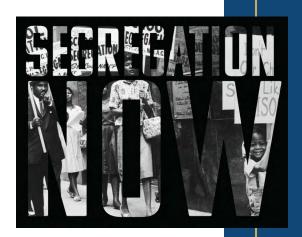


The latest in a series of periodic reports to our stakeholders about progress at ProPublica. Earlier reports, including our annual report for 2013, are available at ProPublica.org.

One of the great advantages of digital publishing, and especially of ProPublica's non-profit model, is that it makes it possible to publish important stories in both new ways and old simultaneously, to augment text with tools not previously possible, and to thereby deepen engagement and heighten the chances that our journalism will have impact.

Our series "Segregation Now," on the contemporary resegregation of the nation's public schools, which we began publishing in mid-April, provides a critical example of what this can mean. The main initial story in the series runs 9,000+ words, and was published on our web site and that of the Atlantic, while also covering (along with photos), 14 full pages of the May issue of the Atlantic monthly. The story was read online by more than 100,000 people in its first 24 hours and eventually by an estimated 200,000—not including the Atlantic's print readership. Once upon a time—just a few years ago—that would have been a fairly full accounting of the story's reach.



But in 2014, here is what else happened:

- In addition to the main text story, ProPublica published an original 17-minute film by the award-winning Maisie Crow (which was viewed more than 15,000 times in the first week after publication), a rich media version of the story that included dramatic photographs by Crow, an interactive timeline of segregation, desegregation and resegregation in American education, and an editors' note explaining why we believe the story is crucial and why we offered the rich media version in three daily installments;
- The Sunday before the story ran, reporter Nikole Hannah-Jones was a panelist on CBS's Face the Nation, previewing the work and discussing the 60th anniversary of *Brown v. Board of Education* and the 50th anniversary of the Civil Rights Act of 1964;
- ProPublica teamed with Michele Norris's Race Card Project to ask first students in Tuscaloosa and then readers across the nation to express their thoughts on race and education in six words, and then shared the six words in a dramatic visual display;
- The ProPublica story and the Race Card Project initiative were featured on NPR's Morning Edition in three



A class at Central High, Tuscaloosa, Alabama

separate segments airing on April 17, 18 and 21, and on MSNBC's Reid Report and Wisconsin Public Radio on April 18;

That roll-out for a story produced a great deal more:

- Follow-up stories in the newspapers in Tuscaloosa, Birmingham and Anniston—and also in New Orleans and Philadelphia; stories in Ebony, the Root and Colorlines; a column from Ta-Nehisi Coates of the Atlantic and another in Education Week; an editors' choice designation from Longform;
- links from Andrew Sullivan's Daily Dish, the Pew
 Research Center, boing boing, the Daily Beast, HuffPost Black Voices, WBUR's Learning Lab, RealClear
 Education, eSchool News, education newsletters from Politico, National
 Journal and Scholastic and local education sites from Tennessee to Oregon;
 an editorial in the Harvard Crimson;
- interviews with Hannah-Jones on C-SPAN's Washington Journal, MSNBC's Weekends with Alex Witt, Al Jazeera America and Democracy Now. A webinar with the Education Writers Association followed on April 28.

St. Louis Public Radio reporter Susan Hegger wrote that, "Hannah-Jones tells the story in such rich, vivid—and heart-breaking—detail that you can almost feel the hope and promise drained from the lives of the Dents. Their personal stories are woven so skillfully into the larger fabric of the social, political and economic history of Tuscaloosa that you realize that Tuscaloosa's failure is in fact a defining national tragedy."

The blog Ordinary Times called Segregation Now "the most important story of the year," while education activist Whitney Tilson called it "the best education article

I've read in [a] long, long time." Mark Walsh, writing in Education Week, said, "If, as ProPublica says on its web site, the purpose of the nonprofit investigative organization is to produce stories with 'moral force,' this one seems to be right on target."

We speak, in venues like this one, about ProPublica's "publishing platform." This is what we are talking about: the sort of reach—and the potential for impact—that our platform, not even six years old, can produce for a critical investigation.



James Dent, through whose family the story of the integration and resegregation of Central is told in 'Segregation Now'



Impact

The most important test of ProPublica is whether our work is having impact. By this, we mean not audience size or prizes, but real world change. Examples of what we mean can be found at http://www.propublica.org/about/impact/, as can a white paper on how ProPublica thinks about impact and related questions.

In the first period of 2014, ProPublica stories produced such change in a number of important areas:

- Just weeks after we began publishing stories in partnership with NPR on the dysfunction of the Pentagon's efforts to find and identify the bodies of missing soldiers from past wars, the Secretary of Defense announced an overhaul of the program on March 31. With an internal report calling for a "paradigm shift," the Department pledged to make more modern use of DNA, and to combine two feuding agencies into one.
- More than three years after ProPublica began tracking—and spotlighting—pharmaceutical payments to doctors to promote the sale of prescription drugs, newly-released data show that the practice is waning, with payments by Pfizer and Eli Lilly falling by more than half, and those by market leader Novartis declining by 40% from 2011 to 2012.
- The federal agency that runs Medicare in January proposed new rules to better control—and potentially ban—doctors engaged in fraudulent or harmful prescribing. The new proposed rules came in the wake of ProPublica reporting throughout 2013 on deficiencies in Medicare's oversight of its Part D prescription drug program. In March, Medicare's Inspector General echoed findings of ProPublica's reporting while concluding that the program needs stronger protections against fraud.



Tom Holland, then scientific director of the Joint Prisoners of War/Missing in Action Accounting Command, in his office, November 2013



- The federal Consumer Financial Protection Bureau is targeting World Finance, whose installment loans were a focus of ProPublica reporting in 2013, in an investigation of whether the company's loans and their marketing violate federal law. World Finance disclosed the investigation in March.
- The FDA in February launched a formal review of its own practices with respect to the regulation of over-the-counter drugs. The agency announcement followed reporting last fall by ProPublica on the dangers of acetaminophen, the active ingredient in Tylenol, which would be among the drugs affected by any new rules or procedures.

- In response to ProPublica reporting in January and February on the National Quality Forum, a key health care industry group, the Quality Forum strengthened its protections against conflicts of interest in recommending patient safety measures and its CEO resigned from two health care company boards.
- Teva Pharmaceuticals agreed in March to pay more than \$27 million to settle state and federal allegations related to its dealings with Chicago psychiatrist Michael Reinstein, whose prescribing patterns were the subject of ProPublica reporting in 2009 and again last year.



Dr. Cristine Cassel, President and CEO of the National Quality Forum

• New York Service Network (NYSN), a drug rehab program with questionable ties to sober home operators as detailed in a ProPublica report in September 2013, is now the subject of an enforcement action by New York authorities. The State's Office of Alcohol and Substance Abuse Services had granted NYSN a two-year license renewal shortly before our story was published. In February, the agency moved to revoke that license.

What People Are Saying

"Several years ago, as reeling legacy news outlets were cutting back severely on the vital but costly practice, watchdog reporting seemed like an endangered species. And while no one is declaring victory, several encouraging developments have taken place. Philanthropy-funded ProPublica has become a major and highly respected player in the field."

> -Rem Reider, USA Today, February 27

"I cannot tell you how many times a week I look up at my ceiling and think, 'thank you, ProPublica.'

As one of the many journalism casualties of the newspaper wars, it is heartening to see that great investigative journalism is being kept alive by PP."

-Catherine Stadem, Alaska Dept. of Health and Social Services, January 28

"journalists can do something that Twitter can't: in-depth, transformational investigations such as the exposé on the dangers of acetaminophen by ProPublica and 'This American Life.' These types of stories don't happen through competition. They happen through collaboration."

-Marie Gilot, Knight Blog, January 7

"it appears that we are in the foothills of datajournalism: if you get a chance see what ProPublica, the US investigative journalism venture, have done. They collected data on how 1.7 million American doctors issue 1.1 billion prescriptions a year. They then empowered the American public to examine it and find out what it told them about their local doctor. The results are fascinating—and show that we are only just beginning to imagine what and how we can learn from public data."

– James Harding, BBC Director of News and Current Affairs, WT Stead Lecture on "Journalism Today," January 13 "I want to thank you. I got my grandfather out of a doctor who I believe had very very questionable prescribing habits which I found thanks to your prescriber checkup database. Within 2 months of seeing a new Doctor he was feeling and moving around better than he has in 5 years!! A new outlook on life and he can start his old hobbies again. I thank you so much. I found myself, my pregnant wife and my children all doctors based on this information!"

-Nicholas Davis, January 24

"ProPublica has time and again in its six years of existence dug out hidden information, connected the dots, and distributed results that increase public awareness and promote reform."

-Leonore Tiefer, "Selling Sickness" Blog March 25

"ProPublica's news apps team produces amazing data exploration tools which help make sense of the world."

> —Simon Rogers, Mother Jones April 24

ProPublica is "one of the top journalism outfits in the world, bar none"

-Whitney Tilson April 19

Honors

ProPublica was the first online news organization to win a Pulitzer Prize (2010) and the first to win a Pulitzer for stories not published in print (2011). We did not win a Pulitzer in 2014, but much of our best work from last year has been honored this Spring.

Reporting on **faults in the Medicare Part D** program by reporters Charles Ornstein, Tracy Weber and Jennifer LaFleur and our **Prescriber Checkup** news application by developers Jeff Larson and Lena Groeger garnered the Philip Meyer Award for journalism using social science research, the Investigative Reporters and Editors FOI Award, a Society for News Design Award of Excellence and a Malofiej International Infographics Bronze Medal and is a finalist for Deadline Club Awards for digital innovation and science, technology, medical or environmental reporting.

Our coverage of **the risks of Tylenol** by reporters T. Christian Miller and Jeff Gerth and developers Al Shaw, Lena Groeger and Krista Kjellman Schmidt received a Best in Business Award from the Society of American Business How States Compare

Percent claims for name-brand drugs from primary care physicians, 2011. See state by state data »

Detail from ProPublica's Prescriber Checkup application

Editors and Writers, a first place and a third place Award for Excellence in Health Care Coverage from the Association of Health Care Journalists, a Society for News Design Award of Excellence, and was a finalist for the American Society of News Editors Punch Sulzberger Award for Online Storytelling and for Deadline Club Awards for business investigative reporting and multimedia and interactive graphics.

Michael Grabell's reporting on the **plight of temporary workers** received the American Society of News Editors Award for Distinguished Writing on Diversity, and was named a finalist for a Scripps Howard Foundation National Journalism Award, the Anthony Shadid Award for Journalism Ethics and a Deadline Club Award for minority focus.

Our project on "**Life and Death in Assisted Living**" in partnership with Frontline and reported for ProPublica by A.C. Thompson won a Best in Business Award from the Society of American Business Editors and Writers, is a finalist for the Deadline Club Award for business feature, and received two second place Awards for Excellence in Health Care Coverage from the Association of Health Care Journalists.

A range of **news applications** from our team also received a raft of other honors. These included a Malofiej International Infographics Silver Medal and a Society for News Design Award of Excellence for ProPublica's organizational portfolio. We also received a Society of Professional Journalists Sigma Delta Chi Award for informational graphics and a Deadline Club Awards finalist designa-

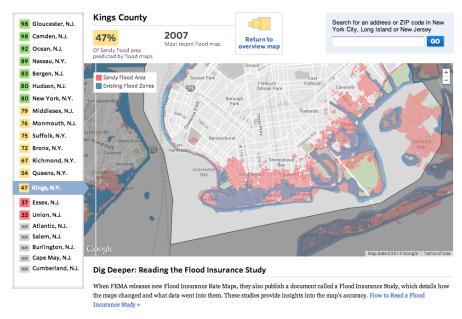
tion for local news reporting for our **FEMA storm maps** project, a Malofiej International Infographics Silver Medal and two Society for News Design Awards of Excellence for our **China's Memory Hole** news app, a Malofiej International Infographics Silver Medal for our **ER Wait Watcher** app, a Society for News Design Award of Excellence for our app on **where Congress stands on guns**, and Society for News Design Awards of Excellence for the individual portfolios of developers Lena Groeger and Al Shaw.

Jesse Eisinger's column, The Trade, published in partnership with the New York Times, won a Best in Business Award from the Society of American Business Editors and Writers.

Reporter Paul Kiel's work on **abusive installment loans** was a finalist for two Best in Business Awards from the Society of American Business Editors and Writers.

ProPublica founder and executive chairman **Paul Steiger** received the William Allen White Foundation National Citation from the University of Kansas's White School of Journalism and Mass Communications.

And ProPublica itself was deeply honored to receive a **MacArthur Award for Creative and Effective Institutions** in February. The award came with a one million dollar contribution to ProPublica's reserve fund, making it possible for us to launch this year's editorial expansion. The John D. and Catherine T. MacArthur Foundation has been a supporter of ProPublica consistently from our inception, one of only two such donors. In making the Award, the Foundation called ProPublica "a leader among a new generation of nonprofit journalism organizations which are filling a growing gap in investigative reporting, creating new models of collaborative journalism, and publishing in multiple platforms."



Detail from ProPublica's FEMA flood map application

ProPublica partners, January-April, 2014

Amazon.com Guardian

Atlantic Los Angeles Times
Boston Globe New York Times

Chicago Tribune NPR News

Daily Beast Source

Denver Post Sports Illustrated*

Frontline Vice*

*new partner

By the numbers

Web site monthly average page views at ProPublica.org 1.4 million, up 10% year-over-year

Average monthly unique visitors to Propublica.org 546,000, up 10% year-over-year

Monthly average age views from reprints via Creative Commons 300,000+

Twitter followers more than 273,000, up 9% since January 1

Facebook fans more than 76,000, up 21% since January 1

Daily email subscribers over 67,000, up 5% since January 1

600+donors

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