

A man wearing a light-colored cowboy hat, sunglasses, and a mustache is holding a clear glass jar filled with water. He is wearing a blue and white striped shirt. The background is a clear blue sky.

Making a Difference—with our work, in our field

**ProPublica
Annual Report
2011**



The Mission

To expose abuses of power and betrayals of the public trust by government, business, and other institutions, using the moral force of investigative journalism to spur reform through the sustained spotlighting of wrongdoing.

On the cover: Wyoming alfalfa rancher Louis Meeks displays water apparently contaminated by hydraulic fracturing—a subject on which ProPublica has led reporting efforts for more than three years.

Photo by ProPublica reporter Abrahm Lustgarten.

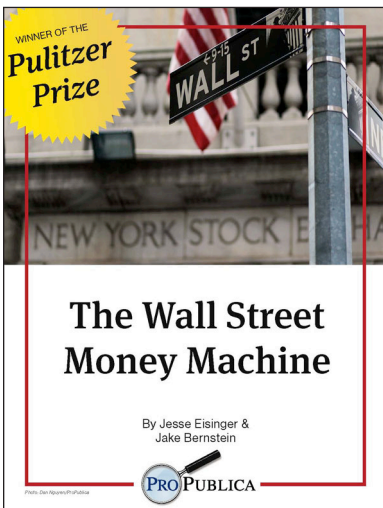
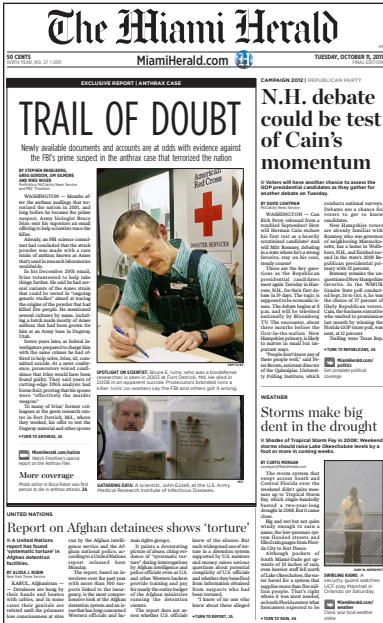
Making a Difference— with our work, in our field

As our mission statement makes clear, the goal of ProPublica is to produce investigative journalism with *impact*—that is, to publish stories that make a difference, that spur reform, that change lives. In more than three years of publishing, ProPublica has done that, and continued to do so in 2011. This report details some examples.

But we also want to focus here on the ways ProPublica is making a difference in the field of investigative journalism itself—that is, on the ways ProPublica is pioneering new methods of distribution and partnerships, blazing new paths in data-driven news applications, and building a sustainable model for non-profit journalism in America.

Here's what we mean by that:

- Reach.** When ProPublica was launched, many observers expressed doubt that leading legacy news organizations would run investigative stories written by a third-party start-up non-profit. But we've now had 88 partners, including nearly every major newspaper in America. In 2011 alone, we had 27 partners, with the New Yorker, Fortune, the Financial Times, the Guardian and the Chronicle of Higher Education joining these ranks for the first time. The partnership model is now widely emulated by non-profits and generally accepted by leading newspapers, magazines and broadcasters.
- Agility.** As media consumption possibilities and habits change, ProPublica has led the way in adoption and adaptation. In 2011, for instance, we grew the number of our Twitter followers nearly five-fold, to the point where, if ProPublica were a daily newspaper, we'd have the eighth-largest following in the country. And as the ebook revolution began to take hold, we launched four Kindle Singles in partnership with Amazon.com—long-form pieces formatted for optimal reading on e-readers—that have inspired many other publishers to follow our lead in this new arena.
- Creativity.** Nor is long-form narrative the only way we tell stories. We produced music videos in 2011 on fracking for natural gas and redistricting; the [fracking video](#) was viewed more than 215,000 times on YouTube, and named by Time magazine as one of the Top 10 Creative Videos of the year. We've led on new ways to tell stories using data, and on the creation of new software tools for doing so. Our [Opportunity Gap](#) educational database allows parents and others to check on their own school, nationwide. And our [Dollars for Docs](#) investigation and database about pharma company payments to doctors—an unprecedented





partnership with ten newspapers, national public television and radio, Consumer Reports and others-- has garnered more than four million page views on our site while serving as the basis for local stories by 120 different news organizations, almost certainly the most extensive journalistic collaboration in American history.

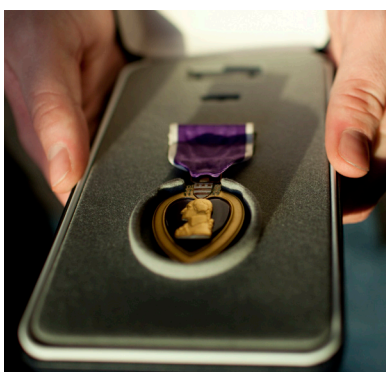
- **Talent.** A key part of growing any field is nurturing young talent. ProPublica interns have already gone on to regular positions on our own staff, but also to full-time jobs at the New York Times, the Chicago Tribune, Frontline, Bloomberg News, Bloomberg BusinessWeek, the Washington Monthly, the New York Daily News, Watchdog New England, the Sacramento Bee, the Bay Citizen, the New York Observer, Columbia University's new New York World, and Sports Illustrated.
- **Sustainability.** ProPublica's launch in 2007-08 with a significant financial commitment from the Sandler Foundation triggered the creation of a large and growing group of new journalism non-profits around the country. But concern has lingered about the question of financial sustainability. Again, ProPublica is leading the way: We had 100 donors in 2009, 1300 in 2010, and 2600 in 2011, accounting for contributions beyond our founders of \$1 million (18% of our total) in 2009, \$3.8 million (or 39%) in 2010 and \$5 million+ (or more than half) in 2011. This is the leading edge of an increasing national awareness of the need to fund accountability reporting, affirmed most notably in 2011 by a long-awaited report from the staff of the Federal Communications Commission; the report cited ProPublica no fewer than eight times. We aim to further diversify and expand our funding in 2012.

ProPublica hosted its first large public event in 2011 at the New School in New York. Participants included our managing editor Stephen Engelberg and partners Ira Glass of This American Life, Raney Aronson Rath of Frontline and David Remnick of The New Yorker.

Making a Difference with Our Work

In 2011 alone,

- An SEC inquiry in the wake of [our reporting](#) on deals that may have had the effect of delaying but then exacerbating the financial crisis led in June to a \$154 million settlement by J.P. Morgan Chase and in October to a \$285 million settlement by Citi (since rejected by a federal judge as inadequate). In September the SEC proposed a ban on such deals. The staff report of the Senate Permanent Subcommittee on Investigations issued in April repeatedly cited, and developed additional evidence to support, our reporting.
- In response to our “[Brain Wars](#)” series with NPR, the Army in March announced new guidelines that will result in the awarding of Purple Hearts to many soldiers injured by explosive devices who had been denied them. This result, the Green Bay Press Gazette wrote in an editorial, “shows that in this ever-evolving media landscape, there’s still no replacement for thorough, quality reporting that can make a true difference.”
- Leading university medical schools reacted to ProPublica’s “[Dollars for Docs](#)” series by tightening conflict of interest rules, and public reports indicated that payments from pharma companies to prescribing doctors may be declining. Schools taking action included Stanford, which disciplined a number of faculty members, and the Universities of Colorado, Pennsylvania and Virginia. Officials at both the University of Virginia and Virginia Commonwealth said publicly that they used ProPublica’s database to check for compliance. Meanwhile, the National Institutes of Health is considering mandating online disclosure of payments to researchers. A report on PharmExec.com concluded, “Call it shameless promotion or kickbacks or a necessary part of sponsor-organization relations—whatever you call it, ProPublica will continue to make sure that the financial relationship between pharma and other healthcare industry players is fully transparent to stakeholders—including the public.” The Fort Myers, Florida News-Press editorialized, “Good for ProPublica for compiling the information and, we hope, increasing pressure for fair guidelines that will guide doctors ethically, continue legitimate industry funding and protect the public.”
- In May, the National Academy of Sciences published the first scientific study to link hydrofracking for natural gas to a risk of flammable drinking water, and the Department of Energy named a panel to recommend steps to make fracking safer and cleaner. In December, the EPA finally linked fracking to drinking water





contamination. In June of 2011, fracking companies accelerated disclosure of the chemicals they employ in drilling— a move suggested by some of our earliest reporting in this area, in 2008. Texas and Colorado now mandate such disclosure. ProPublica has [consistently led the way](#) in reporting on this subject, and especially on the challenges posed to our nation’s water supplies by fracking, winning a George Polk Award for our coverage in 2009. Over three years, we’ve now published more than 150 stories on the subject.

- In November, the Transportation Security Administration, in response to a ProPublica investigation of the possible [health risks of X-ray body scanners](#) used at the nation’s airports, pledged before Congress to commission a new independent review of the devices’ safety. When TSA later equivocated, members of Congress demanded the review proceed.
- A ProPublica investigation of [Heart Check America](#), a medical imaging company, and its high-pressure sales tactics was followed by a lawsuit brought against the company in June by the Illinois Attorney General’s office. The lawsuit seeks civil penalties, voiding of contracts and restitution to affected consumers. In August, Colorado regulators followed with a \$3.2 million fine.
- In November, federal prosecutors in Manhattan filed suit charging Allied Home Mortgage, the subject of a ProPublica [investigation](#) published 16 months earlier, in a massive fraud scheme concerning insurance claims on defaulted home loans. At the same time, the U.S. Department of Housing and Urban Development suspended the company and its CEO from issuing new loans backed by federal guarantees.
- The Justice Department in March found “systemic violations of civil rights” by the New Orleans Police Department, and the city agreed to a consent decree governing the department’s future conduct, marking another milestone in the inquiries triggered by [reporting](#) we began publishing in 2008 and have continued to this day. By year-end, three officers had been convicted in cases of shootings spotlighted by ProPublica reporting.
- The Special Inspector General for the federal government’s TARP program, in his final personal report to Congress in March, based his sharp criticisms of the troubled [Home Affordable Modification Program](#) on what he called the “extensive research conducted by ProPublica,” citing our reporting three times in six page of testimony. A Reuters columnist wrote in October that “ProPublica’s [reporter Paul] Kiel seems to be much better versed on HAMP than anybody tasked with enforcing the program.”

Recognition from our peers for ProPublica's work

In April 2011, ProPublica reporters Jake Bernstein and Jesse Eisinger received the **Pulitzer Prize for National Reporting**, the first such award for stories that had never appeared in print. The Pulitzer was awarded for their articles on "[The Wall Street Money Machine](#)." It was ProPublica's second Pulitzer Prize in as many years.

ProPublica also received a number of other leading prizes in 2011:

Jake Bernstein and Jesse Eisinger's work also was a **finalist for the Goldsmith Prize** for investigative reporting from the Kennedy School of Government.

A.C. Thompson's coverage of [violence in New Orleans](#) in the wake of Hurricane Katrina, in partnership with Frontline and the New Orleans Times-Picayune, won the **George Polk Award** for television reporting and was **nominated for an Emmy Award**. A.C. also won the **American Society of News Editors Batten Medal** and the **I.F. Stone Medal for Journalistic Independence**.

T. Christian Miller's coverage of [brain injuries to our troops](#), in partnership with NPR, won the **George Polk Award** for radio reporting, the **Society of Professional Journalists Sigma Delta Chi Award for Online Investigative Reporting** and the **Dart Award for Excellence in Coverage of Trauma** from Columbia University's Dart Center, and was **nominated for an Emmy Award**.

Robin Field's [dialysis coverage](#) was a **finalist for the National Magazine Award** for public interest journalism and won the **Society of Professional Journalists Sigma Delta Chi Award for Public Service in Online Journalism**, the **Award for Excellence in Health Care Journalism** and the **Investigative Reporters and Editors Online Award**, while our [Dialysis Facility Tracker](#) won a **Society for News Design Award of Excellence for Information Graphics** and an **Online Journalism Award for innovative investigative journalism**.

Joaquin Sapien's coverage of [Chinese drywall](#), in partnership with the Sarasota Herald Tribune, won three **Society of American Business Editors and Writers Best in Business Awards** and a **Society for Environmental Journalists Award** for in-depth reporting.

Abrahm Lustgarten's reporting on the [BP spill](#), in partnership with Frontline, won a **Society for Environmental Journalists Award** for in-depth reporting and was **nominated for an Emmy Award**.



Tracy Weber and Charles Ornstein's "[Dollars for Docs](#)" coverage of pharmaceutical payments to physicians won an **Investigative Reporters and Editors Award for Innovation in Watchdog Journalism**.

Dafna Linzer, Chisun Lee and Krista Kjellman Schmidt's coverage of the Guantanamo "[Detention Dilemma](#)" received the **Overseas Press Club Award for Online General Excellence**.

Sebastian Rotella's reporting on the [Mumbai terrorist attack](#) won the **Overseas Press Club Award for Best Online Coverage of an International Issue or Event**.

ProPublica overall won the **Society for News Design Best of Digital Design Judges' Special Recognition** for our news applications and was a **finalist for an Online Journalism Award for general excellence**.



ProPublica's Growing Publishing Platform

Partner stories in 2011: 115

Partners in 2011: 27

Unique visitors: 348,000 average per month, up 2% over 2010

Excluding a spike in April 2010, monthly average unique visitors were up 18% in 2011 and page views up 7%

Daily email subscribers: more than 54,000, up 35% over 2010

Twitter followers: nearly 94,000, up 392% over 2010

Facebook fans: more than 25,000, up 105% over 2010

Followers of our Tumblr, "Officials Say the Darndest Things": more than 89,000, an increase of more than forty times over 2010

Members of the ProPublica Reporting Network:
more than 7300, up 16% over 2010

iPhone/iPad app downloads: more than 70,000—up 121% over 2010
In November 2011, TechRepublic named ours one of the "20 best apps for the iPad"



Publishing Partners, 2011

ProPublica has had 88 publishing partners in just over three years. We choose each partner with an eye toward maximizing the impact of the story in question. Here is a list of our partners in 2011:

Amazon.com*
Atlantic
Bloggingheads TV
Center for Public Integrity*
Chicago Tribune
Chronicle of Higher Education*
Cleveland Plain Dealer*
Columbia Journalism Review
Financial Times*
Fortune*
Frontline
Guardian (UK)*
Las Vegas Sun*
Los Angeles Times
McClatchy Washington Bureau*
Newark Star-Ledger
New York Times
New Yorker*
NPR News
Pittsburgh Post-Gazette
Sarasota Herald Tribune
Slate
Stars and Stripes
Tennessean*
USA Today
Washington Post
The World (public radio)*

*new partner in 2011

Financial Information, 2011 (rounded to nearest \$1000)

REVENUES

Board of Directors contributions and related grants	\$5,400,000
Major grants and gifts (\$50,000 and above)	3,806,000
Business Advisory Council contributions	254,000
Online donations	163,000
Other grants and gifts	386,000
Earned income	27,000
Total	\$10,036,000

EXPENSES

News salaries, payments and benefits	\$ 6,110,000
Non-news salaries and benefits	1,206,000
Personnel support	810,000
Outreach	357,000
Professional fees	62,000
Occupancy and office	968,000
Capital costs	96,000
Total	\$9,609,000

Note: all figures preliminary and unaudited

Officers and Staff

Paul Steiger, editor-in-chief, CEO and president

Stephen Engelberg, managing editor

Richard Tofel, general manager

Debby Goldberg, VP, development

News Staff

Senior Editors: Tom Detzel, Robin Fields, Mark Schoofs and Eric Umansky

Senior Reporters: Jesse Eisinger, Jeff Gerth, Dafna Linzer, T. Christian Miller, Charles Ornstein, Sebastian Rotella and Tracy Weber

Reporters: Marshall Allen, Kim Barker, Lois Beckett, Jake Bernstein, Michael Grabell, Nikole Hannah-Jones, Paul Kiel, Abrahm Lustgarten, Olga Pierce, Joaquin Sapien, A.C. Thompson and Marian Wang

Editor of News Applications: Scott Klein

Director of Computer-Assisted Reporting: Jennifer LaFleur

Director of Research: Liz Day

Social Media Editor: Daniel Victor

Deputy Editor of News Applications: Krista Kjellman Schmidt

News Applications Developers: Jeff Larson, Dan Nguyen and Al Shaw

Computer-Assisted Reporting Specialist: Joe Kokenge

Social Media Producer: Blair Hickman

Contributors: Sheri Fink and Chisun Lee

Administrative Staff

Director of Finance and Operations: Barbara Zinkant

Director of Communications: Mike Webb

Communications Manager: Minhee Cho

Director of Information Technology: Nicholas Lanese

Executive Administrator: Sarah Ritter Chung

Assistant to the Editor-in-Chief and Managing Editor: Nicole Cabrera

Governance

Board of Directors

Henry Louis Gates, Jr., W. E. B. Du Bois Professor of the Humanities and the Director of the W. E. B. Du Bois Institute for African and African American Research, Harvard University

Gara LaMarche, senior fellow, New York University Wagner School of Public Service

Paul Sagan, president and CEO of Akamai

Herbert Sandler (chair), co-president (with his wife, Marion Sandler) of the Sandler Foundation

Paul Steiger, editor-in-chief, president and CEO, ProPublica

Tom Unterman, managing partner, Rustic Canyon Partners and former CFO, Times Mirror Co.

Journalism Advisory Board

ProPublica has named a journalism advisory board to advise ProPublica's editors from time to time on the full range of issues related to ProPublica's journalism, from ethical issues to the direction of its reporting efforts. Its members include:

Jill Abramson, executive editor, *The New York Times*

David Boardman, executive editor, *The Seattle Times*

Raymond Bonner, writer living in London

Robert A. Caro, historian and biographer of Robert Moses and Lyndon Johnson

John S. Carroll, former editor of the *Los Angeles Times* and the *Baltimore Sun*

L. Gordon Crovitz, former publisher of *The Wall Street Journal*; partner, Journalism Online

David Gergen, professor of public service, Harvard's John F. Kennedy School of Government and director of its Center for Public Leadership

Shawn McIntosh, public editor, *The Atlanta Journal-Constitution*

Ellen Miller, executive director, The Sunlight Foundation

Priscilla Painton, executive editor, non-fiction, Simon & Schuster

Allan Sloan, senior editor at large, *Fortune* magazine

Kerry Smith, senior vice president for editorial quality, ABC News

Cynthia A. Tucker, visiting professor, University of Georgia journalism school

Business Advisory Council

ProPublica also has a Business Advisory Council, a group of executives who advise on emerging business and technology issues:

Mark Colodny, chair, managing director, Warburg Pincus LLC

Joanna Stone Herman, vice chair

Justin Blake, managing director, Edelman

Theodore J. Boutros, Jr., partner, Gibson, Dunn & Crutcher LLP

David Coulter, managing director, Warburg Pincus LLC

Sean Fieler, general partner, Equinox Partners

Maria Gotsch, president & CEO, NYC Investment Fund

Dave Goldberg, CEO, SurveyMonkey

Jack Griffin, CEO, Empirical Strategic Advisors

Michael Hansen, CEO, Elsevier Health Sciences

Melody Hobson, President, Ariel Investments

Lori E. Lesser, partner, Simpson Thacher & Bartlett LLP

Gary Mueller, CEO & chairman, Institutional Investor

Reed Phillips III, managing partner, DeSilva+Phillips

William Pollak, CEO, ALM Media LLC

Andrew Prozes, senior advisor, Warburg Pincus LLC

Lawrence Rand, president and CEO, Kekst and Company

Davia Temin, president and CEO, Temin & Company

Gregory Waldorf, CEO-in-residence, Accel Partners

ProPublica's Leading Supporters, 2011

Millicent and Eugene Bell Foundation	Peter B. Lewis
Benter Foundation	Simon Li
Deborah & Chris Buck	John D. and Catherine T. MacArthur Foundation
Carnegie Corporation of New York	Marisla Foundation
Cedar Tree Foundation	NBC4 New York
Mark Colodny	Foundation to Promote Open Society
Dyson Foundation	Pew Charitable Trusts
Edwards Family Fund	Resnick Family Foundation
Ford Foundation	Paul and Ann Sagan Family Fund
Mary Graham	Sandler Foundation
Marc Haas Foundation	Bernard L. Schwartz
William and Flora Hewlett Foundation	Steve Silberstein
Harriet Heyman & Michael Moritz	Skoll Global Threats Fund
Irwin & Joan Jacobs	Tom Steyer and Kat Taylor
Marilyn & Jeffrey Katzenberg Foundation	Tom and Janet Unterman
John Kern & Valerie Hurley	Joan and Sanford I. Weill Philanthropic Fund
John S. and James L. Knight Foundation	Woodtiger Fund
Lear Family Foundation	
Jerome Levy Foundation	

Photos: Page 4: All four photos by Dan Nguyen/ProPublica. Page 5: Top (Wall Street): Dan Nguyen/ProPublica; Middle (Purple Heart): Katie Hayes Luke/NPR; Bottom (research lab): FBI. Page 6: Top (oil field): Abrahm Lustgarten/ProPublica; Middle (Heart Check America): Nathan Weber for ProPublica; Bottom (Glover's burnt-out car): ProPublica. Page 7: Top (autopsy room): PBS Frontline; Bottom: Melanie Burford for ProPublica. Page 8: Both photos by Dan Nguyen/ProPublica. Page 9: Dan Nguyen/ProPublica. Back cover: Top (water): Wikimedia Commons; Bottom (dialysis patient): ProPublica

Design: Sarah Way

