certain attorneys were handling, what they were getting paid and how they were failing their clients in many cases in many of these contract counties.

One example, one of the main attorneys in our story was Tom Earl, he was the contract holder in Grant County. He made up to \$250,000 one year off the contract, and handled over 400 felony cases in one year, and the guidelines say you should have no more than 150 cases. So the way he did it, he just shortchanged people, he didn't interview, he didn't hire investigators, he didn't go to trial, he would plead out 90 percent of his cases. And of course the county prosecutors were willing to play that game because it was just closing cases for them.

If he did go to trial he lost, he lost I think pretty much all but two of his cases that we found in the five years we looked at, so the acquittal rate was about half what the average was in the state. So we were able to be authoritative about some of these statistics because we had built these records from scratch.

Just one more quick example of case loads. There was another attorney, we didn't profile too deeply, but it was outstanding because he was an attorney in two different counties, under two different contracts. He handled one year over 700, 800 cases in one county and 500 in another county. And this was the guy who was getting paid, once you worked out the rate, \$21.08 a case to handle these cases. So obviously he wasn't doing a whole lot of work. On top of that, in that same year, he was a judge in another county--
(Laughter)

MR. MAYO: --and he handled 3,900 cases. So you can see there was just no way he could keep track of anything, of his clients, of his caseloads. And he was actually admonished because twelve times, believe it or not, he was the attorney and the judge in the same case.
(Laughter)

MR. MAYO: One guy we actually highlighted, he came up to the bench and said, Your Honor, you're my attorney.
(Laughter)

MR. MAYO: And he didn't know, so he convinced this guy to fire him as his attorney and plead guilty and then he sentenced him.
(Laughter)

MR. MAYO: So you can see how ridiculous it gets.

(Laughter)

MR. MAYO: And as far as the results go, the two main attorneys, Romero and Earl, were disbarred following the series. And there is a class action lawsuit that was filed in Grant County, the main county we highlighted, basically saying the system has collapsed and they have basically failed their defendants. And they want to basically take the system over with the federal government, that's in process right now.

And then the last thing is there is some movement in the legislature to actually provide more money to indigent defense throughout the state, it's a very small amount. I think they're asking for \$12.5 million, so it's not going to have a huge impact at this point, but things are starting to move.

And actually that was one of the things we talked a lot about early on in the series. This has been a problem in Washington State and around the country for decades, and how much impact could we have, what could we really do, it's an intractable problem, it's not going to go away with one series. But the *Seattle Times* and our editors thought that it was still obviously a worthy story.

And in this case our editor Jackie said these are voiceless people, these are powerless people, accused poor felons, I mean there is no more powerless person. And in journalism one of the things we can do is give a voice to the voiceless, so that is sort of where we came in on the story.

MR. JONES: Thank you, Justin, very much, and Florangela, that's terrific, thank you.

WFAA. Brett Shipp, Mark Smith? How come you're unlike every other television station in the country?

MR. SHIPP: Well, I don't know, but that's why I'm at WFAA-TV in Dallas is because we are unlike, it seems, most every other local television station in the country, in that we are allowed to explore stories that matter. And this is, I think, one of the greatest examples of being able to go after a story that "not good TV". It's workers comp. Mark Smith came to me in I think October of 2003 and said, I've got a great story on the workers comp system.

(Laughter)

MR. SHIPP: Please. And Andrea mentioned, she said preconceived notions on a story, my preconceived notion was Mark is going to tell me about the story we've all seen of the injured worker who is faking an injury and profiting off of it by getting

paid for doing nothing, while they're skiing or wrestling or something, and they are supposed to be on workers comp. And that was my preconceived notion. But Mark very quickly convinced me, through research that he had done, that the story was absolutely the opposite and that the myth that had been perpetuated by the insurance industry in this country, all over this country, was absolutely a brilliant stratagem to cover and mask what is actually going on, and that is the wholesale denial of medical benefits and claims and surgeries and therapies to people who are living in hell, suffering through these injuries without getting any treatment.

I was flipping through our stories, and I'll call your attention to the very last story in your booklet, which was the last piece we entered, it's a summary of what the story is. And what I did was I had so many people begging me for attention, legitimately injured workers, begging me for attention, all over the State of Texas, and now through this publicity and other publicity, all over the country, saying please tell our stories.

So I amassed a group of injured workers and their doctors in a studio in our sister station in San Antonio and just turned the camera on. And you can see the crystallization of what this story is. Arlen

Brune, of San Antonio, said he lost both of his legs following an accident at work. His workers comp insurance carrier called it a disease of life, and refuses to even pay for his wheelchair. He has lost both his legs, at work, undisputable, but his insurance company, because they can get away with it in an unregulated society in Texas, simply refused to pay for even his wheelchair.

You end up losing homes, you lose your property, you lose everything you've ever worked for in your life, you're in debt so far you can't see out of it. All over the state people shared similar experiences, workers comp insurance companies denying claims based on the word of a doctor paid to do nothing more than review medical files, working for the insurance companies and denying claims. And that's all they do, they don't have active practices.

And Mark and my work, and thanks in great deal to our then news director David Deutsch, were allowed to pursue this, and we continued to pursue this because on a daily basis we are getting people calling us crying out saying, dear God, do something. Help us, because we're living in hell. And the first story that you don't see, that we did in November of 2003, was the story of a man who committed suicide because the pain was too intense and the denials were too onerous, and

he couldn't continue. And I get people all the time calling me saying I don't know if I can go on, I don't know, can you help me please?

We continue to do this story today because how do you stop? How do you stop?

MR. JONES: Thanks.

MR. SHIPP: That's what we do.

MR. JONES: Mark?

MR. SMITH: Just real quick. Brett has covered the human element of the story pretty significantly here. I just want to add, you kind of get a sense sometimes, you have the anecdotal, you that, then you try to get the statistical element to back your story, just so people understand the situation. I'll be real quick.

We got some records, for example, of a peer review doctor that does nothing but look, for maybe fifteen minutes, at a chart, and oftentimes they looked at what they call stripped down files, where the insurance industry and the insurance carrier in particular will send, instead of the full file they'll send a stripped down file to this peer review doctor who is paid to deny claims. If she didn't, she wouldn't be hired, she'd lose her job or contract.

So what happened was she would get the stripped down file, and in 15 or 20 minutes write a

report. She did thousands of reviews in a year, she made, we got her records, she made a total of about \$7 million in three and a half years doing nothing but looking at files and denying claims.

We had a situation where meeting after meeting in Austin last year there was a situation where the insurance industry kept saying how there were these out of control claims, we're losing money, there's out of control claims. We kept trying to get the figures on the profit margin by the insurance industry. Anyway, they took in about \$2 billion in premiums and only paid out about a billion dollars, there was a billion dollar difference last year in payouts to premiums.

Another stat, one thing, and I've kind of responded to what everybody was talking about, there was a situation where after this story hit we were deluged with e-mails and letters and calls, we got about what, Brett, 1,500 calls? I mean just a staggering number, the thing was just ringing off the hook, the e-mails were coming in. We knew we had hit a nerve.

One of the things on a story like this real quick too is for us, we move from story to story, we did a thing on informants and drugs to this. And mastering the lingo, trying to be able look at the

medical records, that took time and it took a lot of energy to do that, just to master that. And you kind of get your expertise, much like everyone here, you develop, when you're working on a story, just to get that, kind of master your ability to know what the documents are really telling you.

And I just want to respond, we were talking earlier about open files. I just have to throw this out there. The last time Brett and I had an open file, the Dallas Convention and Tourism Bureau let us into their office to look at an open file, and we were looking at the expenditures of the bureau. So anyway, we were in there and they had all these files out, and I just have to do this for levity. We saw the Visa expenditures of some of the guys who were at the Tourism Bureau, we got to put it up to the window, they had whited out some of their expenditures. Anyway, the guys were buying porno tapes, and ultimately we did a story on that--

(Laughter)

MR. SMITH: --where they were spending that and all kinds of money on strip bars and everything, to benefit the tourism industry.

MR. SHIPP: They took the records, they closed off the records.

MR. SMITH: We never got the records

again.

(Laughter)

MR. SMITH: I just had to add that.

MR. JONES: We're going to go a little longer than we had planned, but I know that Jim, Fallows, you have to go and get reprimanded by your editor, so you may have to leave a little early. And I wanted to give you the chance to say the thing you didn't say before.

MR. FALLOWS: I'll boil it down to one sentence. We all know, it's a topic for another day, and Paul Starr's book goes into it about sort of the sweeping business pressures on the whole industry and how it's changing things. It strikes me we have essentially a 50-50 national-regional balance here, we have NBC, *New York Times*, "Frontline", *The Atlantic*, *Oregonian*, *Journal Constitution*, *Seattle Times* and WFAA. I think comparatively speaking, we're all under pressure but the pressures on local outlets are that much greater. So it is that much more important for the achievement and the future of investigative journalism that the local news organizations have done the outstanding work that they have. So to me, I think that is the most heartening, most important part, there are these four outstanding local and regional.

MR. JONES: I completely agree with you.

And I can tell you, when the Shorenstein Center, when the Goldsmith jury is considering, it very much, as I say, the idea is that we factor in the resources available and such things as that. Because we recognize that it's not fair only to look at the *New York Times* versus a *Wall Street Journal*, it's something that has to be calculated as an element of complexity and difficulty and resources available. And I completely agree concur, we are delighted to see so many regional and local news organizations represented at this table.

I'm going to open this up now to questions, because I want to have the audience have an opportunity to participate. There is a microphone here, a microphone there. If you would, just identify yourself?

MR. PATTERSON: Tom Patterson, from the Shorenstein Center.

I wanted to see if you could connect some of this discussion of what you do to a public policy issue that Andrea Mitchell raised last night, and that's the Shield Law.

And the question I have is how important is a shield law to what you do? Do you think for example if you had it you actually would open up sources that currently won't talk with you? And then

do you worry at all that a shield law could be used by less honest journalists essentially, to cover some of their work? Just some general thoughts on what do you see as the advantages and disadvantages of a shield law?

MR. JONES: Who wants to take it?

Diana?

MS. HENRIQUES: We had, I started as an investigative reporter in a state with a fairly strong shield law, one of the first states with a shield law, in New Jersey. It had a shield law as a result of earlier incidents of a *New York Times* reporter, in fact Myron Farber, being jailed for refusing to divulge confidential sources. I think it strengthens the spine of the news organizations to have a shield law. Speaking purely personally here, I'm going to do the same thing whether I've got a shield law or not, the only thing that will change will be the consequences for me and for my family.

My heart goes out to Judy Miller, she is facing at least 18 months in prison, longer if they decide to simply re-impanel and start a new grand jury. There is no end to how long she could be in prison for refusing to divulge the sources for conversations that she never even produced in print.

I will say that I no longer so glibly

offer off the record status to people. People think I'm joking when they call and say can we speak off the record, and I say as long as you are not about to confess to me a crime. If so then we need to discuss this further before I give you that extension.

So yes, I've become aware, and I'm not joking, I had a conversation like that just three days ago. But I will be doing the same whether there is a shield law or not, if you've extended that promise to be able to function in the future as a reliable investigative reporter you must keep that promise.

So for foot soldiers I don't think it will change behavior, it will simply change consequences. For the people who have to pay the legal bills upstairs, it may in fact be the difference between continuing to underwrite the kind of extraordinary investigative reporting you're seeing here, particularly at the regional level, and deciding that you just can't afford it anymore.

So I think I am personally in favor of it, the *Times* is institutionally in support of it. So I hope it passes. But whether it passes or not, it's not going to change my life much.

MR. JONES: Maria?

MS. CABALLERO: I have two questions. I'm Maria Cristina Caballero, I am a Fellow at the Center

for Public Leadership here at the Kennedy School, and also I'm an investigative journalist originally from Colombia.

I have two questions, one to Andrea Mitchell and one to Steve Suo.

Andrea, you happened to mention in your speech last night or even today about the corporate ownership of the media that is extending all over, and how it could imply, or if you think it implies some tacit restrictions to reporters that are, as far as I have heard from some colleagues, some self-censorship, because they know if they touch some nerve inside the corporations or related with their businesses, they would not go very far in their career. That is one question.

And an additional question for you is--

MR. JONES: Let's, ask Steve Suo, if you will?

MS. CABALLERO: Steve, you didn't mention what were the policies that you found that allowed this in the market, that I think is the key to the reporting, what are those policies, if you could mention those.

And one more question is you mentioned that a single call to the CIA made you change your story, that was disturbing to me because as an

investigative reporter of course, yeah, you call them, but they have their own agendas and they are practically the information officers of the different institutions, PR people that are trying to put nice things about their institutions and defending themselves, that was surprising to me, what you experienced that you did that.

MS. MITCHELL: I should clarify that. We aired the story but we put in, we changed a couple of sentences to more in fact appropriately and accurately reflect what they were claiming. So the story still ran but we needed to change some things in the story as a result of evidence that they did present to us. But the story about what happened to Mr. Arrar is essentially unchanged, the United States Government did take him and take him to Syria, and it still does speak to the larger issue of renditions, which the *New York Times* and others have very responsibly reported on.

In terms of corporate ownership, I can only speak for ours, I think there is a case to be made that in the '80s when the networks were all resold, that there was a change that had to do with budget cuts, foreign bureaus, bureaus being closed, corporate owners who no longer viewed the evening newscast as loss leaders, and demanded that we start actually not only breaking even but producing a profit. That

changed the corporate culture and the culture of what television news does in dramatic ways.

But what has never happened to me now in all these years at NBC, and to an even greater extent when I was a local reporter in Philadelphia, under tremendous political pressure I subsequently discovered, I have never been pressured because of the corporate world, there is a firewall between General Electric, major defense contractor. Everyone knows what General Electric is and does. And in fact we are encouraged to think more globally and to just come up with ideas, not because of our corporate ownership but just because we're citizens of the world, we are not just an American owned news division.

It is remarkable, if anything over the years, we've been tougher on stories that involved the whole history of the Hudson and what happened with PCBs and General Electric. We were probably the only network that really dug into that and did stories to try to lean over backwards, perhaps. So corporate owners sometimes discover that their ownership brings unintended dividends or consequences. So I think that really has been the case, they have never, to my knowledge --.

Now just briefly, about what happened in Philadelphia, there was a very corrupt regime and a

very tough mayor. And years later in Washington, my former news director, it was Westinghouse Broadcasting, told me that the chairman of the board had been called by the mayor of Philadelphia.

So Donald H. McGannon, may he rest in peace, was in Pittsburgh at corporate headquarters, and was called by the Mayor of Philadelphia, whom he knew through Catholic lay societies, about this reporter in Philadelphia at a local radio station that was giving him a hell of a time. And the news management at Westinghouse locally decided never to tell me because they thought it would have a chilling effect. And apparently the mayor called once a week to the news director and said, fire her. And the news director, a man named Fred Walters, said you show me where she has been inaccurate or unfair and we will go to her. And they never once brought me a complaint.

Now I knew there were other pressures, because the mayor called me directly as well, but in all those years, I didn't know that until I ran into him and we had a cup of coffee in Washington. So there are wonderful local examples of people resisting political pressure.

MR. JONES: Steve?

MR. SUO: Thanks for asking that question, I neglected to mention what this big solution is that

we were talking about to the meth problem.

Since meth is made from these legal products, there is this unusual situation where you can actually regulate this legal industry of cold medicine and the chemicals that go into it. So the two big events, or three big events that we saw, big declines in meth use and price spikes that occurred, were a result of tighter regulations over both the bulk chemical and the finished product. The best example of this was in 1994, where there was the biggest decline ever in meth use and meth production. It was sort of this perfect storm of events that happened within an 18 month period.

But one of the key events was the discovery of three and a half metric tons of ephedrine in a flight bound for Guadalajara that happened to get diverted sort of accidentally to Dallas, where U.S. Customs uncovered the three and a half tons, which was significant enough unto itself, it was the largest discovery of ephedrine shipments in the world at that time.

But what was really key about it was the DEA was able to piece together clues from the shipping manifest and kind of find out where the rest of it was coming from. And they determined that about 200 tons of ephedrine a year was going down to Mexico directly

out of the factory. And to put that in context, that was about 20 percent of the world's supply at the time. They cut off that floodgate and overnight you see the price of methamphetamine shooting through the roof and people stopped using the drug.

The problem is, the bad news side of this story is that nobody noticed, and as a result of that, the DEA should have been shouting from the rooftops at their great success and trying to replicate it and essentially expand on this type of technique. But for various reasons, drug industry lobbying being a key reason, this type of policy was not pursued nearly as aggressively as crop eradication in Colombia. So you have \$700 million a year being spent on the Andean counter drug initiative, largely to spray the crops down there, and you have about \$20 million a year being spent on regulating ephedrine and pseudoephedrine and other drug ingredients.

MR. JONES: One more question.

Callie?

MS. CROSSLEY: I'm Callie Crossley.

And I would be remiss, I have a question about craft, but I would be remiss, Alex, if I didn't say, having been a member of the Dupont Colombia jury, there are in fact many stations, not as many as we would like, but doing some fine investigative work.

These guys have excellent series and I think I am one of the few people in the room who have seen all twenty of the reports, that is excellent. In the same way that Greg Barker's piece I now will teach in college when I talk to students because it is a master in storytelling.

So that brings me to the craft question. Which is when you have massive amounts of material and you have the scoop, you have the new information that we don't know about, but it's generally all bad news as you've put out there. How do you then organize this material around the storytelling, I've alluded to Greg's masterful, powerful work in telling the story of Rwanda, in a way that you really cannot turn away from that documentary. So I am familiar with that work, and Brett and Mark's work as well.

But for everybody here, I wonder if there is a tip, what do you do when you are alone in the room and now you've got it? But now what, because you've got to make me, the reader or the viewer, want to stick with it and go to the end, with all the great and fine material that you've uncovered? So just a question about craft.

MR. JONES: Who wants to take that? Someone who was facing a mound of material and asking themselves the same question.

MR. FOSKETT: I'll start with that. I think what I try to do is really go with the outrage and the passion, on the theory that the stuff I'm looking at and what makes me really upset and really angry as a person, will have the same impact on readers. So that is one way to do it.

And I think that's the way we tried to do it with our story, since we were talking about this obscure government program and lots of money and lots of high tech gear and so forth, was to really build on the outrage about how your money and my money was flushed down the toilet and really, really wasted, and perhaps stolen.

MR. JONES: We are --. Nolan, okay, one more, quickly, please, we're late.

MR. BOWIE: The e-rate program was an initiative under the 1996 Telecommunications Act universal service division, which targeted not only K through 12 schools but also libraries and public health facilities. Were there similar kinds of abuses made to libraries or to public health facilities? Was there any investigative research to determine whether that took place?

MR. FOSKETT: We didn't do any reporting on libraries, we did do a lengthy story about a consortium of school districts that applied for money,

and that was allowed under the e-rate program, where you could have a group of schools or districts apply for money, and this was a school district, or one of these consortiums in the Atlanta area that represented I think 16 different districts. And they ended up getting \$20 million of e-rate money for this very high tech program to, the idea was to deliver programming to schools via satellite.

The only problem was there was absolutely no blueprint for how this would actually work. And it was concocted by a couple of lawyers and two telephone salesmen who thought it was a good idea but didn't know how to do it, and I think were really more interested in taking the money and running. But I don't know about libraries.

MR. JONES: The final piece of our Goldsmith Award Program is presenting our certificates to the finalists, and we are going to do that now.

Allison, could you bring that forward.

Let me say, by the way, that this program simply could not happen without Allison Kommer, who really does a fine--

(Applause)

MR. JONES: And I want to thank the rest of the Shorenstein Center staff, Nancy Palmer, Tammy, Edie, I think this is a group effort always, and I

really am very, very grateful for it.

Paul Donsky, Ken Foskett.

(Applause)

MR. JONES: Steve and Erin.

(Applause)

MR. JONES: Justin and Florangela.

(Applause)

MR. JONES: The good thing about these is if you put them on your wall people will think you're a graduate of Harvard University.

(Laughter)

MR. JONES: Brett and Mark.

(Applause)

MR. JONES: We take great pride in this program, and we are very proud of all the people who are honoring us by allowing us to honor them. We feel great pride in being able to recognize these folks. And we take great pleasure in the fact that every year we get a lot of entries that could be represented at this table as well.

So, with that I would say thank you to the Greenfield Family, to the Goldsmith-Greenfield Foundation, as always to Walter Shorenstein. Thank you finalists, winner, Andrea, citation winner, all of you, you are inspiring to us at the Shorenstein Center. And I think as a citizen of this country I can't tell you

how glad I am that you are on the job. Thank you very much.

(Applause)

(Whereupon, at 11:07 a.m., the seminar was adjourned.)

C E R T I F I C A T E

This is to certify that the preceding transcript
is an accurate record based on the recordings of
the proceedings taken:

Before: ALEX JONES, Moderator

In the Matter of:

THE GOLDSMITH AWARDS SEMINAR

Date: March 23, 2005

Place: Cambridge, Massachusetts

Martin T. Farley
Advance Services

04/08/05
Date