

ProPublica Report to Stakeholders May-August, 2013



The latest in a series of periodic reports to our stakeholders about progress at ProPublica. Earlier reports, including our annual report for 2012, are available at ProPublica.org.

The middle period of 2013 was one of continuing impact for ProPublica, as significant reporting projects came to fruition, and even more were launched. Major stories revealed the lack of oversight of Medicare's prescription drug program, the plight of temporary workers forced to work for wages effectively well below the legal minimum, schemes by oil and gas companies to systematically underpay royalties for drilling rights, the stubborn prevalence of installment loans at exorbitant rates (and especially those offered by companies preying on military families), and the perils of assisted living facilities.

Our latest major "news application"—telling an important story through data and then offering that data in a manner useful and accessible both to consumers and other journalists—is Prescriber Checkup, which allows anyone to look up a doctor's Medicare prescribing patterns and see how they compare with those of other doctors. Prescriber Checkup made its debut in May. By August, it had received more than 550,000 page views, and spawned local stories in outlets ranging from West Virginia to Michigan, New Hampshire to Ohio. Meanwhile, ProPublica's most successful news application, Dollars for Docs, which charts



pharmaceutical company payments to doctors, has now received more than six million page views since its launch in late 2010, and has been the impetus for local stories by more than 175 news organizations across 42 states and the District of Columbia.

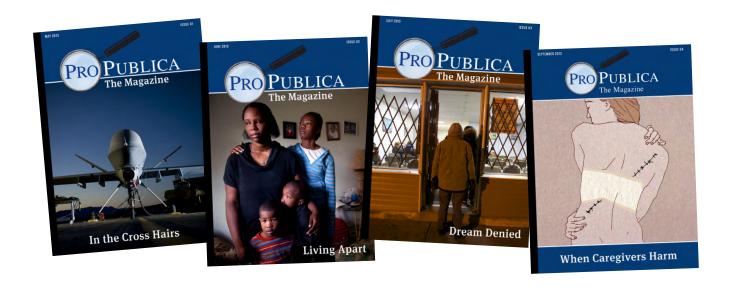
One subject to which ProPublica has been devoting attention is interns—and the issue of whether they are paid. Unpaid internships can be very valuable for young people, but they do raise two issues. The first is whether or not, in particular circumstances, they are exploitative. This is a complex question, and has given rise to a fair amount of law and regulation, which we've tried to elucidate for readers. The second, less complicated factor is that unpaid internships, by their very nature, perpetuate and enhance inequality, by offering opportunities to those who can afford them that remain simply unavailable to most young people.



Beyond reporting about these issues (and continuing to pay our own interns, as we have since ProPublica began), we turned this Spring to Kickstarter to accelerate our efforts through crowdfunding. With encouragement from the Knight Foundation, we proposed to hire a paid intern to augment our coverage of internships. Over 30 days, this effort received support from more than 700 contributors, and (including a match from Knight) raised more than \$28,000. Casey McDermott, a recent Penn State graduate (and former top editor at the Daily Collegian), was selected from among more than 70 applicants and began work on the project just after Labor Day.

The fund-raising effort, and our work around this issue, have resonated widely, and been the subject of coverage from boing boing, Columbia Journalism Review, Detroit News, Fast Company, the Guardian, HuffPost, journalism.co.uk, Mashable, MediaBistro, New York Magazine, New York Times Motherlode blog, Nieman Journalism Lab, paidcontent, Policy Mic, Reuters Counterparties blog, San Francisco Chronicle, Southern California Public Radio, USA Today and The Week.

We are also always looking for innovative ways to bring ProPublica content to new readers. With this is mind, in late June we launched ProPublica: The Magazine, available on Apple devices employing Newsstand. Each issue of the monthly magazine collects a selection of ProPublica's best stories collected around a theme. Our first issues have been entitled "In the Cross Hairs" (from guns to drones), "Living Apart" (racial issues), "Dream Denied" (inequality) and "When Care Givers Harm" (from assisted living to juvenile detention). ProPublica's Magazine app is available by free subscription through iTunes.



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 recently-published white paper on how ProPublica thinks about impact and related questions.

In the middle period of 2013, ProPublica stories produced such change in a number of important areas:

- In May, ProPublica reporting, published in partnership with the Washington Post, revealed vast shortcomings in the oversight of the federal government's prescription drug benefit program, Medicare Part D. In the wake of this reporting, meaningful reform seems underway. In June, an Inspector General report mirrored ProPublica's findings, and the Center for Medicare and Medicaid Services (CMS) pledged to step up oversight of doctors with questionable prescribing patterns. The director of Medicare told a Senate hearing that CMS would also require that all Medicare prescribers be enrolled in the program, verifying their credentials and disclosing possible disciplinary problems. CMS also pledged to ramp up enforcement actions and to begin sharing information about suspect pharmacies and doctors with private insurance plans. Meanwhile, three senators, Tom Coburn (R-OK), Tom Carper (D-DL) and Charles Grassley (R-IA), cited ProPublica's reporting in pressing for even more far-reaching reforms; Grassley pressed state regulators to share disciplinary actions under state-administered Medicaid programs with federal officials who run Medicare.
- Reporting in 2012 by ProPublica and the Seattle Times about a wholesale failure to keep U.S. military records from the conflicts in Iraq and Afghanistan—depriving veterans of benefits and commendations—has begun to show results. In July, the Army finally conceded the loss of the records, and launched an effort to recover them, consolidate substitutes and clarify responsibilities for future recordkeeping.
- In the wake of reporting last year by ProPublica and Frontline on the safety risks facing communications tower climbers, OSHA in August indicated that it has begun looking at how the conduct of cell phone companies—through deadlines and other contractual requirements—may be contributing to the deaths of climbers.
- Progress continued toward easing housing segregation in New York's Westchester County, the focus of ProPublica reporting last fall and winter. In June, under pressure from an awakened Justice Department, the county legislature finally passed, and the County Executive signed, a law banning discrimination against those who pay rent with federal assistance.

What People Are Saying

"As traditional news organizations have been buffeted by the digital revolution in recent years, many have been forced to cut back sharply on newsgathering resources, principally by reducing their reporting staffs. This has led to an alarming decline in such vitally important areas as watchdog reporting, statehouse coverage and foreign news.

"Into the breach leaped the nonprofits, news outlets supported by philanthropy. One of the most successful is ProPublica, an investigative powerhouse based in New York City that has earned wide respect for the quality of its work."

-Rem Rieder, USA Today, July 3

"serious journalism still gets done at many conventional outlets, but it's telling that the most enthusiastic creators of non-commercial news hail from not-for-profit precincts, such as ProPublica"

-Jack Shafer, Reuters, August 15

ProPublica "is becoming more valuable almost by the hour"

-Charles Pierce, Esquire, May 20

"it's so smart and important that nonprofit investigative journalism outlet *ProPublica* normally partners with commercial media outlets to run their reports. This marries commercial publishing's worth[y] obsession with audience size with the true virtue of nonprofit media—willingness to shoulder large costs. The problem with serious investigative reporting isn't that there's no audience for it; it's that it can become very expensive to produce."

-Matthew Yglesias, Slate, August 19

"Even though [ProPublica] covers much more than business, its investigative focus is a model of what all of us should be doing"

-Jon Talton, Business Journalism.org, May 28

"As a patient and as the daughter, wife, and sister of patients, I value the chance to gauge the cost and safety of the drugs our doctors prescribe. As a physician, I appreciate knowing how I compare to peers in my prescribing practices and better understanding national trends. More of this information should be publicly available, and I'm grateful to ProPublica for getting us started."

Ishani Ganguli on ProPublica's Prescriber Checkup,
Boston Globe Short White Coat blog, July 23

Honors

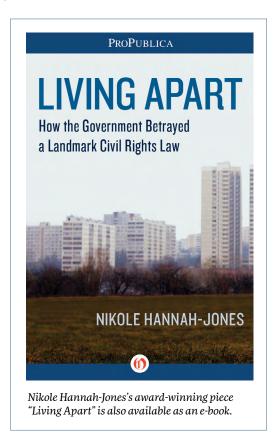
ProPublica was the first online news organization to win a Pulitzer Prize (2010) and the first to win a Pulitzer for stories not published in print (2011); earlier in 2013 we won a Peabody Award, the highest honor in broadcast journalism. Most journalism awards are bestowed in the first months of the year, but honors received in the middle period of 2013 included the following:

Nikole Hannah-Jones's work on housing segregation won Columbia Journalism School's **Paul Tobenkin Memorial Award** and the **Society of the Silurians Excellence in Journalism Award** for online investigative reporting, and was a **finalist for the National Association of Black Journalists Salute to Excellence** in Digital Media.

Reporting on tower climbers with Frontline has been nominated for an Emmy Award for Business and Economic Reporting in a Newsmagazine and was a finalist for a Gerald Loeb Award for Distinguished Business and Financial Journalism. The Emmy nomination was the seventh for ProPublica work in the last three years.

Michael Grabell's report on temporary workers, "The Expendables," won the **Sidney Award** from the Sidney Hillman Foundation for July.

Stories on Hurricane Sandy by contributor Sheri Fink for ProPublica, the New York Times and the New Orleans Times-Picayune won the **Mike Berger Award** from Columbia Journalism School for local reporting.



Our coverage of various health care issues received the **National Consumer Voice for Quality Long-Term Care Public Service Award**.

Our reporting with Frontline on Sheldon Adelson and Macao was also a finalist for a Gerald Loeb Award.

Senior editor Joe Sexton was named one of **Advertising Age's "Creative 50"** most influential creative figures in entertainment, tech, advertising and publishing.

ProPublica partners, May-August, 2013

Amazon.com St. Louis Post-Dispatch

Frontline Seattle Times

Los Angeles Times Source*

Marketplace Stars and Stripes

Mashable* Time

New York Times Washington Post

NPR News WNYC

*new partner

By the numbers

Web site monthly average page views at ProPublica.org 1.3 million+, up 14% year-over-year

in August, Flavorwire listed our site first among "10 great websites for #longreads fans"

Monthly average page views from reprints via Creative Commons 575,000+

Average monthly unique visitors to ProPublica.org 529,000, up 10% year-over-year

Twitter followers more than 232,000, up 11% since May 1

Facebook fans more than 53,000, up 12% since May 1

Daily email subscribers over 62,000, up 3% since May 1

iPad/iPhone/Android app downloads more than 167,000, up 23% since May 1

"Officials Say the Darndest Things" Tumblr followers more than 234,000, up 17% since May 1

in June, PolicyMic named "Officials Say" one of "7 Amazing Tumblrs Every News Junkie Should Follow"

1,100+ donors, more than 700 of them through Kickstarter