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JOHN F. KENNEDY SCHOOL OF GOVERNMENT

JOAN SHORENSTEIN CENTER ON THE PRESS, POLITICS AND PUBLIC POLICY

#### THE GOLDSMITH AWARDS SEMINAR

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BEFORE: THOMAS PATTERSON Acting Director

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# <u>I</u> <u>N</u> <u>D</u> <u>E</u> <u>X</u>

OPENING REMARKS	PAGE
Tom Patterson	3
<u>PANELISTS</u>	
Paul Steiger	4
Loretta Tofani	9
Joshua Kors	12
Walt Bogdanich	16
Tom Dubocq	21
Jo Becker	32
Dana Priest	38
Anne Hull	43
QUESTION AND COMMENT SEGMENT	
Alex Jones	46
John Reidy	49
Connie Morella	50
Mary Newsom	54
Ted Gup	56
Elizabeth Becker	60
Dick Cavanaugh	60
Stuart Watson	63

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### PROCEEDINGS

(9:07 a.m.)

MR. PATTERSON: Good morning. I am Tom

Patterson, the Acting Director of the Shorenstein

Center. This is the fun part of the Goldsmith Awards,

it's a time to sort of hear the stories behind the

stories and then talk about some of the issues that get

raised.

But I wanted to pick up and actually start with Paul, rather than any of the finalists, it's just something that came up last night. Loretta, from the floor, asked about can you come out to the hinterlands? So I think there is a larger context to that, if you look at what has been happening in the news business, and the sorting out that is occurring. There is only one kind of argument, and I think there are some points of it that could be contested, but it looks to me like kind of the national organizations are doing better than the local organizations. You're finding circulation decline and budget cuts across the board, but the real hemorrhaging is taking place in the metro dailies and the smaller town newspapers.

Plus they are not doing very well on the web, so some of the bigger players are doing quite well

ADVANCE SERVICES Franklin, Massachusetts (508) 520-2076 on the web, but if you look at the newspaper in Wichita or most any of the smaller cities across the country, they are having trouble competing to drawing very many people to their websites. So in some ways they are losing offline, as nearly all newspapers are doing, but they are also struggling online.

So for me, Paul, a question would be, and it's a follow up I think to Loretta's, is your sense of kind of how at the local level, and these local newspapers have been so important to community based democracy, they've been the heart of the democratic public life of the community. The television affiliates do some work in the community, but nearly all of the news at the local level, the good solid reporting, is generated by the local newspapers.

And I'm wondering if you had some thoughts essentially, about how that piece of the puzzle, in terms of deep reporting, whether there are any kinds of models, ways that one ought to think about strengthening and just bolstering what is going on at the local level?

MR. STEIGER: That is a very good question, Tom, and one that I've thought quite a bit about. For ProPublica it's outsider of what we can aspire to, twenty-five journalists doing investigative reporting, on the one hand that is probably the biggest

such group in America, but it's way too small to take on the challenges of what is going on in localities around the country.

And while I think you're right, it's the metro dailies that have been hammered the most, I mean if you look at the numbers that are coming out of The New York Times, that is not encouraging. The Journal and The Washington Post both have a kind of cross subsidy advantage that I alluded to yesterday, and that is helping them. But the kinds of constraints that Bill Keller is going to have to deal with in the coming year, particularly with these two hedge fund guys that Arthur has had to let on the board, that is not, it's still true that the Salzburger Family has the control because of two classes of stock, but two determined pesky board members can make life very difficult. So I would expect that the budget pressures that Bill has got to deal with will become more acute.

In terms of the local level, I think you're right that in general they have not done well on the web, but there are exceptions. And I think that the jury is still out on the local, local, local strategy, I think it can work. There are efforts underway by Hearst, for example, with its metro papers, Gannett with its local papers, are focusing heavily on what they can do with the web, and taking their three

resources, which are the brand name, which still has some value, and the fact that they have the largest, even with all the problems they've had, they still have the largest collection of journalists in their locality, and the largest size ad sales force. Those three factors can allow them, I think, to become financially self-sufficient.

And from that base I think it is possible to continue to do the kind of watchdog journalism on school boards and city halls that we've looked to from metro dailies and smaller city papers. What we won't see is the San Francisco Chronicle sending a reporter to Bosnia because they had a good story idea, that is just not going to happen.

But that is not what you're talking about, what you're talking about is the role of *The Boston Globe*, for example, keeping watch on the abuses of power in Massachusetts. And with all the things that Marty Barrons had to deal with, with all of the cutbacks that they faced, year after year they do Pulitzer quality work, or Goldsmith quality work here. And I am hopeful that that will continue.

MR. PATTERSON: I think in part it is a question of redundancy, I don't think we know, at the national level you've got lots of people mining
Washington, and let's say even the financial markets

out of New York, and the like, it's not as if it's a kind of one person show, you've got lots of news organizations targeting those particular issues and problems. At the local level, often it is only the newspaper that is trying to dig hard into the community situation.

Another area where it strikes me we have a real gap, in terms of the match of the public's need for information and the resources is state coverage. Even AP, which has been drawing down from its state bureaus. The great thing about something, if AP generates a national story, it gets picked up everywhere, if you generate something out of the state capitol there may be a half dozen newspapers that have an interest in it. So even as you kind of think about efficiencies, that's where you begin to start thinking about making cuts.

I think it is kind of a challenge, as to how you keep that strong journalism in these two particular arenas.

MR. STEIGER: Without question, but I also think it is possible, and I've seen examples of this in small towns in New Hampshire and Kansas and Oregon, where people will simply create a blog and get themselves going. I mean it's really easy to self-publish. And I suspect that one of the things we'll

start to see is people forming these websites on a shoestring and building from there.

I have a former colleague at The Los

Angeles Times named Roan Tempest, Roan took a buyout

from the L.A. Times and he and his wife moved to

Wyoming. But he is not just going to look at the

mountains, he's got shoestring funding to start a

website, I'm sorry I don't have the URL in my head.

But they are doing terrific coverage of the statehouse

and resource issues, to the point where I am not

monitoring that website once or twice a week. And we

have got a little relationship going with them where we

will try to feed each other information.

This was something that didn't exist at all a year ago, it doesn't take much money, and they are doing terrific work. So here is an area where, there is no doubt there is going to be some voids created, but I also think there are people beginning to step up and find ways to fill that void.

MR. PATTERSON: I've been told that we all need to speak more directly into our mics, that there is an audio issue in the room.

Loretta asked the question from the floor and she wants to get in, they we'll start working down the table after Loretta's comment.

MS. TOFANI: I think that this work does

not have to go to the web. In the last few months, when I worked with the Salt Lake Tribune and had a desk there while we were doing the editing and putting the finishing touches on my series, there were so many stories I saw that were not just local stories but really important national stories that really were investigative stories, but were not treated properly as investigative stories. Stories about people eating fish with mercury in it and uranium waste, and all these very big environmental and health issues, and mining issues, that fall across the federal government's purview and that are subject to federal government rules and regulations.

And so I would talk to reporters there and say, that is such an amazing story, if you could get the documents on this, and talk to these other people, you could really flesh that out. And the problem always becomes one of time, you know, and I think this is common for other papers, smaller papers in the west. The *Tribune* has a circulation of 130,000, and they are really on a shoestring budget, and they laughed when they heard I had spent a year doing this series. To them it was preposterous, if a reporter gets a few weeks to do something that is an enormous investment.

But I think the editors like investigative stories, but they just can't stretch themselves. And

they would accept them but they cannot stretch themselves to do it. And not investigative on just a state level, but investigative on a story of national importance.

MR. STEIGER: Could I just make one point?
You're absolutely right, there are a
million great stories out there, and there are stories
that start local and could be extended to national, and
then there are global stories where you find local
manifestations. And both of those make for excellent
stories, but the issue is how do you free up resources
so that people can do more of that reporting.

And as much as I love print, as Alex noted last night, I started off with linotype machines clattering around me. But the fact is, at most print publications, the news content accounts for 15 percent of the budget, because the cost of delivery and paper and all those things is very large. On the web the costs go way down, so that at ProPublica close to two-thirds of our spending is going to go into the journalism. So I think the web offers an opportunity to get more of the shoestring applied to the actual reporting.

MR. PATTERSON: Well, we're going to turn to each of the finalists in turn, in the same alphabetical order that we used last night. And I

would like each of them to talk a little about the story behind the story, sort of how they came to it, some of the problems they might have had, whatever you think is particularly interesting and relevant about your particular story.

And we're going to start with Joshua Kors. And you'll recall that his story was about misdiagnoses in the military of personality disorder, a way for the military essentially to push off millions of dollars in some of the costs by getting people out of the service through the use of that diagnoses.

Ted Gup and I took Joshua over to The Charles last night and sat and grilled him. I think he may have wondered exactly who were the investigative reporters at the table.

(Laughter)

MR. PATTERSON: But, Joshua, could you get us going?

MR. KORS: Sure. You said five minutes?

MR. PATTERSON: Roughly five minutes.

MR. KORS: Okay.

MR. PATTERSON: Something in that

category.

MR. KORS: Great, thank you.

The first thing I want to do is thank the Shorenstein Center for recognizing my work, that's very

significant to me. And also, just a nod to my fellow reporters here at the table, Loretta, Tom, Walt, Jo, Dana and Anne, fantastic colleagues, and it's great to be here at the table with you.

For those who were following this series,
I uncovered that military doctors had been purposely
misdiagnosing soldiers who had been wounded in Iraq as
having been mentally ill, in order to cheat them out of
a lifetime of medical care and disability pay. This
has, they are labeling them as having a personality
disorder.

The case that I highlighted in part one of the series was that of Specialist John Town, who was knocked unconscious by a rocket in Iraq, lost most of his hearing due to that explosion and was awarded the Purple Heart for his wounds. Later, when it came time to discharge him and provide him medical benefits, the Army said that he wasn't wounded at all, that his deafness was caused by a preexisting personality disorder, and in discharging him that way they could deny him long term medical care, all disability pay.

And one of the small print provisions of a personality disorder discharge is that soldiers have to give back their signing bonus for the years they are too wounded to serve. So that on the day of their discharge, thousands of these wounded vets are finding

out they actually owe the Army several thousand dollars. He was presented that bill just before he walked out the door.

In the last six years, 22,500 soldiers have been discharged with personality disorder, and denying those soldiers benefits is saving the military \$12.5 billion in disability and medical care. And I've been very moved to see, as my reporting has led to others reporting on the story and the story growing across the country, that in each case as the media picks up on a soldier's case, that those cases get fixed. With the media's spotlight, things start to change with that soldier. Certainly that was the case with John Town, it's been the case with many others.

If there is one message I want folks here to come away with it's that these fraudulent discharges are continuing full force, just as they were before I picked up my pen. I think about Sergeant Jose Rivera, for example, he was, his hands and legs were punctured by grenade shrapnel, the Army's diagnosis for that, personality disorder.

Samantha Spitz, she fractured her pelvis and two bones in her ankle, and was diagnosed, cause of those fractures, personality disorder.

Bonnie Moore, a case that came to me just a few days ago, actually, Bonnie, in the course of her

service she developed an inflamed uterus, and the Army said that her profuse vaginal bleeding was caused by personality disorder, specifically the mental illness, a personality disorder, exacerbated by feelings she had for a lost love. She thought it was tissue problems, went to a civilian hospital, where doctors removed her uterus and her appendix. But she was still so ill that she couldn't serve, they kicked her out with a personality disorder, denied her all benefits, and now she and her teenage daughter are homeless. They also took back the \$12,00 signing bonus. For the older children, who had been with her at the time, they took back their cost of living adjustment, so that the ones who were not homeless now had to drop out of college.

On paper I stopped reporting on this story several months ago, at the eleven month point, but my phone kept ringing. And as a journalist there is a moral question that all of us face when soldiers continue to come to us and say this happened to me, here is my story. What do you do at that point, those were challenges I've been facing in recent months. And certainly, I know for these soldiers they feel it is an honor just to have their story told.

MR. PATTERSON: Joshua, could you, in just a minute or so--

MR. KORS: Absolutely.

MR. PATTERSON: --talk a little bit, basically you did this story freelance, how did you come on this story?

MR. KORS: That in itself is a great little tale. I stumbled upon this scandal purely by accident, I was writing for a veterans group, doing a series of profiles of soldiers coming back from Iraq. I noticed that in telling their own story they didn't quite have the linguistic skills to pull the narrative pieces together. And John Town was going to be the fifth in my series, he told me that he was struck by a rocket, so they diagnosed him with a personality disorder. And I thought what, that didn't make any sense. And just my journalistic instinct, when something doesn't make sense, that is where you investigate.

MR. PATTERSON: Thanks, Joshua.

Walt's partner is in China.

MR. BOGDANICH: Tibet.

MR. PATTERSON: Tibet.

MR. BOGDANICH: I may never see him again.

(Laughter)

MR. PATTERSON: And this is of course the New York Times story about toxic drugs, toxic toothpaste.

Walt?

MR. BOGDANICH: Well, there are a lot of reasons that reporters decide to take on investigative projects. One of the most important, I've learned over the years, is a quality that we call in the business a low threshold of indignation.

(Laughter)

(Laughter)

MR. BOGDANICH: And as Paul will tell you, mine is lower than most.

MR. BOGDANICH: Which is great when you're reporting out there, but difficult internally when you have to play the politics inside the newsroom, because I can be difficult sometimes.

Twelve years ago, when I had a midlife crisis and decided to become a TV producer, I decided to pursue a story that was given to me by one of the more unlikely places, a state pharmacy board investigator in North Carolina, who said you should go to Haiti and look at what is happening down there, there are all these babies that are dying down there and nobody cares.

So the only time reporters go to Haiti is when there is some kind of riots or overthrow or massacre, and occasionally people come down and do stories about poverty and wretched conditions, and nothing changes. I was working at "60 Minutes" at the

time and I said we should go down there and find out what's happening, because nobody else was.

Mike Wallace down there, but he didn't want to come, so we just sort of went down and did our own one camera interviews there, interviewing victims' families and whatnot. And what we discovered is that there was this poison in cold medicine that was given to babies, and that the ingredient, one of the ingredients came from China, and from what investigators believed was a particular factory in a particular part of China.

And when they tried to challenge the Chinese government about this thing, look, if this is coming here, maybe it's going there, and maybe it's coming into the United States, and maybe it's going into other countries. So we've got to stop it, we've got to do something about it. You've got to look at what is happening in your country. China did not respond in what I think was an appropriate manner, they just said get lost, this is our business, it's nobody else's business. That bothered me.

So my story, I reported on the conditions, what happened, but it was incomplete, because we weren't able to shine a light on who really was responsible, that was like twelve years ago. And I never forgot it. And when I heard people were dying in

the same general area, this time in Panama, from a cold medicine, I went to my editors and said, you know, I bet China is behind this, the pattern is very similar. And because it's The New York Times and I am blessed to be working there and spending their dwindling dollars, they said, yeah, I know there are no Americans involved, and it really doesn't go right to the self-interest of readers in this country, directly, in a broader sense of course it did. And the Times recognized that and they said yeah, go look at it.

So when I found that it came from China, and the more I dug the more I realized it was almost an identical pattern, I thought this time I am not going to let them get away with it. And maybe that is not a position that journalists ought to take, you know-- (Laughter)

MR. BOGDANICH: But that comes from the low threshold of indignation that I was describing. But anyhow, we decide to really pursue this, and the *Times* linked me up with just an amazing young man, who was brand new to our bureau, by the name of Jake Hooker, typical Chinese name.

## (Laughter)

MR. BOGDANICH: I said you're giving me

Jake Hooker? They said, he may be new but he speaks

and he reads. And what an amazing reporter, and I have

learned from him. His approach was he understood the Chinese people, and he appreciated their culture and he appreciated who they are and how they lived their lives and what mattered to them.

And he wasn't impatient, like I can be, as Paul can tell you, he took his time. And when he would go interview people he took time to have tea with them and to sit and talk to them, and he didn't barge in with questions, he respected their traditions, their approach to dealing with outsiders, and he got on the record quotes that are just amazing. He filed these reports coming back from China and I'd think I can't believe he got this. And that is one of the things that so impressed me, and allowed us to do the stories that we did. Jake was an amazing quy.

And anyhow, we were able to, in this case, put the final piece of the puzzle in. So I felt like twelve years later, at least we accomplished something.

MR. PATTERSON: Thanks, Walt. There was a computer based part of your series too, where you --.

Do you have any sense of just how much a story like this would cost *The New York Times*, I know that's not the way you do the budgeting, but--

MR. BOGDANICH: Well, one of the challenges that investigative reporters have is to move beyond the anecdotes and try to get into some proof,

element of proof. And computer people, our database reporters, can help you do that. You've got to have the right ideas, and know how to use those figures. And one of the things we wanted to do was to try and show, for the first time try to quantify the numbers of these unlicensed Chinese chemical plants, that are not licensed to make pharmaceutical ingredients but are flooding the world with these ingredients. And we had to figure out different ways to do it, and it was expensive.

I had done a series on railroads four years ago, and our computer people worked on that for something like four or five months. An amazing amount of money, particularly on railroads, which is not like a big issue in New York City. That was a hard sell, let me tell you that.

#### (Laughter)

MR. BOGDANICH: But it's expensive, I don't know how much it costs, but the *Times* has recognized that this is a way to venture forward into the internet era by bolstering this part of our reporting and using data in different ways, and putting it on the web, that gives us a fuller portrait of the stories that we are writing on. So I think in the long run that kind of expenditure is going to pay dividends for us.

MR. PATTERSON: Thanks, Walt.

Next, Tom Dubocq, from the Palm Beach

Post. I loved Tom's story, this one was most, of all
the finalists, this one had the most movie-like
qualities to it, I think.

Tom, could you tell us a bit about the background to your story.

MR. DUBOCQ: Sure.

My story actually began seven years ago, when I decided to retire from *The Miami Herald*, and take an editing job in Palm Beach. I had been with the *Herald* for twelve years, and if anybody is familiar with Miami, it is a Godiva Chocolate store for corruption.

(Laughter)

MR. DUBOCQ: And we had a very, very high threshold for what you would write about, in terms of corruption in Miami. I remember one story where we learned that this road striping crew was cheating the county on what they were charging for road striping. So I got this assignment, and I rented a contractor's wheel, went out with my partner, and we measured road striping. And my partner says, how long are we going to do this? I said, well, when we get to a million dollars in over charges, then we'll write. (Laughter)

MR. DUBOCQ: So we got to a million, then we wrote.

I had another story about palm trees, a contract to the county where this contractor was selling palm trees, in essence he was billing for 40 foot trees and delivering 20 foot trees.

(Laughter)

MR. DUBOCQ: So I went out, I had this surveyor's stick, and I'm measuring palm trees in the swales of expressways. And finally confront the guy, after I get to, I think we did about a half million dollars on that one, that was good enough. And his explanation was, well, Tom, as you know, after you plant a palm tree it shrinks.

(Laughter)

MR. DUBOCQ: But there are just so many of those stories you can do, and I decided I'm going to go to someplace clean and nice for my kids, I'm moving to Palm Beach. It's a great little paper, a lot of Miami Herald exiles up there, the editor is Bill Rose, the former editor of "The Tropic" magazine at the Herald, so it's a great environment.

So for five years I pretended to be a manager, not a very good one, and I got called in one day by my boss, Bill Rose, and he says we'd like you to do a job for us. There is this county commissioner by

the name of Tony Mazzalotti, and we'd like you to take a look at him. I said, okay, who are the reporters?

And, no, no, no, you're going to do it. It's like, boys, I came up here, I'm out of the game, I don't want to do this anymore, I'm here to retire. But he said, please, just do one.

(Laughter)

MR. DUBOCQ: So fine.

What was remarkable was that in the five years that I had been out of the game, was how the whole strategy had changed, everything had shifted to the internet. I was, basically I have an accounting background, so I build financial profiles of my targets, if you will. And what I found was that instead of having to go to courthouses and other sources of financial information I could do much of this work in my pajamas. My wife would find me up in the middle of the night researching real estate deals, two and three o'clock in the morning, and putting together the basis of these stories.

One of the most fascinating things I discovered was that minutes of county commission meetings, just going through those in the old days, that would be like year 2000, that was very, very dreary and time consuming work. Now you can do key word searches online of meeting minutes, and not only

find the conflicts of interest that you were looking for very, very quickly, in a matter of minutes, but it actually, the system they have in Palm Beach, you can cue up the meeting and actually watch the vote, in your pajamas, if you want to do that sort of thing.

(Laughter)

MR. DUBOCQ: So it was a real eye opener for me of how different our business had become, how much quicker, how much more efficient you can be in doing these kinds of projects.

My project basically started with a financial disclosure form that I got online for Tony Mazzalotti, and then I went to his recent divorce, and I compared the financial information in the two, and there was about a \$10 million difference from what he had publicly disclosed and what his assets really were. His assets were hidden in land trusts and in shell corporations, but again, through the internet, I won't bore you with the details, it was relatively easy to put it together. He made a couple of mistakes with his shell companies, he had the real estate in the name of a shell company but when it came time to pay his property taxes on that he used his brother's personal check, so boom, you had a linkage there.

Anyway, from there I was able to get the transcripts of one of these private arbitration

proceedings that involved a political player in palm Beach. Again, I got these from a source, it was confidential, but thanks to the internet, the files, like eight or nine volumes of these things were sent to me instantaneously. And again, I did end up reading all nine volumes of it, thousands of pages, but I also could quickly go through and word search, and find the key things that I needed very, very quickly, things that five years ago just were not there, it's just been an amazing journey for me. And it continues.

MR. PATTERSON: Thank you, Tom.

Loretta Tofani, "American Imports, Chinese Deaths". Loretta was a finalist earlier, sometime ago. We thought we had lost her when she kind of stepped out of journalism. And I think you may have the most fascinating story about how you came to this story.

MS. TOFANI: In late 2002, I moved to
Utah, it was my husband's turn, finally, to decide
where we lived. He had followed me to Washington and
to Beijing and to Philadelphia, so he finally cashed in
his chits and said that he really needed to move to
Utah, where they needed him as a family practice
doctor. So anyway, after 25 years in journalism, and
the Philadelphia Inquirer kind of crashing all around
me, and buyouts everywhere and short staffs, I thought
okay, maybe it's time to finally say yes. So we went.

I wasn't sure when we went what I would end up doing, but it felt like kind of a journalism wasteland. I thought maybe, you know, I've been a journalist 25 years, maybe it's time to try something new. So I ended up going back, I had been a foreign correspondent in China for four years, and I spoke reasonable Mandarin, and I thought okay, I'll just start a store, maybe a wholesale business-- (Laughter)

MS. TOFANI: I knew, I quickly determined that I couldn't stand not working, I knew I had to be out in the world doing something. So I ended up importing Chinese ethnic furniture.

(Laughter)

MS. TOFANI: So I went to China, I checked out some factories, and I brought back a container, you know, these emperor chairs that have arms that end in dragon heads, and the tall red cabinet with kind of a gold plate in the center, that has the big hardware. And the Chinese medicine chest, that was my favorite, they have the little drawers, and in Chinese on each drawer is the name of the Chinese medicine, usually they're herbs. Eventually I put in the herbs, but there are also some weird things like deer testicles, and I never replaced them with that.

(Laughter)

MS. TOFANI: So anywhere, I open this store in Charley Square Mall in Salt Lake City, and I had my first experience in retail.

(Laughter)

MS. TOFANI: The store was actually quite grim, but I grunted through it, I waited on customers, I vacuumed, I did all that stuff. But the part I most enjoyed, of course, was importing and going to China. And what I enjoyed about it, I soon discovered, was I had freedoms as an importer that I couldn't dream of during those four years I was a foreign correspondent in China. You know, it's so tedious, you have to get permission from the Wai-ban, and he will take you, with six minders, if you want to see a factory, and they pick the factory and they hover over you while you try and talk to the workers, it's just disgusting.

But as an importer, you know, I was spending money in China, I was free to go to whatever factories I pleased, it was heaven.

So anyway, what happened was about six months after I started the store, this would have happened, the store opened in late 2003, sometime in the summer of 2004 I decided to go look at another factory importing American style furniture, and I was really distressed in the factory, there was a man who was spraying oil based paint onto American furniture,

that was going to be, I was told, exported to America.

And this man had a mask, but it was a regular hospital mask. And just standing there my throat was so tight I could hardly breathe. And my eyes were burning, and I was only there for ten or fifteen minutes.

I knew that the Chinese oil based paint contained lead, I just remember from when they were painting my walls in Beijing, and asking about it. And I briefly talked to that worker, who confirmed that it was oil based paint. And I just thought, that guy is going to, he's a young man, he is going to die of maybe lung cancer from this oil based paint, probably lung cancer.

Then I thought, maybe this isn't typical, and I really wanted to know, is this typical or not? So I thanked the factory managers and I said I'd get back to them, and I got into a cab and I went to, that day I went to like six other factories, they were all clustered in the same city of Dongwan. I just went in and out of furniture factories and it was the same thing over and over again.

Sometimes there was a better mask, a mask with charcoal filters, but as I later found out that was not enough of a protection. In the United States the OSHA requirement is that you have to have oxygen if you're doing that and you need to have a very good

ventilation system. There was none of that in China, and again and again I found the same thing.

So anyway, I became very troubled about it and when I got back to America I had these people who wanted to buy furniture and I had to arrange for deliveries and I had to be nice and decide on whether or not to accept American Express. But my mind was no longer there and every spare minute I had I was in at the local hospital, in their library, looking up occupational diseases in China. And it was clear from the medical journal articles that there were very serious problems, not only with lead poisoning in paint, but workers dying of lymphoma and leukemia from benzene.

Anyway, with that, I ended up shutting down the store and I went to three newspapers, one by one, with a story proposal, pitching the story, and explaining that what I wanted to do was link the workers to the business in America that were importing these goods and talk to the owners of the businesses. There had been some stories before, Chinese workers get silicosis, but nobody had really linked the diseases to the American businesses or the American consumers.

And I felt there was really American responsibility in this and in order to tie it together it was necessary to go kind of disease by disease,

factory by factory, and American business by American business, and really talk to the business owners, American business owners, about didn't they see the factory, and how could they import from a factory like this where workers clearly were going to get fatal illnesses.

So since I was a freelancer and not on staff each of these three newspapers said no.

Sometimes the reason was primarily money, sometimes the idea was that they just couldn't let someone who was not on staff, even though I was kind of a known journalist, they just couldn't let someone who was not a staffer do it.

Then finally one of the editors of one of these papers said, it's a wonderful story, you really should do it, go the Pulitzer Center, they'll give you a grant. And that's what I did, the Pulitzer Center gave me a travel grant \$13,000, and the Center for Investigative

Reporting ended up giving me another grant for \$4,500.

And then I spent a year without pay doing the reporting for these stories. The Philadelphia Inquirer, my old paper, originally had agreed to publish them, and then the editor changed and he felt that someone who was not on staff really should not do an investigative story, even though I had worked at the paper for fourteen

years. And that was rather devastating, by then the story as nearly complete.

So I went to the Salt Lake Tribune and they said, let's read it, and I sent them all four parts. They called me right away, it was within 24 hours, Tom Baden, the executive editor called and said of course we'll definitely publish it, we're just thinking about who to give you as an editor. And so then it was okay, but there was a month or two of terrible anxiety between the Inquirer and Salt Lake Tribune of would al this work end up getting published.

So it was very difficult doing it as a freelancer, and I'm not sure that I would do that again.

MR. PATTERSON: Thank you, Loretta.

Let's go to Barton Gellman, Jo Becker, Jo is here. This is the Washington Post story on the Cheney vice presidency. Could you tell us a little bit, I mean I think everyone kind of assumed that lots of things had gone on in that place, and the challenge here is how do you penetrate it, could you tell us about your methodology of penetrating the Bush White House and getting at Cheney's role?

MS. BECKER: Sure.

Right after the story published we got all this great e-mail from readers thanking us, but several

of them said, why didn't you do this earlier? Great work, but why didn't you do it earlier? And I think the answer is you couldn't have done it earlier, it took people leaving the White House and being a little bit freer to talk about what went on. And also sort of having enough distance to want to contribute to the kind of historical record, for us to be able to do it.

I had been hearing from sources inside the administration, not that they thought he was sort of the real president, but rather that he wasn't serving the president well, and meanwhile Liz Spade, who has then the AME of National had really wanted to do this project. So we sort of got started. And a couple of early decisions, I mean part of it was deciding what we weren't going to cover, because you had to sort of narrow your focus somewhat, and we thought that his most important legacy, one of his most important legacies, was going to be sort of this imprint on executive power, and that we really wanted to explore that.

And there was a lot, what was interesting about that as well is that there was a number of sources who shared the administration's goals on fighting terrorism, on detainee policy, but felt that -. And not sort of just in the State Department, not sort of the Colin Powell rift, but in the Justice

Department and elsewhere, who felt that the vice president's office, they weren't serving the goal well, because they were being so sort of dogmatic about the positions that they were taking. So people were sort of willing to talk about that, because they felt they were harming the end goal, it was a different perspective than someone like Secretary of State Powell had about it, that sort of thought it was harming the U.S. in the world and other issues.

So that was one set of, one path of reporting. Then I was also just intrigued because you didn't hear a lot about him on the domestic front, and so that was sort of, we felt fresh and interesting and worth exploring. And I was really surprised about the breadth of his interests and the way --. And the other thing we wanted to do was say, sort of everyone had this notion that he was the most powerful vice president, but how, how was he exerting his power, and how did he do that, how did he sort of come to be in that position. So that was another line of reporting.

I remember sort of one of the best moments was getting his own sort of words, where he had been talking to other chiefs of staff, they have this chiefs of staff project where they all get together, I think it's once a year, and they kind of give advice to each other, to the new chiefs of staff. And you have this

thing where he was saying the president has to have, you have to hear all opposing views, you have to make sure that that happens.

And it was like, he knew exactly, as the chief of staff he made sure to do what as vice president, which is a different role, in his role as vice president he tailored the options, I mean he was so good at sort working the process, and he understood the federal government so well that he could tailor the options that went up to the president. So it was sort of like you could do this great thing or this horrible thing.

(Laughter)

MS. BECKER: And it was just precisely opposite what he had said, what he had advised as a chief of staff, that would lead to good presidential decision making. So that was sort of really fascinating.

The other thing that we sort of had to decide early on was, we also decided certain things that we weren't going to cover, and one of them was we decided we weren't going to cover the whole Libby thing, we felt that that was going to be sort of played out in the courts, and that that was an area where there had been and was going to be a lot of scrutiny, so we wanted to sort of focus our efforts elsewhere.

MR. PATTERSON: Let me ask you, in this kind of investigative reporting, using information to leverage someone else, if you sort of start to pry something open, you've got a piece of information that gives you a name, how important is that, essentially step-wise progression, as you're trying to get at a story as difficult as this one is, to flesh out in the detail that you were able to do it?

MS. BECKER: That's a great question, it was hugely important in this. I mean sort of going to someone where they know you already know a fair amount of the story, so that it's not such a risk for them to flesh out a couple of details for you or whatever. It was really helpful.

I'll tell you the story about the fish tale, which was the last installment in the series.

And that came about because I was talking to somebody, and basically they were trying to make the point that Cheney's interventions at the CIA weren't anything to be sort of alarmed about, he did it everywhere.

(Laughter)

MS. BECKER: I said, oh really? And he said, oh yeah, I remember he called up, he's so --.

And that was the other thing, people who are in his circle are quite proud of him, and yes, this is what he does, he calls people and so forth. And he said

something about the Interior, and then he kind of stopped and you could just tell that he realized oh shit.

(Laughter)

MS. BECKER: And he didn't complete the tale. So I didn't have the name, but I sort of had, it was something about, remember that Klamath phone call, what was that? So I started looking at what was going on in Klamath, and of course there is this huge ruckus. And so I sort of started looking at it and thinking, okay, well who would it have been, and then called Sue Ellen Wooldridge, who it was, and talked to her, and then there was, she sort of gave me some of the story.

But other people, I'm like, well how did this come to his attention, in the midst of everything going on in the world, why this, who brought this to his attention? And somebody said, well maybe this.

And so I was talking to people and I took a guess that it was this former member of Congress, Bob Smith, and indeed it was. But literally, each time, you could go to them and say, well I already know da-da-da, and then they would talk a little more.

MR. PATTERSON: Thanks, Jo.

Dana Priest, Anne Hull: "The Other Walter Reed", I mean there are so many remarkable and interesting dimensions to this story, and there are two

of you, so I'll let you divide your story in whatever way you'd like, please?

MS. PRIEST: Thank you.

Actually this story started because I had covered the military for eight years, then the CIA, and the intelligence world for four years, which the latter, the intel was really a different beat, it's the hardest thing in the world. And eventually you start to feel like one of them, not only because now you have secrets that you can't, you begin to have secrets yourself that you're not going to publish because they would damage national security. And then you start to not feel like a reporter anymore.

So I was actually in a little bit of my own rehab by the time the Walter Reed thing came along, thinking I have to find a story where there are people that sometime we could photograph, and we could actually put their names in the paper, and they are not dealing with classified information that could get us all thrown in jail. So I just wanted something else to do, to reaffirm my own profession and what have you.

And it did come along as a tip, something, a friend of a friend, you know you need to talk to this person, not necessarily something I was interested in, it was very vague. When I first heard a tiny corner of it my first thought was well that's too good to check,

which is for journalists, shorthand for yeah, right.
(Laughter)

MS. PRIEST: Then when we first started to do a little reporting, Anne and I decided that if we are going to find out if any of this is true we have to do it way below the radar, because we both knew the Army well enough to know that they would try to, as they say, shape the story.

And Anne had spent time imbedded up on the orthopedic ward to do other stories about the war wounded. So could we have that kind of access? And by that time had some inside sources, and a very small network of families, not yet soldiers, and someone inside said sure you can come on in. This is how you do it, and none of it broke our ethical rules.

So I studied the map the night before to figure out how I would get from where I was to inside the hospital where I needed to be, and studied again in the morning, and tried to follow those directions when I got through the gate. And nothing, nothing, nothing was like what I studied, and I didn't want to be driving too fast, because it'd be clear I didn't know where I was, or too slow. It turned out I had to stop and ask three times where the hospital was, and I was on the hospital post and I couldn't find this gigantic building. And that was because, I learned later, that

there are actually two entrances to Walter Reed, and I had only known about the back entrance, so everything was turned around.

But the lesson was you could get in and you could be there and it would be okay, and people wouldn't stop and ask you right away who you were. In fact that was one of the modes that we adopted, we had to always tell people, we couldn't lie about who we were, if we were asked, so that was the important step, if we were asked. So we had to always think about ways in which we could operate there, without being asked by people we didn't want to ask us, well who are you or who are you with, who do you represent?

So we tailored a lot of what we did around that sort of MO. And one of the things we also wanted to do from the beginning was to, we knew we had to paint a system, we had to write about a bureaucracy, which was such a complicated bureaucracy that people who were in it and professionals for their whole life, cannot describe it in a simple way to outsiders. So now these weren't just a group of anecdotes and a group of people, but it was a system that we were having to describe.

And we are different reporters in the sense that I come at things, I use people to illuminate, or characters or anecdotes, a systemic

issue that is bigger than those individuals. And Anne tends to have done the opposite in her work as an enterprise feature writer, where the person stands out the most. And we really wanted to meld the two backgrounds and to write about the bureaucracy in a way that actually people would read it, which meant bringing enough people, enough anecdotes into it. And yet we couldn't, from the beginning, see the bureaucracy and understand it, were we just hearing a dozen stories that sounded bad but didn't represent anything other than just disgruntled people or people who had fallen through the cracks somehow.

So it is a compilation of many anecdotes that after a while you start to hear the pattern, see the patterns, understand the bureaucracy. And luckily for the writing aspect of it, but not for the people who had to live it, so many of these flew in the face of the rhetoric in Washington about no matter what you think about the war we are all behind the troops. And in fact it was the first thing that said, oh my God, if this is true, when we found out about Building 18, with the mold and the cockroaches, and we pretty soon, quickly got in there and saw some of that.

You know, in my brain, in which I am a beat reporter, taught that you have to write quickly and you need to get to the first draft and the second

draft, I'm thinking George Bush, cockroaches; Donald Rumsfeld and the War in Iraq, mold. (Laughter)

MS. PRIEST: How am I going to put this all together? I knew that it would go all together somehow.

Finally, before I turn it over to Anne, in the age in which so many reporters are on TV talking about the news, this story did a lot to reaffirm and bring me back to basics, that listening is what we're all about, and if you listen to people carefully you'll find out so much. And it really involved basic gumshoe, hit the streets, hit the phones kind of reporting that was in our backyard the whole time. So in that sense I feel like I have rehabilitated, and I'm a happier person because of it.

MS. HULL: I am not an investigative reporter, so it was a great honor to team up with someone like Dana. Most of my reporting has been spent in housing projects in Newark, or with second generation immigrant kids in Atlanta, just what you call immersion reporting, where you actually go and live someone's life. So we were a very unlikely pairing, we would often leave our newsroom together, and it was sort of like Beethoven and Snoop Dog-- (Laughter)

MS. HULL: --people wondering what the hell are they doing together and where are they going? (Laughter)

MS. HULL: But we hear a lot about the investment of news organizations, what kind of time and money they want to spend, this was a modest investment on the part of the *Post*, it was four months of Dana's time and my time, which turns out to be eight months, which again, in terms of investigative projects is fairly modest.

It was a local story, in many aspects, it's four miles door to door from the *Post* newsroom to Walter Reed, and we knew that we just needed to be inside those iron gates for as mush time, as much intensive time, as possible. As Dana said, not just to accrue these anecdotes that people were telling us, and to have some evidence, but to intimately portray the problems the soldiers were dealing with up there.

Everyone sees the amputee ward, it's known as the petting zoo, it's where the politicians go to see the war wounded, it's generally an upbeat atmosphere. But on one of the first trips we made we went to the hotel where the wounded soldiers are kept, and it's a fairly nice hotel, with a crystal chandelier and oriental carpets, and before the war started it was used to accommodate brigadier generals who were getting

hip replacement surgery at Walter Reed. Since the war in Iraq and Afghanistan started it is 220 rooms filled with maimed, traumatically brain injured PTSD soldiers, crammed into this place.

And the first night we went there we didn't bring notebooks, we just wanted to check it out and see what the atmosphere was like. And it was a completely mind blowing experience, there is no social worker in this hotel to help the soldiers, but there is a bar in the lobby. So we sat there for a couple of hours, and it was one of those, Dana calls it a eureka moment, I call it a holy shit moment, and it's just like, oh my gosh, this is nothing like what we thought Walter Reed was, its popular image.

And so that is essentially how we did a lot of our reporting. We spent a lot of time there, we asked to sleep on the floor, in the beds, in the empty beds of soldiers--

## (Laughter)

MS. HULL: It's one thing to look at someone's medical records and see that a doctor is denying a soldier has a traumatic brain injury, it's another thing to spend a night in that room and watch the soldier completely disoriented waking up in the morning, he has lived there a year in this hotel, but his wife has to put a blue ribbon on the door to help

remind him of what room he lives in. So all that stuff was important to bring the story to life, and we had to see it with our own eyes.

And this is just a small plug for any editors who might be listening to this, it takes time to do this stuff and in the end I think it's worth the time.

Thank you.

MR. PATTERSON: Anne and Dana, thank you.

Let's bring other voices into the conversation. If you would, since we're taping this, if you could identify yourself if you have a question or a short comment to add to the conversation.

Alex, please?

MR. JONES: This is primarily aimed at Walt and Jo and Dana and Anne, and that is, the Washington Post and the New York Times are certainly bastions of investigative reporting, but they both have also got their problems now. And I wondered if you would address the state of investigative reporting at the Times and at the Washington Post from your perspective, and not necessarily just as it involves you personally, but involves your colleagues and the whole investigative apparatus?

MS. PRIEST: First of all, I appreciate everybody worrying about the state of the industry. I

try not to do that, because it's a business model that will emerge, and I think so many reporters take too much of their time during the day worrying about these things and not enough time doing what they are hired to do.

So having listened to the editors talk about this, at the *Post* they do think that investigative reporting is one of the things that they will be able to maintain that not everybody else, and hardly anybody else, is going to be able to maintain. So, at the *Post* we have politics, national security, investigative reporting, those are franchises for us, and I don't see them shrinking, the newsroom will shrink, the investigative staff I don't believe is shrinking.

So I think if we can figure out a way to differentiate the Washington Post products from the blog products, it will be in those areas in which we generate the most novel enterprise impactful information. And investigative reporting is and hopefully will remain one of those areas.

MR. PATTERSON: I do have a question, and Paul touched on it a little bit, and your comment does too. But is there a place for citizen journalism in this mixture, particularly in terms of how it intersects with traditional news organizations? How do

you see that unfolding in the future, where is the place for citizen journalism? Is it a source of ideas, is it competition simply for audience? How about that piece in this investigative world?

Paul, anybody like to comment?

MR. STEIGER: I think individual citizens, you know, private bloggers, unfunded bloggers, can be the source of lots of one fact stories, and you're seeing an awful lot of this on the web, it's not organized, it just sort of happens.

Where I don't think the concept of citizen journalism actually works is this notion that some of the webiacs have that you can mobilize large forces of untrained citizens to ask the same question, I haven't seen any powerful examples of that. Doing the kind of stuff that all these people do requires an organization, it requires an organization to train you and support you, and provide legal counsel when you need it, to help come up with the framework under which you knew what the boundaries were, you knew to avoid being asked the question of who you were, and you knew not to lie, kind of all of that kind of stuff.

So when it comes to a single fact, and it can be, you know, that Tom Cruise has reserved this hotel for the weekend, and maybe this is the place where he and Katie are going to get married. Or it can

be Dan Rather's typewriter, it can be something not significant at all and it can be something very significant. Those sort of one fact things I think are increasingly coming from individuals. But when you're talking about tracing back to China where this bogus, poisonous medicine came from, I just don't see citizen journalism doing that.

MR. PATTERSON: John? Could you identify yourself, for the record?

MR. REIDY: John Reidy, Advisory Committee for the Shorenstein Center.

You know, growing up in the late `40s, early `50s, we sort of thought the U.S. was an honorable place and high morality, and take all these surveys and show that we are among the most corporately moral country in the world. And you know, even with the decline in newspapers of investigative reporting, what one hears today, is this just the tip of the surface, when Tom talks about Miami as the Lady Godiva Chocolate Store of Corruption, we did have that in Massachusetts 50 or 60 years ago, but you've got the institutional corruption and the personal corruption, and I am not concerned about the many affairs of the many governors of New York, who cares at the moment—(Laughter)

MR. REIDY: But other, you've got the

whole DOD, you've got American officials certainly facilitated what happened with the Chinese products, I'm sure. There's no good guys, and bad guys make better stories. Have we really had a massive decline in, maybe morality is not the right word, or increase in corruption, but I think any of you can take it. Paul, you've been a round a little longer than most, except for maybe me, maybe you want to start. But I, it's pretty discouraging what you guys find and what you indicate is still out there.

MR. PATTERSON: Think they are not lacking for targets of opportunity, John.

(Laughter)

MR. BOGDANICH: I don't think anything has, you know, changed, I think it's always been, it's human nature, that doesn't change over time, I don't think this society has degenerated in recent years. I think it is always going to be present, and maybe we are reading about it more or noticing it more because reporters are doing a better job of exposing it. There are organizations like investigative reporters and editors that are out there three thousand strong that are training the young journalists of today to do this kind of work, and it's alive and well, and in many ways a much more powerful presence than in the past. So maybe that's why it seems as though we are heading down

the wrong path as a country.

MR. PATTERSON: Connie?

MS. MORELLA: Connie Morella, Institute of Politics, Resident Fellow.

Congratulations to all of you, it's taken enormous tenacity and commitment for what you've done. But I'm curious about the aftermath, you've shocked us, you've honored us by the work that you've done, you've exposed things that needed to be exposed. But now what happens afterwards? I mean is there, for instance, a government accountability office that is following through, Joshua, on the work that you did? I mean have you done something with the Chinese market, with regard to the importations and restrictions? I mean as a guide, do you feel you've made a permanent difference? I know with Cheney you can't quite tell, with Walter Reed we've seen some of what has happened since then. But do you feel that it's going to be ongoing because of the work you did?

MR. KORS: Short answer is I do, the story I've been reporting on is still continuing. Just a few weeks ago President Bush signed a law requiring the Secretary of Defense to investigate personality disorder discharges and report to Congress. The director of the GAO has to do the same, and deliver his report two months later. That follows a congressional

investigation with a hearing that came about in July.

And as of today my series has sparked four bills in

Congress, including bills by Senator Barack Obama and

Kitt Bond, to close the loophole and halt the

fraudulent discharges.

MR. PATTERSON: Let me follow up a little on Connie's question and ask it in a little different way. And Walt, you alluded to this in your comments, but more basically, you go out and you do one of these extraordinary pieces, and you get an immediate response to it. Let's say, hypothetically, two years later you get information that it really has slowed down, bogged down, nothing is happening. Can you go to your editor and reasonably expect that the editor is going to say go back to this story, or is that already done, that's an old story, and that's a tough sell?

(Laughter)

MR. BOGDANICH: Oh you can do that. (Laughter)

MR. BOGDANICH: But I don't think you're going to get the answer that you want, I mean it's a big world out there, and the response you're going to get is why don't you expose something new? I mean I still get calls that break my heart from people who are telling me stories about deaths on railroads, but here isn't a chance in a million I could go to my editors

and say hey, let me spend a couple more weeks on railroads, it's not going to happen. You can do it on your own time when something comes up, and get it in the paper, but regrettably, maybe everyone has a different experience, but it's been very difficult for me to re-enter a story like the one I did.

MS. PRIEST: I have a slightly different perspective, because a couple years ago I did a series on the CIA black sites, and renditions and all that. And really, there wasn't a peep at the time, except from human rights groups and other liberal groups that thought this was terrible. But in general, Congress said nothing, the institution didn't look at anything.

Two years later, that is when the debate for the realignment of politics nationally gave people the freedom, or whatever, the political, it became more politically easy to think about it. And that's when the debate started happening. So I'm not following that, but other people are. So sometimes it takes a while to bubble up.

With Walter Reed the same thing, I mean

I'm hoping we, for all the accolades the series has

gotten, and people from inside thanking us because

things have changed, there is an equal number of things

that unfortunately have not changed, and we are

besieged by calls from people within the system, and

soldiers who are having problems.

Luckily, and I think this is one of the tactics I'm trying to take now is to encourage, I mean there are army posts in hospitals all over the country. So it can be a powerful local story for reporters that aren't at *The Post* and aren't in Walter Reed's backyard. Because these are giant institutions in whatever community they sit in and the media can really make a difference, just by asking the question.

Because of what they have gone through with this they are just more sensitive to having a reporter call up and say whatever, I hear this is happening, chances are because they want to make it better, and they aren't always because of their own incompetent bureaucracies, but they want to make it better. They have the money to make it better, they just need a kick once in a while to get back on the right track.

So as a philosophy, don't just keep it to yourself and encourage other reporters to do work in the same area, and all of these subjects lend themselves, except yours, to that.

MR. PATTERSON: By the way, Mary was one of the jurists for the Goldsmith Awards.

MS. NEWSOM: I'm Mary Newsom, I'm an editorial writer, associate editor, editorial board

member, columnist, jack of all trades, at *The Charlotte*Observer.

There is, and should be, a firewall between news reporting and opinion writing. At the same time, building on what we've been talking about, which is essentially follow up, editorials and columns can be excellent mechanisms for keeping issues alive when the reporters have moved on to other investigations. What is your opinion about how, if at all, opinion writers and investigators should be partnered on such endeavors?

MS. BECKER: I'll take a stab at that. I guess not at all would be the quick answer. But I have seen incredible investigative work done by editorial boards, I'm thinking about, I'm trying to think of some of the different things, but The New York Times for instance, in 2004 the editorial board took on voting, and they had reported editorials that broke new ground about the state of our voting. I'm trying to think, The Post had, I can't remember what they did, the death penalty, yeah, Chicago did the death penalty.

So I think there is definitely room for investigative reporting by editorial boards, just not paired with reporters from the newsroom.

MR. PATTERSON: Good, we're running over time, we had planned to wrap this up at 10:30, and some

of the panelists have to catch planes and the like. But I do want to --.

I have been told my handlers misinformed me-

(Laughter)

MR. PATTERSON: Never mind.

(Laughter)

MR. PATTERSON: We're going to lose at least one panelist at this point, so let that be the transition, that will show you.

Ted?

MR. GUP: My name is Ted Gup, and I'm a reporter and teacher. Bear with me, this will be a bit ungainly.

A few months ago --. First of all, I'm blown away by what you have all done, and humbled, and inspired. Well, anyhow, a few months ago I had the pleasure of talking to the Nieman Group, and I asked them a question at the end, I gave them a kind of quiz, and some of you all will remember, I said, okay, who can name the secretary of, and I went through the cabinet list, and no hand went up in almost every case.

And here we are in the midst of a major housing crisis, major housing crisis, and I can't tell you who the Secretary of Housing and Urban Development is, and I'm not going to embarrass any of you in the

room, but I genuinely can't tell you that. And in fact, I think the secretary levels have disappeared from our screen, which is reflective of the whole change in the power base in the country, which is also reflected in the way we report the country. That is, the agenda seems to be dictated and the power seems to emanate exclusively from the Oval Office.

There is more diversity in the projects you've done here than I see generally, but if it's not the State Department, Defense, or CIA, everything else seems to have vanished from the screen. And I just wonder, if you all share my concern about who dictates the agenda for investigative reporting, because we have things creep up on us like the collateralized obligation notes that we are going to get hit over and over again if nobody is watching the store. And you factor that in with the massive deregulation and the reduction in reporting requirements, I just wonder if you all share my concern that the scope of our attention has been somewhat hijacked by the administration's own agenda, or defined by that agenda, that's my question.

MR. STEIGER: Well I would say that business and finance have been much bigger drivers in the last twenty years because of deregulation that began under Jimmy Carter and was extended, particularly

in the Reagan and Bush 41 years. And actually, housing programs have become so attenuated, A, because of that shift in emphasis, and B, because so many of them didn't work, that what is much more important about housing is lending strategies. And we're just beginning to see, I mean this is an amazing avenue of reporting, the disasters that have been wrought on the housing market through subprime lending and the structured debt obligations that have been put into the system.

So in some ways I don't think it's so bad that --. I fully admit I can't tell you who the Secretary of Housing and Urban Development is, but that job really doesn't matter very much to what is going on and what is going on in housing. It's the business and financing reporters who have the tools and the sources to be the first ones to go get that story. And I hope they do.

MR. GUP: Forgive me for following up.

But I mean we could take Secretary of Health,

Education, it isn't just housing. I mean I can't tell

you a large number of these folks, I used to be able to

know them because they were players. So I don't mean

to be persistent about this, but it does strike me

that something has fundamentally shifted, and maybe

it's just my perception and nobody else's.

MS. BECKER: I think that one of the things that we found, certainly, to a great extent policy making in this administration emanates from the White House. So the normal, sort of typical way that I think referring to would be that you would have sort of a policy debate within a department of experts that then kind of goes up and up and up and then a decision is made.

But in this White House, to a great degree, for instance economic policy, has come from not the Treasury Department, but rather the White House. So I don't know if that's what you're talking about, but when you talk to people who study White Houses, historically, they say it is to a remarkable degree, the policy ideas are coming from the White House, and it is different in this administration than in previous ones.

MR. PATTERSON: I think Ted is on to something, it may be it would just take so long to get into that discussion. In fact, Richard Davis, who is sitting at the table, did a study that showed there's been a real shift in the balance of coverage, for example, between the Congress and the White House, that Congress is another one of those losers in the mix, generally speaking, and we look at it over a long period of time, you really see how dramatic the shift

is on a day to day basis you don't think that much about it, I mean it's something that maybe we should address at another conference.

Elizabeth, you wanted to get in?

MS. BECKER: Well, I just wanted to throw this in, a lot of that coverage has shifted from the A section to the Bus. Day/Econ section. And I think you'll see that a lot of the issues you're talking about, if you read Bus. Day, for instance, in the *Times* better, you'd see it's all there. And I think that is also part of it, the readers don't realize it's more spread over. And that's also because of where the money is. I mean at the Washington Bureau you can get your beat covered if you know that the money is involved, the budget or like trade or whatever. But you are not always going to find it in A, you're going to find it in Bus Day/Econ, that's all.

MR. PATTERSON: Dick?

MR. CAVANAUGH: This is a follow up for Paul Steiger. When you raised the issue of the subprime mess, the Federal Reserve has at this point put \$230 billion into the mess, \$200 billion a week ten days ago, and \$30 billion for the Bear Stearns bailout. And some people think we could be talking about a trillion dollar kind of bailout, which would make it similar in size to the savings and loan crisis of a

decade or so earlier.

The question is, how is it that there were not investigative stories that were done during the many years of subprime, of excesses, until it became front page stories because of the failure of institutions? What is it about these complicated financial stories that make them so impenetrable to the kind of investigative reporting that we're celebrating today? Or have I just missed the investigative stories?

MR. STEIGER: The answer is you've missed a lot of investigative stories. There has been plenty of coverage of the dangers and evils of subprime lending and predatory lending, going back at least five, six, seven years. You know, not enough, there should have been more, but I can find you pretty easily any number of stories about those practices.

The problem is that on the upside you had the phenomenon of more people who were risky credit risks getting into housing. And when everything is going up that looks nice, you see the percentage of people who own their own homes going up, it sounds like the American Dream is spreading more deeply into communities that previously didn't have access to credit. And it's only when the tide starts to go out that you see some of the sunken ships that were sitting

there under the water.

The problem that is deeper, and I think it's going to be much more complicated, although it may not be as expensive in the end to unwind this crisis, is not the subprime lending, it's the structured credit products that were created.

And without making everybody's eyes glaze over here, the credit markets, which are much more important than the stock market for fueling the economy, have been put into a tortured mess by the creation of artificial bonds, if you will, where it's not clear who the owners are, who the debtors are, and who is responsible for managing the workouts. And it's going to take literally, many, many months, if not years, to unwind those problems.

And this is a failure of imagination on the part of myself, I was the editor of *The Wall Street Journal* while a lot of this was going on, and we wrote about it. But the challenge of writing about structured credit products, at a time when the unemployment level is very low and the stock market is booming, and not just millionaires but billionaires are being made every day, it's very hard to penetrate that noise. And we should have done it better.

MR. PATTERSON: Stuart?

MR. WATSON: Loretta, I was troubled that

you said you might not do it again. You know, I mean that is dismaying, to the extent that as Dana said, reporters take to much time worrying about the state of things, it's also because in addition to being self-involved, and we don't make too good a furniture salespeople--

(Laughter)

MR. WATSON: --it's because we genuinely care about what we do and we have the kind of passion you did, and it wasn't just that the furniture didn't work, it's that we don't do too well on other things, this is our passion. And what troubles me is the message is, to a certain extent, tied to the medium. And most of us are not at *The Washington Post*, and so it troubles me that there are some messages that are not getting out.

So to the extent that we are absolutely obsessed with ProPublica and other business models, it is because of this disturbing notion that there are important stories that are not being reported because of that business model. And I'm wondering if you guys can talk about that?

Maybe Walt can too, I'm wondering, Walt, you have to ask yourself, would that story have been done, not just at "60 Minutes", but at the Cleveland Plain Dealer?

MS. TOFANI: You know, there is no, this is what it comes down to. I would love to do something like this again, I actually have ideas for stories that i would like to do. But I had to spend some of my own money for travel, in the end I was, I got a check for \$5,000 from the Salt Lake Tribune for my year-plus of work. So I don't have a good feeling about this, I feel like one of those Chinese workers, sort of, who has--

(Laughter)

MS. TOFANI: --earned, you know, pennies for every hour I've put in.

And the other part of it is I did not work with an editor. I knew what to do because I have a Pulitzer in investigative reporting, I have the imprinting of what you get and how you get it, and how to talk to people in China and how to do the interviews, and all of that still works. But you know, on some level I feel distressed by the fact that I was turned down as a freelancer by three papers because I was a freelancer.

I feel concerned that this is not quite fair to my family, that I was totally absorbed with these stories for a year and ended up with \$5,000. And I also really miss working with an editor, doing it by myself was okay, but it's nice to have somebody to talk

to. So anyway, unless something changes, I don't see myself as doing this again. You know, I need a job, I'm not going to do it freelance, I refuse to be paid what the Salt Lake Tribune pays for a front page story, which is ordinarily \$250. I put too much work and heart into it.

MR. BOGDANICH: There are many, many reasons I've heard over the years why people don't do investigative projects, city editors don't want them because they are rewarded on filling the paper and counting bylines. You hear today that you can't do investigative projects because of the cutbacks and the economics of the business.

I could go on and on, but it really comes down to the individual. And the point is that Loretta did it, and if she is burned out and can't do it and sacrificed all she can, then somebody else has to pick it up and do it. But in the final analysis it comes down to the individual. When I was working at a paper and they would tell me don't do it, I would say okay, and then I would do it anyhow.

(Laughter)

MR. BOGDANICH: And I would usually do it on my own time, and I would do it after hours or before hours, or I would do it on weekends. When I worked at "60 Minutes", it has this reputation for doing

investigative pieces, but they really don't, they do a good summary of what's already been out there. Safe to go in the water, then they come and do it.

But to do original investigative pieces, I didn't take the whole month off of July, like everybody did, I would come in there, and very often I would be the only person in that building, which wasn't even air conditioned in July. That's what it takes, and at some point you don't have any more to give, and then you hope that someone else picks up the baton and runs with it.

MR. PATTERSON: But how big is the structural issue? I think Loretta is talking a little bit about the structural issue. You talked about it last night, Paul, and certainly the model that you're trying to put together is going to depend on the cooperation of news organizations that essentially don't have their hands all over the work that your people are doing. The Center For Public Integrity always had some difficulty in getting the large players to pick up their material in a robust way, because they didn't produce it, and the like.

So this world is changing, and the boundaries are breaking down. And I think what Stuart in some ways is talking about is, is it going to be the old game all the time, or can we truly expect that

there will be more, that it's more important to get the story out there and to get a story out there in big ways than to have your brand all over it?

MR. STEIGER: Well I think there are two different issues, and one is --. Look, Loretta mentioned it right up front, that for family reasons you moved to Salt Lake City, and that is about as tough a publishing environment as I can think of in a good sized city in America. They had the good sense to publish your excellent work, but they are not set up to pay for it. And you know, if you would move to New York, you would have a very good opportunity to have a fully paid job at ProPublica--

(Laughter)

MS. TOFANI: I'll move.

(Laughter)

MR. STEIGER: But you're not prepared to move to New York at this moment. And so there are sort of two sets of structural issues, and one of them is it is unfortunate, but we get ourselves into trouble denying it, and that is that there is less money at newspapers all across the country, than there was just a year or two ago, for all kinds of work, including this kind of work.

And it's not just the number of reporters that has shrunk, the news holes have shrunk. It is a

bigger challenge than it was, but thank God there are people like you who will take on the story against tremendous odds, and maybe you'll only do it once because your resources are depleted, but as Walt said, somebody else will pick up the baton. But it's just going to be tougher, and I don't think we should kid ourselves that that isn't the case.

MS. TOFANI: But I think, first I would like to correct something Walt said, I am not burned out, the reason really does come down to money. You know, the Salt Lake Tribune and the other media newspapers, they are all aware of this series, they have decided that this was a very good thing, they've had tons and tons of clicks on the website going to this series.

And it has made them, I don't know, in some ways they feel like it has helped their profile. And they've talked to me about doing other work of this kind, now they think, okay, so she can get the grants. But the grants only pay for your expenses. So the real problem is funding the time of the reporter, not exploiting the reporter, but coming to some kind of fair price on the time that has to be spent.

So I think if there is some way to fund my time, fund other reporters' time, there are newspapers that, certainly that whole media news chain that would

gladly accept investigative reporting, they liked this, they'd like more of it, but you know, would I accept \$250 per story, no, not if I have spent five weeks doing it.

MR. STEIGER: Just to ask a question, they didn't offer you a job after you produced the, probably the most impactful story that the paper had run in many years?

MS. TOFANI: They did offer me a job, and here is the other problem, their job would pay me \$55,000 a year, which is about, well it's roughly half of what I used to earn. But I seriously considered taking it.

The other problem though is if I were to take that job, the editors really want a very quick turnaround of stories. So, for example, the stories I talked about before, about people eating fish with mercury, or the storage of uranium waste and how its hurting people there, and other investigative kinds of stories, I don't feel that, we could not come to an agreement about how long they would take. They want kind of the quick job, and then go on to the next. And they are getting that already with their reporters, just because I can see how to take it further, but if I'm not given the time to take it further what is the use?

So this is the other problem, you know, I'd have to get onto their treadmill and their time frame. So, I explained to them, good stories take time. I know how to write quickly, I've been a beat reporter, but the stories we're talking about, if you really want to affect policy and have some chance that the people who are hurt are made whole, that the policy is changed, it takes more work than a regular beat story, and they're not really receptive to that.

MR. PATTERSON: Well, as I said a half hour ago, we have about a minute left, and we need to use that minute in a way that will recognize you, and give you something you can put on your wall and it will be a permanent reminder of this event and your contribution. We are so grateful to all of you, and now you get your Harvard degree.

Joshua.

(Applause)

 $$\operatorname{MR}.$$  PATTERSON: Walt has left, and we will send it.

Tom?

(Applause)

MR. PATTERSON: Paul, you've already gotten yours.

Jo, you had yours already.

Loretta?

(Applause)

MR. PATTERSON: We'll send Dana hers.

Anne.

(Applause)

MR. PATTERSON: So I'd like to thank the panelists.

I also want to say a special thanks to the Greenfield Family and the Greenfield Foundation, which sustains, inspires this Goldsmith Awards Program, and we are very grateful for that.

And we are grateful to you for coming this morning. Thank you very much.

(Applause)

(Whereupon, at 11:03 a.m., the session was concluded.)

## $\underline{C} \ \underline{E} \ \underline{R} \ \underline{T} \ \underline{I} \ \underline{F} \ \underline{I} \ \underline{C} \ \underline{A} \ \underline{T} \ \underline{E}$

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

Before: THOMAS PATTERSON, Moderator

In the Matter of:

THE GOLDSMITH AWARDS SEMINAR

Date: March 19, 2008

Place: Cambridge, Massachusetts

Martin T. Farley Date

Martin T. Farley Advance Services