



Nieman Foundation  
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# Investigative Reporting: Perils and Promise



Adapted from the Spring 2011 issue of Nieman Reports

Residents of Prague in 1968 turned out against the Soviet-led invasion of their country. *Libor Hajskey/Associated Press/CTK*

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# **I. Post-Communist Realities: The Perils of Investigative Reporting**



# Abandoning a Broken Model of Journalism



The Romanian Center for Investigative Journalism—co-founded by Stefan Candea and three fellow reporters—reported in 2004 on forced labor, prostitution and other crimes against children in Romania and Moldova. *Photo by Mihai Vasile/RCIJ.*

*There are many in Romania who ‘profoundly dislike independent journalists, and especially noseys.’*

**By Stefan Candea**

It’s hard to do honest investigative journalism in Romania. To understand this, one need only look at the country’s media landscape and know how its societal institutions function. After the collapse of Communism in 1989, a new elite emerged from the huge pool of former agents and informants of Securitate, the Communist secret service. Members of this heavily protected elite became judges and members of Parliament, prosecutors and business leaders, media owners and senior journalists.

The elite’s most valued asset is its control over information. It is not coincidental that most of the public still doesn’t know the names of many of the 15,000 agents and 400,000 informants from the time when President Nicolae Ceausescu ruled this country with an iron fist. And the elite—most of all

older journalists and politicians—profoundly dislike independent journalists, and especially noseys.

While I was writing these words, I kept being pulled back to an evening last November when I attended the Committee to Protect Journalists (CPJ) awards ceremony in New York City. On this night journalists gathered to celebrate the courage, persistence and determination of those who report the news despite being arrested, kidnapped, shot at, and sometimes killed. (In 2010, 44 journalists were killed while doing their jobs, according to CPJ.) In my mind's eye, I replayed clip after clip of video I had seen there about reporters who took great risks to expose corruption and abuses of power or tell the world about those who are victims of terrible oppression. Their efforts reminded me of why such journalists deserve our trust, respect and recognition.

At the same time, I flashed back to Romania. Now I was wondering why any sane person would invest trust and respect in most of the journalists who work there. Their main product is propaganda and their primary talent is withholding the truth. [See ["Sorin Ovidiu Vintu: Buying Propaganda as News".](#)]

Here is a situation (one of many I know about) that exemplifies what “investigative journalism” looks like in Romania today: About a year ago, two well-known “senior” journalists were caught on tape trying to blackmail the head of the country's National Agency for Integrity, which is the governmental agency charged with investigating the wealth of public officials. One of the journalists did not ask for money; he can be heard explaining that he's in a “different league” of journalists so \$70,000 means nothing to him. But during the taped conversation he threatened to publish compromising information about that state clerk and mentioned withholding that information if, in return, he would be given compromising information about the president and his political entourage. After his words were leaked to the media, the journalist said that this was not blackmail; it was investigative journalism at work.

Indeed, the so-called investigative journalism in Romania was for years a cover for blackmail, advertisement racketeering, and disinformation campaigns. Some journalists or media outlets still use this kind of approach to “sources” as a way of making good money. Not surprisingly, the owners of some of these media outlets are organized crime groups.

## **THE INDUSTRY AS ENEMY**

During the early years of Romania's transition from Communism to democracy, media owners were either well-connected business entrepreneurs or former journalists who had worked within the Communist propaganda machine. They transferred their competencies and the rules from their previous professions into these new ones. Of course, those skills had nothing to do with quality journalism or its foundational ethics. But when these reporters became financially successful (profiting through their unethical practices), they unfortunately became the models for generations of young journalists to follow.

When I set out to do investigative stories as a journalist, my work focused on organized crime. This put me into all kinds of threatening—and potentially compromising—situations: There were bribery attempts and surveillance, and other media attacked my stories and me. Lawsuits and court trials were used to try to weaken my resolve, and I received death threats. I could live with all of this. For me, what was most disturbing was the corruption and censorship I found in my newsroom, where the editors and management came from this aforementioned generation of older journalists. I would

find colleagues stealing and selling photos I had obtained during a stakeout; others tried to leak articles to the target of my investigation before the print button was hit.

Then there were the bosses themselves—those who owned the media. I started doing investigative journalism 12 years ago in the newsroom of a leading national daily paper in Bucharest. The paper was co-owned by a well-known German media group. That fact didn't help me in my daily work; what mattered was that the co-owner was an old school Romanian journalist. He was involved in publishing the paper, writing daily editorials, deciding on the editorial content, and signing advertising contracts. And because of him being in the center of these conflicting positions the investigative stories I did were sometimes not published. Or they were published in a censored form. Or, in the worst cases, they produced under-the-table benefits for this owner.

When such episodes became too frequent—and too absurd—several of my colleagues and I left the paper. Now our dilemma became where we would go to publish our stories. Nearly every Romanian newspaper owner had this same background and perspective. In fact, they were organized in a cartel nicely named the Romanian Press Club. And in every newsroom, censorship (and reporters' self-censorship) was widespread—and it was aimed squarely at the work of investigative reporters. So common was this expectation that we came to anticipate the first question we would be asked whenever we talked with targets of our investigation: “Who is paying you (or your boss) to attack me?” The next words we would hear was a promise from them that our newspaper would not publish our story. That is when the pressure points would be tapped, and the most effective ones involved politicians and their partners in business.

## **BUILDING FROM SCRATCH**

Looking back at my early years, all of what I learned working in a newsroom was how not to do journalism. Some of the genuine investigative skills that I acquired came from international workshops, seminars and conferences I attended. Of greatest value has been hands-on training from working with Western colleagues. But no skills or approach could be directly imported to my work in Romania; I had to adjust them to the reality in my region.

In a newsroom in the United States or Western Europe, reporters have access to a wide range of information, some of it in the form of databases, and they also have some confidence that those who hold government jobs are doing what they are said to be doing. Freedom of Information Act (FOIA) requests usually do work eventually. Contrast this with reporters in Romania who must build databases from scratch by extracting information from a range of documents, and those can be quite difficult to get. Assumptions about what the data might yield must be formulated and tested by the reporter since it is rare that anyone else has conducted a similar investigation on this matter. In the best-case scenario, an official investigation starts after we publish.

Such circumstances explain why we sometimes have to start our investigations using undercover techniques and continue them with traditional reporting techniques. In a country subsumed for five decades under the deep secrecy of Communism, attempts to use our nation's laws are nightmarish. Reporters usually have to go to court to enforce a freedom of information request—and the legal process can take up to five years. Finding competent government workers who are not corrupt is the rare exception so investigative reporting cannot start there. All of this makes our efforts relevant only after years of finding the necessary software, building particular databases, and looking for additional resources. And we are not necessarily able to build our network of sources while this is happening.

As we struggle to obtain information and find a way to publish it, the form that the story will take is the last thing we can worry about. But how to package investigative articles is very important so we keep a watchful eye on the foreign news media and see how they experiment with multimedia publishing.

That's also the reason why we immediately brought onboard a group of independent photojournalists. We welcomed them to take part on major projects, such as undercover research in the separatist republic of Trans-Dniester and an investigation in 2004 into enslavement and other crimes against children.

## **A BROKEN MAINSTREAM MEDIA**

During the past two decades, millions of dollars in foreign media assistance have poured into Romania but without much noticeable positive effect on the quality of its journalism. What one must conclude is that we have a broken media industry, and the economic pressures bearing down on media have become even more burdensome. This means that investigative journalism must find ways to develop outside the mainstream of this industry.

During the past five years, owners like my former boss, who had been a journalist, have sold their shares in the business. Local oligarchs—rich businesspeople who are involved in politics and whose primary business interests are not in media—now own and control media. Usually their business interests are also the target of criminal investigations. The reason that they invest in money-losing media corporations is to gain leverage to negotiate with politicians to keep themselves out of jail. They run their media companies as they would a military operation, and like their predecessors, they, too, profoundly dislike independent and nosejournalists.

Here and there it is possible to find good journalists who are isolated in a newsroom. Gather them together and their numbers might add up to enough to build a competent, strong and honest newsroom. But then who would pay for that?

These local oligarchs lack any dimension of ethics, discourage competition, and don't adhere to a meritocracy. Why should they adhere to any standards of journalism? After all, their only need is to hire people to produce propaganda and send out the continuing onslaught of infotainment, business and political manipulation, live press conferences as breaking news, and copy-and-paste journalism. A lot of these so-called journalists use their media work as a trampoline propelling them into governmental positions, including foreign diplomacy, or into jobs with a political party or corporation. Their dream is to become part of the establishment.

In recent times, direct political pressure on the news media diminished as Romania climbed its way into the European Union. What is worrying now are the frequent attempts by members of Parliament to sneak in ridiculous pieces of legislation that would put a leash on journalists. Among the recent draft laws were these proposals:

- Force TV stations to broadcast 50 percent positive news and 50 percent negative news
- Put the print media under the jurisdiction of the National Audiovisual Council
- Censor the comments for all news websites.

The only reason such laws have not passed is that we have strong nongovernmental organizations



that act as legislative watchdogs. However, the recent national defense strategy identifies the media as being “a vulnerability” for “national security.” These days, as soon as politicians assume power, they, too, start to profoundly dislike independent and nose-y journalists.

But independent and nose-y journalists aren’t going away—and finding support for their investigative work in Romania is why a decade ago I co-founded the Romanian Center for Investigative Journalism. It stands as a testament to the dedication of a few—and hopefully the inspiration for many—to not give in to the pressures bearing down on journalists who dare to tell the stories that a democratic people deserve to hear.

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# Establishing the Romanian Center for Investigative Journalism

**By Stefan Candea**

Let's begin by looking at a typical Romanian media experience: A multinational gold mining company, Rosia Montana Gold Corporation, initially established by a controversial Romanian who has had drug convictions, tries for years to start a mining project in Romania that involves the use of cyanide. The company, which faces severe criticism from The Romanian Academy and groups such as Greenpeace, pursues an aggressive public relations campaign involving the Romanian media.

This company is an important advertiser in Romanian newspapers so very few articles critical of this company appear in the mainstream media. And the company organizes and pays for luxurious trips (they call them "research trips") for top managers of national and local media companies to places such as New Zealand. Upon their return, managers publicly claim they went there to research the way the parent company, Gabriel Resources, works in other countries.

Put aside the fact that managers haven't done field research in years and the actual reporters in the newsrooms that they oversee view this as reason for self-censorship. Nobody would touch a company that pays the boss to take such luxury trips.

When a few colleagues and I saw things such as this happening, as they often do in Romania, we realized that for investigative journalism to develop it had to do so outside the local media industry. It would be up to us to create a media environment in which investigative journalists could work so in 2001 I collaborated with three colleagues to establish the Romanian Center for Investigative Journalism (RCIJ) as a nongovernmental organization (NGO). Two years later, with the center in place, we left our newspaper jobs at Evenimentul Zilei ("The Event of the Day") and began to publish our stories on our own website ([www.crji.org](http://www.crji.org)).

We didn't need a newsroom; we worked as freelancers, often out of our homes. We involved a group of freelance photographers and traveled the country to identify young journalists who wanted to work as we were doing. Our network expanded both in Romania and as a result of our travels around the Balkans and other Eastern European countries. On these trips we started to build an informal regional network of journalists to do cross-border investigative projects. Soon our center became a founding member of the Global Investigative Journalism Network.

## WHAT WE DO

Our center's focus is primarily on publishing investigative reports about organized crime (local and international), media, human rights abuses, networks of power, the environment, resources, energy and sports. We also do undercover stories. Our location in Europe allows us to be involved with a number of cross-border investigations and to publish our work in the European Union, the Balkans, and the Black Sea region.

Where we can publish our stories is something we think about a lot. Since they are often published without any financial compensation coming to us, we have to find ways to pay for our investigative work. Our stories are published in Romania and Moldova in print and on digital media. As we work on topics that involve other nations and people, we are able to get these articles into

publications in other countries. Or we just publish them online, which increasingly has more and more impact.

To bring recognition and credibility to our network, we submit our investigations to regional and international journalism contests. As individuals or members of a reporting team, we have received awards from Investigative Reporters and Editors (IRE) and the Overseas Press Club, along with the Kurt Schork and Global Shining Light awards, to mention a few. Two of us also have been given journalism fellowships at Harvard and Stanford universities. Such opportunities for international networking and affiliation are vital tools in helping us become better journalists and preparing us to be contributing members of IRE and the International Consortium of Investigative Journalists.

Another role we play is as teachers. Having witnessed the lack of professional training in Romania, we now pass along to others the knowledge we have gained through the years. For example, we teach investigative reporting techniques at Bucharest University and in regional workshops. Given the pressures we know journalists endure from politicians and a corrupt judiciary, from businesspeople and their own bosses, we also decided to get involved in media advocacy of freedom of expression and ethics. We keep an eye on media legislation, threats made to journalists, and abusive treatment of them by media organizations. Identifying the best local and international watchdog organizations to work with was an important step.

## **OUR FUNDING**

As a nonprofit NGO, the center provides tools and resources for investigative journalists and develops supportive mechanisms. We serve as a resource center for journalists by providing links to various online databases that we have created, such as one that displays information about media ownership in Romania. To retain our editorial independence, our digital platform carries no advertisements nor do we take money from the Romanian government, local companies, or businesspeople.

Now that Romania is part of the E.U. and considered a functional democracy, funding from some mainstay donors—such as Scoop, Open Society Foundations, and USAID—is shrinking or has ended.

It's been challenging—and fun—to reinvent the media system so investigative journalism can find a safe home, and doing our work in this way does give us a lot of freedom. It also forces us to be innovative in how we gather information, how we package, publish and distribute our stories, and how we avoid the typical pressures and finance the work we do. We face an ongoing struggle in finding the right people to work with and in making sure that our network is not misused. It is a learning process.

What is not fun is living in a continuous crisis at the intersection of little money and an abundance of topics in need of investigating. The trends in media assistance tell us that international donors are not keen to finance such a center as a long-term project. But having said that, our activities during the last nine years have managed to create a backbone for investigative-related journalism initiatives that stretch across the entire region. This achievement is what certifies the RCIJ brand.

# Sorin Ovidiu Vintu: Buying Propaganda as News



Romanian businessman Sorin Ovidiu Vintu has a simple strategy for dealing with journalists: "I don't want to do any business with them," he said. "I just want to buy them out." *Photo by Vadim Ghirda/The Associated Press.*

**By Stefan Candea**

*"I need an organization to respond to my orders like the Audi I own. I turn the key; it starts. I turn the key back to the left; it stops."*

—Sorin Ovidiu Vintu

Sorin Ovidiu Vintu is a leading Romanian media mogul, and these are words he spoke in a phone call to one of his top managers. He and his media empire are emblematic of the practices and perspective of the mainstream media in Romania. As a power broker, Vintu considers his media business to be a military weapon and views his journalists as embedded within his troops.

He is a controversial self-defined "financial speculator" whose strategy is to build a media empire to gain power and protection. In the 1980's he served a four-year jail sentence for business crimes. More recently he was convicted of a crime related to his involvement with a bank that is connected with Fondul National de Investitii ("National Investment Fund"), an investment fund that turned out to be a Ponzi scheme that left about 300,000 Romanians without the money they had invested.

Vintu started his media empire in 2003. What money he used is unknown since he operates his companies through offshore structures and proxies. He has incurred losses approaching \$100 million. But in his quest to buy as much media and as many journalists as possible, he is willing to overpay for acquisitions and salaries.

When his media operation was at its peak, it included several TV and radio stations, newspapers, weeklies, magazines, online platforms, publishing houses, and print media distribution companies. From news to satire, from finance to fishing, his media empire covered everything. He also controlled a polling institute, which was quoted by his media group. He hired seven high-profile union leaders in industries unrelated to media to sit on his media company's board. He also invested in a network of digital signage from which he distributed editorial content in the Bucharest international airport, subway stations, and supermarkets. He announced that he had expanded into Moldova, Serbia, Hungary and Greece and opened a signage company in Paris. His flagship media outlet is Realitatea TV.

Vintu also established a media foundation in Brussels that portrayed itself as standing for excellence in journalism and education. One of the managers at the foundation was also being paid by the government to represent the Romanian Chamber of Deputies at the European Union. This foundation developed a close partnership with the International Federation of Journalists (IFJ), which is the world's largest organization of journalists with more than 600,000 members in 100 countries. It donated about \$250,000 to IFJ's Safety Fund and IFJ's ethical journalism program, created a journalism award, and the local representative of Vintu Foundation has, at times, represented IFJ at joint events with the European Anti-Fraud Office.

Late in 2010, Vintu was arrested and held in jail for nine days before being released to await trial. The charges involve help he gave a former business partner in escaping an international arrest warrant. As prosecutors were developing their case, they wiretapped his phones so that when this case got into the courtroom, transcripts from these phone conversations were leaked to the press. They show just how deeply engaged he was in directing his entire media group to influence the presidential election in 2009. His goal was to overturn the president then in office and replace him with one of his friends.

In numerous recorded conversations with top politicians and leading journalists, Vintu is heard bragging about his "war" with the president and describing how he uses his media empire to change people's minds. He acknowledges on several occasions that he doesn't care if the stories that his media broadcast are not true; they only need to serve his business interests.

## **EMBEDDED JOURNALISTS**

For such a propaganda machine to work, it needs to build credibility and have an army of journalists willing to work under such conditions. Vintu bought credible news outlets and enforced this kind of discipline by surrounding himself with often well-known journalists whom he could manipulate. During the election year of 2009, a person who had been the director of Radio Free Europe during the Ceausescu dictatorship and a director of Radio Deutsche Welle in the 1990's ran Vintu's company, Realitatea-Catavencu Group.

In wiretapped conversations, Vintu spoke in military terms about his media war with the president: "I pulled out of the barracks my regular army ..." he said, referring to his stable of reporters. He also described his strategy of collecting journalists when he was speaking with a top media manager about two Romanian bloggers. "I don't want to do any business with them. I just want to buy them out ... I can give them a bribe and that's it. And they join our troops. It is a technique to attract people next to you."

Unfortunately, what these recordings reveal is actually business as usual at major media outlets in



Romania. Vintu might be more powerful than a lot of other media owners, but how he conducts his business dealings does not set him apart. What is so difficult for me to absorb are the compromises—in practice and principle—that too many journalists who work for such people are evidently willing to accept.

# Russian Journalists Need Help in Exposing Corruption



Sergei Magnitsky, a Russian lawyer who is believed to have discovered a major tax fraud involving police officers, was subsequently arrested on charges of tax evasion and died in pretrial detention in 2009. *Photo by Alexander Zemlianichenko/The Associated Press.*

*'While journalists and bloggers in Russia risk their lives to reveal corrupt practices, there are ways that those living in free and lawful societies can aid their efforts.'*

**By Alexei Navalny and Maxim Trudolyubov**

Exposing corruption in countries where the rule of law has not been established is always a heavily one-sided affair. Independent media and the Internet are the tools that citizens have to fight against it while the ruling elite retains the power of the state's resources and commands the loyalty of those who enforce punishment on those who interfere. Today in Russia journalists need help in their fight against corruption. We don't want intrusive assistance, but rather moral and professional support from our international colleagues (journalists and bloggers) along with attentiveness on the part of international investors.

Core values of transparency and accountability on a corporate and a state level are critical in our struggle against corrupt practices. We have been promoting these values through our work at Vedomosti ("The Record"), a Russian business daily based in Moscow and at the blog [navalny.livejournal.com](http://navalny.livejournal.com). Still, contending with bureaucracies and companies in countries known for high levels of corruption is tricky. To outsiders, our efforts might appear futile, even impossible. Corruption, some say, is an internal issue and it is inevitable in countries that are moving from state-

run to market-driven systems.

But corruption is not just a pile of rocks placed in our way while we head down the road toward something different. It involves crimes that thwart the progress of entire societies; in Russia the consequences of widespread corrupt practices are disastrous. According to the Russian think tank Indem, Russia's corrupt officials pocket \$300 billion a year—close to 20 percent of the country's gross domestic product. This past November President Dmitry Medvedev acknowledged that up to \$33 billion is stolen annually through the state procurement system alone. The corruption index that is produced by Transparency International ranks Russia as 154 (out of 178 countries), below Pakistan, ahead of Venezuela, and tied with nine other countries in terms of public sector corruption. [See "[Kickbacks: The Margin Is Growing](#)".]

Corruption is not just theft. It leads to moral and physical suffering and the destruction of people. Thousands in Russia are serving prison terms on charges cooked up by those who took their businesses away or needed to get rid of witnesses. Sergei Magnitsky, a Russian lawyer who worked in the Moscow office of Firestone Duncan, a legal, tax, accounting and audit company, is believed to have uncovered one of the biggest tax frauds perpetrated by a gang of police officers. He was arrested on charges of tax evasion and after 11 months of imprisonment, during which he was denied proper medical treatment, he died in pretrial detention.

Corruption is not really an internal issue either. Rather, it is a continuous flow of funds from source countries, such as Russia, to haven countries, such as the United Kingdom, Switzerland, the United States, and many others. This flow would not be possible without indirect support from banks, corporations or even some Western officials. Often, neither international investors nor partners of Russian companies notice the cost and expense anomalies that occur on the Russian side of the border.

Pipeline construction provides a good example; pipelines built for the Russian energy company Gazprom routinely cost three times more than ones made for similar European companies. [See "[Costs That Investors Seem Willing to Ignore](#)".] An internal investigation at Transneft, the state-controlled Russian pipeline monopoly, submitted to the Audit Chamber of Russia estimated that up to \$4 billion had been embezzled by a company officer through overcharging and violations of normal business practices during construction of the East Siberia-Pacific Ocean pipeline (ESPO). When one of the report's writers made a copy of it publicly available, heated discussion began in Russia, and there were expectations that authorities should act. Subsequently, the audit chamber classified the report and refused to confirm the allegations. It is well worth noting that Transneft's international auditor is a Big Four accounting firm and Transneft has also issued bonds on international markets with major U.S. banks underwriting them. Neither the auditing firm nor the banks have blown the whistle on these practices.

Corruption in faraway places is actually not that far away. The proceeds find their way to banks in countries throughout the world; they are invested in real estate that could be next door or in another country's sports teams. Corruption's reach is global, and thus remedies must be global in their reach, too.

There are plenty of corrupt practices that are ripe for journalists to investigate—and the roots of these stories can be found in countries throughout the world. In fact, foreign banks, real estate agents, and fund managers keep Russia's biggest secrets, and ill-gotten gains are being siphoned out of Russia into the West at an ever escalating pace. Companies from countries where corruption seems possible

leave massive footprints in the West. We suggest that our colleagues research these companies carefully—keeping a watchful eye on any irregularities. Questions should be asked and, if necessary, legal action can be taken.

Business reporters and shareholders in companies from countries with high levels of corruption should pay close attention to the way large Russian state-controlled companies are run and take a bolder stance against these pernicious practices. Leading American pension funds and mutual funds are shareholders, giving them the right to receive an explanation about the inexplicable costs and expenses that inevitably affect financial results. Shareholders should be encouraged to send their queries directly to the Russian prosecutor's office, investigative department, and the police. There are policies that should be put in place, including ones we list below. If enacted, these approaches to increased transparency would help to open up paths to cover corruption:

- Corporate governance in international projects should be addressed
- Information disclosure standards on international exchanges need to be toughened
- Tougher professional standards are needed for auditors and consultants who are responsible for reviewing and reporting on companies suspected of corruption for international investors
- Environmental security is examined whenever international agreements on large infrastructure projects are pursued. Consider "corruption security" in a similar way since big-time stealing defrauds societies of resources just as harm is inflicted on the environment.

Of course, investment is a private affair. But the practices of businesses in which investments are made are no longer regarded as being value-neutral. Many nations have laws in place that criminalize, for example, bribes of foreign officials; one example is the Foreign Corrupt Practices Act in the United States. And in many countries public opinion no longer tolerates corruption involving political leaders.

While journalists and bloggers in Russia risk their lives to reveal corrupt practices, there are ways that those living in free and lawful societies can aid their efforts. In our global economy, neither borders nor jurisdictions protect anyone from the destructive effects of corruption. Journalists can provide powerful voices, but if their voices aren't joined by others then it is likely that corrupt practices will escalate, not diminish.

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# Costs That Investors Seem Willing to Ignore



In 2001 free speech advocates demonstrated in Germany against Gazprom, a major Russian energy concern, when it took over a Russian TV company. Gazprom is partly owned by a German firm. *Photo by Edgar R. Schoepal/The Associated Press.*

## By Alexei Navalny and Maxim Trudolyubov

Compare the cost of gas pipelines with very similar technical specifications built in places with a similar climate and geography, as reported by East European Gas Analysis. One is the Gryazovets-Vyborg pipeline in Russia; the other is the OPAL pipeline in Germany. The pipelines feed and take gas out of the Nord Stream system, respectively.

With the Russian pipeline, one kilometer of pipe cost about \$7.3 million without compressor stations.<sup>1</sup> In comparison, one kilometer of the OPAL pipeline, built in 2009-2010, cost \$2.9 million including compressor stations.

The price of steel pipe and the cost of labor in 2006 were substantially lower than when the OPAL pipeline was constructed in 2009-2010, says Mikhail Korchemkin, head of East European Gas Analysis, so the cost ratio approaches three to one.

"As sure as I am sitting here one kilometer of a pipeline cannot possibly cost more than [\$2.75 million] in Russia," said Gennady Shmal, president of the Union of Oil and Gas Industrialists of Russia, in an interview for the business television channel RBC. Shmal should know since he has overseen the construction of thousands of kilometers of pipelines in Soviet and post-Soviet Russia. Yet the foreign shareholders of Gazprom don't appear willing to notice such discrepancies.

<sup>1</sup> The price tag was calculated with rubles converted at the average exchange rate in 2006 when this section of pipeline was built.



# Kickbacks: The Margin Is Growing

**By Alexei Navalny and Maxim Trudolyubov**

The primary mechanism of big-time corruption is known as raspil, which translated literally means "sawing"—or siphoning away funds that the government allocates for construction and social projects. Recently the term "kickback margin" has emerged in Russia, according to Elena Panfilova, who directs Transparency International Russia. In the early years of the 21st century, the kickback margin was 15 to 20 percent but it has grown in just a few years to 50 to 70 percent, according to the Russian Association of Builders. Kickbacks are usually transferred to a "consultancy," which is an obscure company registered in Russia or offshore in the name of a wife or other relative of a person involved with the deal. When, and if, the time comes for actual construction or social projects to be done, they are paid for with a fraction of what was originally allocated.

# The Challenge: Investigating 'Russian' Mafias in a Time of Twitter

*Can Western and Eastern European journalists join together to overcome the difficulties the press have in covering these powerful criminal forces?*

**By Alain Lallemand**

It's been 20 years since the global dissemination of the "Russian" mafias, and this is a topic I've covered as an investigative reporter for 15 of those years. As I review some of my notes from these years, I am left to wonder how I once could have asserted that the threat is behind us—that the European Union and even the United States had survived the vory v zakone, the criminals who emerged out of the old Soviet Union and obtained a high status of authority and power. Now I am not that sure anymore.

One particular moment keeps buzzing in my head: July 17, 1998. That Friday, in the middle of the high-security diamond district in Antwerp, Belgium, a killer who has never been caught or even identified fired seven bullets—one in the head, six others in the torso, from behind—into one of my best sources. Rachmiel Brandwain, who was 49 years old, had been one of the main money launderers for Russian and Eastern European mafias. With his help, I had discovered how Burmese heroin was coming to New York, on whose orders Lithuanian journalists were slaughtered, and how the Red Army's budget was siphoned out of the Kremlin through weapons, cigarettes and vodka.

On that day I understood, through blood and fear, how five years of press investigations had enraged the Russian mafias. To commit such a cold-blooded murder in the heart of Western Europe meant they were in the highest state of alarm. What I didn't comprehend at that time was that the criminal avtoritets ("authorities") that we were branding "Russians"—coming from Moscow but also Warsaw, Poland and Kiev, Ukraine—were already fighting gangs from Lithuania, Albania, Kosovo, Chechnya and even Kazakhstan to maintain a tight grip on the Western European criminal markets. In fact, this second wave of organized crime was already in business: The head of the Kazakh gang had just established himself in Waterloo, Belgium and at the hand of the so-called Lithuanian "devils" thousands of luxury cars were disappearing as mechanics dismantled three to four cars per night.

No longer was I a reporter within a triumphant Europe: I was now embedded in a circumstance of continental resistance. This left me no choice but to become a "foreign" correspondent working on the multiple fronts of this war that numerous Eastern Europe journalists had been covering for so long. Morally, I had no other choice but to enlist my newspaper to cover this story and allocate our budget to this effort.

In 2004, I watched with delight as the E.U. brought in Lithuania, Poland and Hungary. I recognized that the inclusion of these countries was the only way to root out the Soviet-style mafias who held such power. Then came 2007, when the E.U. opened its doors to Bulgaria and Romania, and I'm still wondering if it didn't try then to build a bridge too far. But was there any other choice?

Don't get me wrong. I never had faith that the press would be able to play a decisive role in the diminishment of organized crime. As I followed the trail of heroin during these last two years, I saw how the Bulgarian mafia can send its own trucks to collect Afghan opiates—they can reach as far as

Sistan-Baluchestan in eastern Iran. When I saw that, I lost any illusion I might have had of an easy victory.

But in 2011, I am still astonished when new sources come to me in Brussels, among them Chechen refugees who are former fighters of the first Chechen war (1994-96), complaining about the return to Western Europe of a new generation of Chechen killers and loan sharks. This most recent wave of criminals is not working for the Russian mafia; they work for the pro-Russian regime in Grozny, the capital of Chechnya. And if they do not dare to sleep in Warsaw, Poland anymore, they do stay as close as Minsk, Belarus.

In the eyes of their victims, I see the same despair as I did 20 years ago. I also find a common thread between the purely criminal slaughters of the 1990's and the assassinations of journalist Anna Politkovskaya in Moscow in 2006; Umar S. Israilov, a former bodyguard to the Chechen president who later accused him of kidnapping and torture, in Vienna in 2009; and journalist Zarema Sadulayeva in Grozny, also in 2009. It left me wondering whether this means that all of the stories I have done—and those done by a battalion of Russian and Eastern European journalists—have produced any positive and sustainable results.

## **THE LITHUANIAN SAGA**

Since 1994, I've been back and forth to Lithuania many times. This country offers a wonderful narrative that illustrates this dramatic plot, beginning with the dark times of October 1993. It was then that the Vilnius Brigade, the dominant mafia group in Lithuania, killed at point-blank range Vitas Lingys, the 33-year-old deputy editor of Respublika newspaper. So huge was the shock that the presumed godfather of the brigade, Boris Dekanidze, was arrested and sentenced in 1994 and executed the following year.

In the aftermath of this event, I could see that the press were finding their muscles and independence, and in Vilnius, the capital, as well as the countryside I started to hear support for democracy. Local newspapers, such as Kauno Diena ("Kaunas Daily") in Kaunas, were publishing every bit of information they had on the local mafia heads, even in the face of direct threats. At the same time, I saw a new generation of policemen and magistrates. They might have had private ambitions but their goal was to reach a Western European standard of quality. They did so with their investigations—using wiretaps and undercover operations—that have been challenged in Western Europe by the mafia lawyers.

This investigative energy represents the golden side of this coin: Police investigations were valid, and legal systems were in place in Lithuania; this permitted local journalists to believe they would be protected as they produced new revelations. But there is a more somber side: In 1996, less than one year after the "beheading" of the Vilnius Brigade, a new criminal network emerged. Members of the Daktarai gang came out of the former Soviet Union's re-education camps and again turned their assaults on Western Europe.

This is where the story gets murky. In response to this second wave of mafia activity, the Western press proved itself to be quite weak. As the new century started, I recall writing that judicial cooperation between Eastern and Western Europe had improved, but the budgets of our police forces were shrinking. I realize now that our newsrooms were experiencing a similar situation; while we had established better channels of communication with colleagues in Eastern Europe, our budgets to support this kind of reporting were vanishing. Since 2001, every euro left in our newsroom was spent

on covering terrorism and the wars in Afghanistan and Iraq. (I must admit I was one of the first to temporarily neglect mafia coverage and fly repeatedly to Kabul and Fallujah.) Since 2006, we have not even been able to keep that minimal pace.

## **EAST MEETS WEST**

Then came something even worse—the short attention span of readers consumed by buzz and infotainment. Mafia coverage requires too many names to be remembered. These stories are perceived as being too complex, and with their evolving structures the connections can be very difficult to map. The budget needed to do these lengthy investigations is huge because human intelligence—the need to find and work with challenging sources—is such a key factor to success. Finally, these stories pose a legal (and consequently a potential financial) risk of killing a newsroom.

These stories were simply too expensive to undertake and too hard to sell: How do you tweet mafia stories? Suddenly I realized that our Western newsrooms—though we knew we were confronted by a new wave of mafias—were suffering some kind of attention deficit hyperactivity disorder resulting from our lack of money and a loss of our deep commitment to such stories. It was a terrible time for this to be happening; after all, a new generation of investigative journalists—financed and coached by many of us during training sessions in the 1990's—was emerging in Eastern Europe. These were precisely the new editorial partners that we had been craving 10 years before—like the Center for Investigative Reporting in Bosnia or the Romanian Center for Investigative Journalism in Bucharest. [See ["Establishing the Romanian Center for Investigative Journalism"](#).] They needed us as partners for future investigations, and we were unable to follow through. In the name of Western European newsrooms, I think we owe them an apology.

I do not foresee any improvement before 2015 due to the structures of our Western European newsrooms. No newspaper will fund ambitious cross-border investigations about a particular mafia group and collective funding approaches can be problematic when it comes to organized crime. Nobody wants to fund these stories so for them to be reported we must establish "no budget" networks—with each newsroom covering and exchanging the information it can gather close to home. But for this to happen journalists in the West will need to rediscover flexibility and humility and those in the East have to adjust to working with our quality standards.

Today no Lithuanian newspaper would get a reporter in the West a copy of the judiciary records of its nation's "godfather." If Western journalists want a copy of the Soviet-era indictments and sentences or leaked information from a wiretap, they have to get those themselves. A Lithuanian newsroom likely has the best pictures and direct phone numbers, and reporters there will know the latest rumors. But what is new is that Lithuanian newsrooms are now able to take the lead in a joint investigation and ask Western reporters to jump in. This is a serious improvement.

On the Western side, I also find some reason for hope. After a decade of rebuilding in Western Europe (as well as in Africa and South Asia), we hear again from readers and sources about the activities of these powerful Eastern European mafia groups. They tell us about developments that threaten their serenity. And they do not want us to simply tweet this news. If we are to regain our position as brave firefighters of the daily life, our newsrooms have little choice but to readjust their thinning budgets and become serious once again in their reporting about these mafia groups.

This time we can report hand in hand with our colleagues in Eastern Europe. Perhaps this imperious need to join forces will prove to be an important turning point.

*Alain Lallemand is a senior investigative reporter at Le Soir ("The Evening") in Brussels and a lecturer in narrative reporting at the University of Louvain in Belgium. He specializes in reporting on organized crime and members of the mafia. During the past decade he has contributed reporting to projects done by the International Consortium of Investigative Journalists, including "Making a Killing: The Business of War," "Collateral Damage: Human Rights and U.S. Military Aid After 9/11," and "Tobacco Underground: The Booming Global Trade in Smuggled Cigarettes."*



# In Poland, Pressures Plague Investigative Reporting



When the president of Poland died in a plane crash in Russia, the Polish media focused on conspiracy theories—only a few investigated. *Photo courtesy of the president's office.*

*'Most censorship is of an "inner" nature. Journalists self-censor because they are aware of their employer's political position and thus do not submit stories in opposition to it.'*

**By Beata Biel**

On April 10, 2010 an airplane with President Lech Kaczynski, his wife, and dozens of other Polish leaders crashed in Smolensk, Russia. All 96 passengers died. This event became an important exam for the Polish media—it was an exam we failed.

Investigative journalism in Poland is moderately young—only about 20 years old. After 1989 and the fall of Communism, new titles for journalists emerged and along with them a lot of intelligent and ambitious reporters who produced captivating investigative stories. Each year a few big publications revealed corruption in politics, sports organizations, medical institutions, shady businesses, or organized crime. The Grand Press Award for the best investigative story of the year was a big event with huge competition. However, about three years ago Polish investigative journalism started to die. Now, as the time of the Grand Press contest approaches, people wonder: Is there any investigative story that could be granted this prestigious award?

When someone calls me an investigative journalist, I say, "No, I am just a journalist who has worked on a few investigative stories." If asked how many investigative journalists there are in Poland, I answer, "None, even though many reporters have done some investigative stories."

In 2006 my colleagues at "Superwizjer," a magazine show on Poland's commercial station TVN,

investigated the Polish-Russian gas deal. It took them two years and travel to several countries to prepare a 30-minute film—"Russian Mafia, Polish Government and Gas." Today I don't know any Polish media outlet that would decide to do it. By "it" I refer to allowing journalists to work on one story for such a long time, paying them every month for material that will not be ready soon, plus covering all of their expenses for research, filming, traveling, establishing relationships, and meeting with sources. Nor would a news organization assume the risk of legal problems that would be encountered after such a story is published.

Is it not wiser to have those journalists prepare less revealing and less important news stories and produce those more often? Costs are lower and the product exists almost immediately. That is how most editors think these days so it is no surprise that of the four large Polish TV channels, only one carries a program with investigative stories.

However, the fault doesn't lie only with how editors think. The weak point in the Polish news media is that few journalists have employment contracts. I had an employment contract for only two years out of the decade I have been a journalist. Many reporters sign a monthly contract to perform a particular task. This gives them neither stability nor security; it also makes them struggle for every penny. And it affects the way managers assign stories—fewer, shorter, faster.

Many investigative journalists decided they didn't want to do essentially assembly-line production work on stories and switched to public relations work or what they call "strategic solutions." In a recent poll by the Institute for Media Monitoring (Instytut Monitorowania Mediów) and the Polish Journalists Association (Stowarzyszenie Dziennikarzy Polskich), 42 percent of the journalists who responded indicated that they were considering leaving the profession. Money was one factor; others included the media being political, attempts from outsiders to manipulate the media, and too many fellow journalists acting in unprofessional ways—by pursuing stories that are sensational, lacking adequate preparation for their jobs, copying and pasting the work of others, and ignoring the basics of reporting, such as needing two sources before publishing a story.

## **NEWSROOM BUDGETS**

There are more questions to be answered about what happened with the president's plane. Most of the Polish news media sent reporters to Smolensk in Russia on the day of the catastrophe. Later, only two or three newsrooms allowed their journalists to go back to investigate the crash. (The others decided that it was too expensive.) While it might seem unbelievable, most stories about this tragedy—including the investigative ones—were prepared "behind the office desk."

"Superwizjer" is a proud exception. In 2010, the TV news program sent reporters, including me, to Russia a few times and prepared four stories related to the crash. We were given the resources—except for time, which was scarce—we needed to work on these stories. Our work brought very good results: I located eyewitnesses who proved to be crucial to the investigation. The first civilians to reach the crash site described what was happening there and confirmed that no one survived. (There was a rumor in Poland that some people survived the plane crash.)

At that time, the names of these eyewitnesses and their observations were unknown to Polish prosecutors. I also managed to receive some mobile phone videos taken by various witnesses who were there after the crash. Additionally, our findings disputed some conspiracy theories that were popular in Poland; the most popular one was that a person who took video of the crash site was later murdered, which was not true.

After my report was broadcast, a prominent Polish journalist wrote on Facebook: "Send Biel to Smolensk for a few months and she will find the reasons for the crash." Unfortunately, Russians handled the main investigation of the crash, and they shared very little information with Polish journalists. Nor were any Russian reporters working (or even willing to work) on this story so we could not count on the sources they might have had among the prosecutors. This situation meant that we could talk with witnesses, keep an eye on the Russian investigation, examine the rumors and conspiracy theories—given Poland's relations with Russia, there have been many—and dispute false ones.

The question is whether we did anything exceptional. We did the investigative work that reporters would do at the site of such an event. My colleagues spoke with the air controller who was working at the airport that day and did a flight simulation to see if the weather conditions really made it impossible to land. Since we were the only journalists who did so, it seemed like we had achieved something big.

Is the media situation really so bad in Poland that they cannot afford to send reporters to work in Russia—even on an important story like this one?

## **NEWSROOM POLITICS**

Now we have come to the second reason for the dire circumstances of investigative journalism in Poland—the forceful and negative influence of politics. The Smolensk case offers a stark example of how political sympathies influence Polish journalism. Instead of researching and reporting news articles, journalists spent most of their time and energy in the first months after the catastrophe speculating about the involvement of various political parties and individuals in the plane crash.

In my newsroom, I have never experienced the manipulation or censorship of investigative stories for political reasons nor have any of the journalists with whom I work closely. Yet such situations do occur at TV news programs when journalists recognize which stories are considered politically "good" or "bad" and adjust their commentary accordingly. Most censorship is of an "inner" nature. Journalists self-censor because they are aware of their employer's political position and thus do not submit stories in opposition to it. I know of many journalists who sell their stories or write under false names for competitors because the other owner has a different political affiliation.

Right now most of the mainstream news organizations support the Polish government. Journalists rarely criticize it and officials who serve in it are given a lot of trust. When it comes to suspicions of illegal lobbying or corruption, many journalists are blind. In part, this is a remnant of behaviors learned when Jaroslaw Kaczynski, who did not hide his dislike of many journalists, was prime minister. Some politicians have confirmed the existence of a black list of journalists who were not to be talked with. An investigation is under way to find out if journalists, mainly investigative reporters, were being spied on back then through the monitoring of their phone calls and text messages.

## **PRESSURES ON JOURNALISTS**

When current Prime Minister Donald Tusk came into office, the atmosphere changed. Journalists became too lenient in their coverage of politicians. In the poll mentioned earlier, 92 percent of the respondents stated that they were pressured in their coverage. Though I find this percentage to be too high, I do know such situations happened, with pressure being exerted mainly by forces on the outside.

When some journalists I know did a big story on drug trafficking, they were asked by prosecutors to take special security precautions since there were threats made on their lives by organized crime bosses. Such threats are common. Journalists are pressured by people offering money and, let's put it straight, corrupting them. This practice begins with words like these, "Leave it. I will give you a better story than that." I experienced this situation twice, and it ended with money being offered or with promises of other avenues of financial profit. Unfortunately, I've heard of journalists who accepted such offers.

Pressure is also exerted on journalists when rumors are spread in an attempt to undermine their credibility. These rumors can be about a journalist's personal life or they can involve professional accusations. When the rumors are about work they can involve corruption or manipulation, including stories about working for and being paid by secret services or by foreign governments. One day I picked up a phone call from someone who wanted to warn me about a colleague I was working with who was, according to the caller, drug addicted, corrupt and using me as a cover for his shady businesses.

I do not care about other journalists' personal lives, as long as they do not influence our work. Since I work only with people I know very well or I work on my own and I always check all of the facts in my stories, I knew that the work we were doing together was beyond any suspicion. If I was to believe such rumors, then none of the journalists I know who work on investigative stories would be considered clean. I've heard such rumors about every one of the investigative reporters I work with, and I've heard rumors said about me, including one that I was working for the Russians. I am always very skeptical about hearing such accusations regarding fellow reporters, but there are many journalists who believe them and this can create feelings of antagonism among us.

I know these things happen. I've experienced some of them and I've heard firsthand about them from other journalists. However, I never hear anything said publicly about any of this. Why? In Poland there is no institution to support and protect journalists. The Polish Journalists Association exists but few journalists are members as it is considered very—no surprise—political. There is no national Polish journalists' trade union.

One more factor has an impact on Polish investigative journalism. We lack strong journalism education; this means reporters can't improve their qualifications. Very few journalists in Poland speak foreign languages, and as a consequence there is little or no international coverage. Digital technologies are not understood; most journalists don't even know about new media tools. Recently I asked colleagues about computer-assisted reporting and they had no idea what it is. How to encrypt messages and files remains a mystery to most journalists so almost no one does it. Nor are we supported with the new tools that could help us with database reporting, for example. This means that we are left to find ways to broaden our knowledge on our own, but it is hard to find anyone to help us.

I count myself among the fortunate since at the beginning of my professional life I met a master investigative journalist with whom I worked and from whom I learned so much. The need in Poland is great for a few journalists with investigative skills to act as mentors to the hundreds of students who want to be investigative reporters. The issue is whether enough journalists will step forward to teach the next generation how to develop sources, verify information, and analyze a database.

There is not a lot of reason for optimism, but I do see faint glimmers of hope. As experienced journalists realize the dire nature of this situation, then perhaps some will want to do what they can to change it. If such thinking results in action, then students might find masters to impart lessons, give

them tools, and offer practical experience that will give them the start they need to become good investigative journalists. If? "If" is a tiny word—with a big weight of possibility riding on its shoulders.

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# Libel Laws Pose Obstacles to Ukraine's Investigative Journalists



Citizens confront masked police officers outside the village council office in Kozyn, Ukraine, over a land dispute in 2004.  
*Photo by Vlad Lavrov/Kyiv Post.*

*'If we decide to pursue the story, they [lawyers] guarantee a lawsuit will be filed in London, the libel capital of the world, where the burden of proof is on the defendant—the journalist and his newspaper.'*

**By Vlad Lavrov**

Not long ago I spoke at a NATO-sponsored event where representatives of Ukraine's law enforcement and security and military forces listened to presentations by journalists who have investigated corruption. Speaking as a reporter who has worked on many local and cross-border investigations, I discussed a story I did in 2007 about a controversial investment project with cross-border links to organized crime. This project would have provided billions of dollars to the Ukrainians involved with it, but it did not happen, in part due to my investigative reporting.

In the question and answer session, I was amazed when a man in the audience asked if I realized

that my work on that story had deprived Ukraine of \$25 billion. In response, I asked him if he was suggesting that Ukraine should stop fighting organized crime and money laundering. He responded with words clearly chosen to please the organizers of this event, but his question accurately reflects the prevailing attitude toward investigative journalism in Ukraine. In a country deeply divided politically and with strong ties between the powerful players in business and politics, any investigation that involves a member of the ruling elite (a major businessman or political leader) is viewed as being politically motivated and is assumed to be funded by political opponents. Or, in the most extreme cases, the journalist is presumed to be working to undermine the state's international image.

Things become far worse when the investigation focuses on major oligarchs or their companies. Then the threat of a lawsuit arises. Given the recent financial crisis, which downsized the print advertising market in Ukraine by almost a third, even publications that remain financially stable are reluctant to irritate the wealthiest people or risk being sued by them.

In this climate of financial uncertainty, publishers and editors in chief will ask reporters about the damage that a particular investigative story might cause. Typical of questions being asked of investigative journalists today is this one: "Do you realize that your article might cost people their jobs?" Hearing this makes us feel like a modern-day Herostratus, accused of being determined to destroy our publications for the sake of our investigative egos.

## **DOING OUR JOB**

But as journalists we feel we are doing our job. We have performed the necessary due diligence and are prepared to face the court. We can prove that our story is accurate, such as the one involving a businessman who the police 10 years ago labeled a "mobster" or a company that boasts of its impeccable reputation but has been accused of being corrupt and having links to organized crime. Yet when we try to double-check our information—to prove that our publication is safe in case of possible litigation—by filing requests with the police and asking them to reconfirm statements they made just a year ago or verify the contents of the document they leaked to us, our jobs become very, very difficult.

In the absence of a better law regarding access to public information, the authorities have 30 days to respond, which could be their refusal to give us any information. If we ask for anything related to criminal cases launched by a previous government that could compromise people now in power, the system works impeccably—with silence. A law enforcement officer explained to me how his colleagues handle undesirable information requests: "They will answer that such a criminal case never existed, and before saying so will destroy any traces of it."

The prospect of jeopardizing one's publication thus becomes more real. But we still try to do our jobs properly. If we miraculously find a former police officer who is ready to testify that the documents we gathered are real, we will write a pleasant non-accusatory letter to the subject of our article, such as a former mobster who is now a wealthy businessman and major advertiser, asking him to share information about his rough background and tell us how he was able to overcome all the difficulties and become so successful. We give him more than enough time to respond. He doesn't, and then we write our story, sticking to the facts.

But when the story has moved through all of the necessary four edits, the wealthy businessman finally responds. Only, instead of speaking with him, we get to talk to his London- or Washington-

based lawyers who list all of the Ukrainian and European publications that apologized or lost in court to their client for making very similar inquiries into his past. If we decide to pursue the story, they guarantee that a lawsuit will be filed in London, the libel capital of the world, where the burden of proof is on the defendant—the journalist and his newspaper. In 90 percent of these cases, the defendants lose. As the result, they have to pay the damages and the plaintiff's legal costs that start at \$100,000. [See "[British Libel Law: Its Ripple Effect on Journalists Worldwide](#)".]

At this point, it's no longer about due diligence or getting our sources right. Our country's richest businessman, Rinat Akhmetov, prevailed in libel cases filed in London against two Ukrainian publications; the Kyiv Post, where I work now, had to publish an apology while the other publication paid a fine of \$77,500.

Just the prospect of becoming the next victim of such a lawsuit has a profound effect on media owners. As a result, no matter how well we did our investigative reporting, whenever the specter of a London courtroom is involved, the owner is likely to step back from publishing the story. It doesn't help that most journalists' contracts in Ukraine contain a clause requiring employees to indemnify the newspapers against libel and slander lawsuits resulting from their work. Having to defend oneself in London, where lawyers' fees can average \$750 an hour, can sober up anyone.

## **REMOVING LIBEL AS AN OBSTACLE**

As a full-time journalist and editor in Ukraine since 2004, I've experienced all of this. In one of my first stories, I reported about a land deal in Kozyn, a small suburb of Kiev, Ukraine's capital. The local council refused to comply with a federal request to hand over an extremely valuable piece of property. The council was defending the rights of local residents. One day the riot police simply stormed the village in an attempt to confiscate the land—or, in this case, the documents required to seize control of it—from the local council.

I was the only reporter on the scene when the police arrived. I hid in a resident's home overlooking the council building that police had taken over so I could safely report on the incident. I remember being concerned about getting out safely since the police had blocked all of the roads from the village. Yet I would rather face the danger of being in that village under those circumstances than endure a routine conversation with foreign libel lawyers. As dangerous as that situation was for me, the ways I had to deal with it seemed more transparent and predictable.

As the result of lawsuits being threatened and filed, I joined the Organized Crime and Corruption Reporting Project (OCCRP) established by friends of mine who are also investigative reporters working in Eastern Europe. Through a grant, OCCRP obtained libel insurance, but qualifying for it requires proving to lawyers that our reporting and documentation is solid; otherwise, the lawyers who work for OCCRP will not approve the story. Using this method is how I was able to publish several stories that otherwise I would not have been able to get to readers in Ukraine. After their initial publication abroad, these articles could appear in Ukrainian media as reprints of foreign news stories. This method is much safer for the publishers.

My plan is to launch a similar investigative journalism project in Ukraine—and what I will do first is to use any funding we receive to make libel insurance available to local journalists. For now, a few of my Ukrainian colleagues joke that I have invented "offshore journalism." I know they are actually happy for me. They understand that this is just a way to fight self-censorship.

*Vlad Lavrov is an investigative reporter for the English-language Kyiv Post in Kiev, Ukraine and*

*has taken part in several international investigative projects, including the award-winning "Tobacco Underground: The Booming Global Trade in Smuggled Cigarettes," organized by the International Consortium of Investigative Journalists. Previously he worked as business and world editor for Korrespondent magazine in Kiev.*

# British Libel Law: Its Ripple Effect on Journalists Worldwide



Citizens of Kozyn, Ukraine, speak with a representative of the federal government in 2004 during a dispute over control of a valuable piece of land. *Photo by Vlad Lavrov/Kyiv Post.*

**By Jonathan Seitz**

Germany's Duke of Brunswick was an overweight, autocratic paranoiac who was kicked out of his fiefdom by a peasant uprising.

A statement like that might be the reason why the United Kingdom has come to be considered the libel capital of the world. While living in exile in Paris in 1848, the Duke became one of the U.K.'s first libel tourists when he sent his manservant across the channel to purchase a copy of the September 19, 1830 Weekly Dispatch, which he believed contained defamatory statements against him. The exact details of what was written have been lost to history, but the court ruled that the words were libelous enough to award a judgment. More important was the finding that the mere purchase of a copy of the newspaper constituted a new publication and a new act of libel; this essentially nullified the six-year statute of limitations.

The Duke of Brunswick ruling—formally known as the "multiple publication" rule—still stands. Brought into the Internet era, it means that if an article is viewed even once in the U.K., it falls under its jurisdiction for a libel suit. Here are examples of libel cases filed in London based on this rule:

- In 2005, the Icelandic investment bank Kaupthing successfully sued the Danish newspaper Ekstra Bladet for a story critical of its advice on establishing a tax shelter.
- Terrorism scholar Rachel Ehrenfeld was successfully sued by Saudi banker Khalid bin Mahfouz, who she had identified as a financier of Osama bin Laden in her 2003 book "Funding Evil: How

Terrorism Is Financed and How to Stop It." The first chapter was posted online and 23 copies of the book had been bought online in the U.K.

To avoid the multiple publication rule, the Kyiv Post, a frequent target of such lawsuits, blocked access to all Web traffic from the U.K. in December 2010 in protest of its defamation laws.

This rule—and a history of court decisions—has solidified the U.K.'s reputation as one of the easiest places to win a libel lawsuit—unless you happen to be a journalist. In the U.K., the stance on defamatory statements could be considered "false until proven true," leaving it to publishers and journalists to prove their claims in court whenever a lawsuit is brought against them. Because these lawsuits are costly and time consuming to defend, the threat of having one filed against a publication can have a chilling effect on what gets published.

Compounding this, plaintiffs face almost no risk in bringing libel lawsuits. Lawyers frequently file lawsuits under a conditional fee agreement—"no win, no fee." The plaintiff does not have to pay his attorney if the case fails. However, lawyers are allowed to collect "success fees" on top of their usual fees when they win a case.

This system doesn't work so well for those who own newspapers. When sued for libel, they can end up paying their lawyers' fees, the plaintiff's lawyers' fees, damages awarded to the plaintiff, and a success fee. In fact, these success fees are so onerous that the European Court of Human Rights ruled in January that they violate freedom of expression, adding another voice to the call for reform of the law. In February a judge's ruling prevented a libel case between Ukrainian businessman Dmitry Firtash and the Kyiv Post from being heard in London's High Court. The judge wrote that Firtash's connections to Britain were "tenuous in the extreme."

Among those urging libel reform is Deputy Prime Minister Nick Clegg. This past January he called for reforms that would transform the U.K. courts "from an international laughingstock to an international blueprint." But putting a new law in place is likely to take Parliament until 2013.

Other countries have taken steps to address the problem. This past August the United States enacted a law that prevents courts from recognizing foreign judgments that don't meet the standards of the First Amendment. The precedent was a statute—enacted in New York State in 2008—known as "Rachel's Law" because it was prompted by outrage over the London suit against Ehrenfeld. The formal name—"Libel Terrorism Protection Act"—bears an apt description for how a lot of publishers feel about the Duke of Brunswick's enduring legacy.

# Enduring Pressures: It Goes With the Job in Armenia



Journalist Edik Baghdasaryan was attacked after he exposed a government official's granting of mining licenses to family members and friends. *Photo by Gagik Shamshyan.*

*'... we have an unwritten understanding in our office not to speak about these pressures if they aren't life threatening; our problems remain within our office walls.'*

## By Edik Baghdasaryan

Friends and acquaintances ask me all the time, "What exactly is it that you want? What do you expect to achieve with all your investigative stories?"

My answer is always the same: I want to restore a degree of justice in Armenia, and I want readers of *Hetq* ("Trace"), the independent Yerevan-based online newspaper where I am editor in chief, to know what we have uncovered.

As investigative reporters, we are like the aquarium fish called the "cleaners" who scour the tank for grit and grime. We carry out this function in society as we try to uncover the dirt and clean it up. At times, we succeed. When we fail, it means we aren't performing our task properly.

Numerous obstacles are placed in our way, and they can seem unconquerable—or at least be daunting enough to discourage any sensible person from trying. Against this backdrop, investigative reporters resemble stray dogs that are kicked and cursed by passersby. In fact, this has happened to some of us. So when your life's work doesn't lead to the results that were envisioned, it's only natural to ponder its value. Is the effort worth it? And then there are the risks to consider—for oneself and family members. They can be summarily fired or not find any work at all when a relative is labeled a "dangerous" reporter.

Another big obstacle to doing investigative journalism is the reluctance of government sources to



provide any information. Make an inquiry about abuse of power and months will pass before any reply comes, and then it's often pure claptrap. This is what usually happens despite a law stipulating that government agencies must supply such information within five days and that it must also be posted on their website, made readily available not just to the reporter who requested it but to everyone. Yet my experience tells me that government officials go out of their way to hinder the flow of information to the public. Years ago I couldn't convince an American colleague that decisions made by the Yerevan mayor were off limits not only to residents of the city but to reporters. We obtained copies of those decisions only after a two-year court process.

*In 2001, reporters at Hetq uncovered the fact that the Ministry of Health's blood bank included blood from donors infected with HIV. After we published the news, the ministry declared "war" on us and directed staff not to speak to us on any matter. Soon after other news outlets picked up our story, the ministry confessed that it was true. The blood bank's director was fired.*

## **FOLLOWING BANANAS**

It is an investigative reporter's job to pry information from government sources and verify it. Figuring out what is accurate can be extremely difficult when agencies release contradictory information in response to the same set of questions. But receiving very different responses can also alert us to suspect practices. This is what happened when we at Hetq requested information about the export of bananas from Armenia. The national statistics service indicated that Ketrin Ltd. had exported nearly 3,600 tons of bananas to the Bahamas during 2005 and 2006. The deputy chairman of the State Customs Committee (SCC) of Armenia responded to the same inquiry with a figure of 866 tons.

We wrote to the SCC deputy chairman about this wide discrepancy. Here is how Colonel A. Afrikyan responded:

We are informing you that in 2005-2006 the "Ketrin Ltd." firm exported 59.44 kilos of banana oil to the Bahamas, an amount equivalent to the 755.4 tons of bananas imported on a temporary basis for reprocessing purposes. According to the Custom's statistical methodology, "the re-exportation, i.e., of reprocessed imports" are considered to be foreign exports and are thus registered as exports of the Republic of Armenia."

When this explanation failed to clarify the situation, we decided to publish the contradictory responses—and then we added that Armenia neither exported bananas or banana oil to the Bahamas, a fact we'd learned from World Bank reports of products traded by countries. In an interview after we published this story, the person who directs the SCC's research and legal affairs department admitted that Ketrin Ltd. had never re-exported bananas or produced banana oil.

However, Ketrin Ltd. was registered as an exporter of several thousand tons of bananas to the Bahamas and to Georgia. Of course, no such export ever took place. Forged documents showing the export of banana oil to the Bahamas were filed to avoid paying various customs and other taxes and levies estimated at a total of \$1.5 million. After an investigation that took five months, we published stories that showed how the owners of Ketrin Ltd. who were top government officials—the deputy

chief of the National Security Service and the head of the Compulsory Enforcement Service—were involved in the swindle.

The Armenian press widely covered the banana export story for several months. In our editorials we even suggested that the prime minister's supervisory division—a sort of government accountability office—study the matter. But our efforts came to naught. The officials involved had too much sway.

There was one result related to our investigation: The amount of bananas being imported into Armenia, of which half was going unreported, began to be recorded and the importing company started to pay the required taxes. Two years after our story was published, I had the occasion to speak to the Armenian prime minister during a private meeting. When I told him that our investigation had been ineffective, given that the government wasn't taking appropriate measures based on the revelations we had published, he responded that on the contrary the banana exposé had brought \$3 million into state coffers.

## **ABSORBING THE PRESSURES**

I am always asked about the pressures brought to bear on reporters. I usually avoid responding since I don't feel that reporters face greater pressure than lawyers or even average folks. Pressures exist in our line of work and are applied in a variety of ways—physical assault, offers of bribes, the performing of favors, the threat of being sued for publishing information, and the problems involved with broadcasting or publishing investigative pieces. We constantly face difficulties, from dealing with law enforcement agencies to obtaining clarifications from government officials.

Society and the press in Armenia are highly politicized, and any incident can quickly become politicized. At Hetq, we have never worn the colors of any political team, and we have an unwritten understanding in our office not to speak about these pressures if they aren't life threatening; our problems remain within our office walls.

*In 2002 we couldn't get any TV station to broadcast what we had uncovered about a murder in the army. The courts had sentenced a soldier to 14 years, but we had come up with evidence that he wasn't the murderer. Our seven-month investigation proved why the soldier in question could not have committed the crime. We had discovered that the state's investigators and military authorities literally beat a confession out of him and his testimony was provided under duress. We also illuminated the violations that military prosecutors made in the case and their contradictory rulings. It was only after Internews Armenia selected it as the best investigative film and I challenged the TV officials attending the ceremony to broadcast the film that it finally was shown—at noon on a weekday.*

## **SUFFERING A BEATING**

Covering the inner workings of the criminal world and revealing its ties to members of the government's ruling elite is a dangerous proposition. On the evening of November 17, 2008, three people attacked me after I left the office and headed for my car. I momentarily lost consciousness from a blow to the back of my head. A policeman who was passing by fired shots in the air to chase off my assailants. One of them was arrested a few days later and he is now serving a five-year prison term. He had links to the former environment minister.

Prior to the attack, I had published a series of investigative articles regarding the business dealings of that minister, who had granted exploratory mining licenses to his family members and friends. They later sold them for millions of dollars. The police never found the other two assailants or the person who ordered it, though I have no doubt that the former minister was behind the attack. We presented evidence in court that on the day of the attack the young man on trial had placed four calls to the minister's cell phone. The court paid no attention to this evidence, given that the minister, then and now, is a member of Parliament and sits on the council of the ruling political party.

Overcoming such challenges and avoiding such dangers isn't easy. But we do our best in the name of our readers—those who get up in the morning and open the paper to see what we have to say about issues of concern to them. I always tell my journalism students that in the end they are only accountable to individual readers. To give them an adequate accounting, stories must be truthful, sincere and accurate.

*Edik Baghdasaryan directs the Investigative Journalists of Armenia and is the editor in chief of Hetq, an independent newspaper in Yerevan, Armenia.*

# The Stark Contrast of Words and Deeds



Opposition supporters protest the results of the 2008 presidential election and clash with police in Yerevan, Armenia. On this day, March 1, 10 people died and more than 200 were injured. *Photo by Mkhitar Khachatryan/The Associated Press.*

*'In Armenia, the shutdown of AI+ was a valuable lesson to all nonstate-run TV companies in showing what happens to a company that acts in ways considered to be unloyal to the government.'*

**By Seda Muradyan**

*... We need your honest and unbiased approach so that Armenian society, the entire state structure, different bodies and individuals see in the mirror of mass media their own genuine picture. It is crucial that the mirror is not fuzzy and the picture is not distorted.*

—Armenian President Serzh Sargsyan on December 28, 2010

President Sargsyan was speaking at a reception to representatives of media outlets, most of whom are loyal to the Armenian government. In hearing his words—and contrasting them to his actions—can Armenians trust that the authorities are ready to allow the nation's news media, most of all television news, to become an unbiased and truthful mirror of their regime? Can such presidential statements—made to friendly audiences—about the necessity of fair media be regarded as a change of the policy that is leading to liberalization of the sphere?

The sincerity of such statements merits close attention this year, with parliamentary and presidential elections looming in 2012 and 2013, respectively. Already the president's words stand in contrast to changes made recently in the tightly controlled broadcast media sphere during the transition to digital broadcasting. Instead of using this opportunity to diversify the news media, the government tightened its grip.

When I was a child in Armenia during Soviet times, I would stand before a mirror and act as the host of my own talk show. Back then the government acted as the queen did in Snow White, one of my favorite fairy tales. Each morning the queen asked, "Mirror, mirror on the wall, who's the fairest one of all?" And the mirror would answer, "You, my queen, are fairest of all." Then Snow White grew up to be a beautiful woman, and the mirror gave the queen a different answer: "Queen, you are full fair, 'tis true, but Snow White is fairer than you." The queen broke the mirror when it told her the truth.

## **SILENCING A TV CHANNEL**

On April 2, 2002, the government of Armenia, which has been an independent country since 1991, banned A1+, one of the first of Armenia's independent TV channels, from broadcasting. This decision was made with clear political motives. I had worked at this TV channel for more than six years. This channel stands as a symbol of Armenia's "broken mirror." By shutting it down, authorities revealed their fear of the power of TV—the country's dominant news medium—if it moves out of their control.

At 9:45 p.m. on that day, I was the host of the channel's main news program. I knew this was going to be my last appearance on A1+ so I closed the newscast with these words: "Soon, we will be off the air. Our team is saying goodbye to you with the confidence and hope of being back on air again, sometime soon." Three hours later our broadcast transmitter was turned off on the order of the National Commission on Television and Radio (NCTR). A popular and independent voice of Armenia was shut down.

After being on the air for six and a half years and gaining vast popularity among the people, A1+ lost its broadcasting license in a deal organized by the government-controlled commission whose members had been appointed by Armenia's president. Despite the attempts of various international organizations to help it return to the air and a European court ruling in favor of that happening, A1+ has been denied a broadcasting license ever since that day. On June 17, 2008, the Strasbourg-based European Court of Human Rights found Armenian authorities at fault for repeatedly denying a broadcasting license to A1+. (Armenia became a member of the Council of Europe (COE) in January 2001 and thus accepted the principles of the rule of law and the jurisdiction of human rights and fundamental freedoms for its citizens.) This ruling spoke of the license denials as violations of Article 10 of the European Convention on Human Rights.

It was not the first ruling this court made against Armenia, but it was the first time that the court's ruling referred to freedom of speech. Here is a portion of the statement about the ruling issued by Terry Davis, who is the secretary general of the COE:

The decision of the Court is a victory for freedom of expression. It should also serve as a lesson to all governments inclined to arbitrary interpretations of Article 10 of the European Convention on Human Rights, which guarantees this essential freedom.

Since 2002, press freedom in Armenia has received bad marks in reports issued by Freedom

House, a watchdog organization based in the U.S.; after the closing of A1+, Armenia has been ranked among those countries that are "not free." Here are words from its 2003 report—and this sentiment has held since then:

Freedom of the press declined in Armenia as a result of the closing of the country's leading independent television station, and the government's continued attempts to stifle criticism in the media.

Many international observers believe that A1+'s closing represented a crucial change in the environment in which the news media operate there. In Armenia, the shutdown of A1+ was a valuable lesson to all nonstate-run TV companies in showing what happens to a company that acts in ways considered to be unloyal to the government. The 2010 Freedom House report referenced this situation when it said that "many of the private television stations are owned by government-friendly business elites, and broadcasters engage in a high degree of self-censorship to avoid having their licenses revoked." Issues revolving around freedom of speech and media censorship in Armenia are mentioned in many of the reports by international watchdog organizations and by various high-ranking American and European officials.

Yet, during times of crisis in Armenia, the government-friendly faces of the TV companies are predominant. In the 2008 presidential election, for example, most TV channels refused to run paid political advertisements thus depriving the opposition of access to a wide audience, according to reports published in print and online media. An analysis of the election by Freedom House cited reports by election monitoring organizations in the region. These revealed that "the coverage of [opposition candidate Levon] Ter-Petrossian's campaign by the main broadcast media was selective, distorted, and mostly negative in tone," and that for the first four months of the campaign, "coverage was grossly biased in favor of [President] Serzh Sargsyan in terms of both airtime distribution and tone, giving him an unfair advantage over the other candidates."

It is clear that Armenians received biased and censored TV coverage before the election. After the president was re-elected, tens of thousands of Ter-Petrossian supporters protested the result, which they claimed had been falsified. Unfair coverage before and after the election, held on February 19, 2008, added to the public's distrust of authorities, and these feelings intensified following the events of March 1, when 10 people died and more than 200 were injured as protests were met with government force.

## **STATE OF EMERGENCY**

For nearly three weeks the government imposed a state of emergency that placed even harsher limitations on media outlets. The decree stated that "mass media will publish information given only by state establishments." Most newspapers suspended their work as a result of the censorship being imposed. On the order of security officials, Internet service providers blocked the websites of A1+ (which has a digital presence even though it doesn't have a broadcast channel), Haykakan Zhamanak ("Armenian Time"), and Aravot ("Morning"). Radio Liberty's Armenian language broadcasting was taken off the air and its website was blocked.

Of course, these actions had a big impact on increasing the use and popularity of certain social networks, blogs and YouTube. These platforms became the windows through which Armenians could

see an alternative to state propaganda information. Proxy servers became protection shields for many Internet users in Armenia.

In this media environment, A1+ continues to be denied a broadcasting license. On December 16, 2010, the government denied its request for the 13th time. This time the NCTR accused A1+ of submitting fraudulent documents. Mesrop Movesian, the president of A1+, denies these accusations. There should be a fair and thorough investigation of what happened during the entire application process since there is reason to believe that political motivations remain behind the NCTR's decision to deny a license to A1+.

Just two months before A1+'s license bid was denied, the COE secretary general, in his remarks at a COE event called "Forum for the Future of Democracy," highlighted the importance of freedom of expression in building democracy in Armenia. In remarks made this past October in Yerevan, Armenia, he said that "freedom of expression is the mother of truth, the basis for freedom and democracy, and the avenue to prosperity."

## **DIGITAL ISSUES**

This past June, despite concerns raised by international and local experts, the Armenian Parliament approved a new section concerning the transition to digital broadcasting in the nation's TV and radio law. Several media organizations—the Yerevan Press Club, Committee to Protect Freedom of Expression, and Internews Media Support NGO—criticized this initiative by highlighting how the changes will decrease pluralism in the Armenian broadcast media sphere. With the new law, the number of TV broadcasters eligible for licensing will drop from 22 to 18. This means that some TV companies will be deprived of licenses.

Anna Israelyan, a prominent journalist for Aravot who specializes in covering media law and freedom of speech, observed that "until now no audit results of TV frequencies held in Armenia have been published for the society to justify the decision of such an exact number of broadcasters." In one of her recent opinion pieces published in Armenia, Israelyan recalls that even Marie Jovanovich, the U.S. ambassador to Armenia, expressed amazement at the decrease in the number of TV companies. When Jovanovich spoke at American University in Armenia this past June, she noted that while in other parts of the world digital broadcasting provides an opportunity to increase the number of channels, in Armenia the number is decreasing.

The Armenian decision also contradicts a key media recommendation of the Committee of Ministers of the COE that the transition to digital broadcasting must not be done at the expense of pluralism. When the competition for broadcast licenses took place in December, not surprisingly the TV channels remained under the control of the business elite and companies loyal to the government. Ownership is now even less diverse than it was before this latest round of bids, with the likelihood of remaining this way through the decade. There was no real rivalry. "It was obvious, that a pre-competition agreement has been reached among the TV companies: it was previously decided for each of them to apply for a certain channel," Israelyan wrote.

The next arena of concern involves how the government will try to control the Internet and any new means of broadcasting. Several Internet media outlets already have video content on their websites. A1+ pioneered Internet broadcasting in Armenia this past September when it began live-streaming online news and TV shows. Right now, the country's media law has no precise differentiation of Internet and other digital means of broadcasting. Media law experts worry that

Armenian government officials might implement other measures by which they will control the Internet and thus curb its natural absence of restraint. They could, some fear, demand licensing for Internet broadcasts.

If they choose the path of tight control of Internet broadcasting, Armenian authorities will continue to break mirrors, thereby demonstrating again their inability to see the true reflection of the regime. In the near future, we will learn whether President Sargsyan will continue behaving like the queen in Snow White—or if he will be true to his own words.

*Seda Muradyan is a 2011 Knight Fellow at Stanford University. She is the Armenia branch editor and country director for the Institute for War & Peace Reporting. As a Knight Fellow, she is developing a digital game with the goal of mobilizing Internet users in Armenia to be citizen journalists gathering and providing "alternative information" and disseminating it through social networks and traditional media outlets.*



# Independence Buys Freedom But Also Fewer Viewers



Nino Zuriashvili, left, and editor and videographer Alex Kvatashidze, Studio Monitor's co-founders, have a difficult time finding outlets in Georgia that will broadcast their reports.  
*Photo by Karl Idsvoog.*

*'Since we left Rustavi 2, Studio Monitor has had a hard time building a wide audience. Getting our stories seen by people remains a major challenge.'*

## **By Nino Zuriashvili**

In Georgia, when a media organization exists, two things are likely to be true about its owner. First, it will be a business group or businessman, and second, its owner will be closely connected to those who hold government power. Since 2004 these descriptions fit perfectly the profile of the founders and owners of the controlling share of 12 out of 13 of my country's TV channels.

I was working as an investigative reporter at Rustavi 2, one of Georgia's national TV channels, when its ownership changed in 2004. Kibar Khalvashi, a businessman and good friend of Interior Minister Irakli Okruashvili, bought the channel that year. When that happened, censorship of our investigative journalism began—four of our projects were blocked.

I left my job, as did my co-worker Alex Kvatashidze, an editor and videographer with whom I collaborated on investigative projects. Along with several colleagues, we founded Studio Monitor, a production company, as a nongovernmental organization. Our independent status means there is no censorship of our stories—by us or by anyone else—nor is there any topic that we avoid covering out of fear. There are, however, topics we cannot investigate because we don't have access to the

information that we need to document the story. When a TV station broadcasts our investigations, we do not allow them to drop any part of what we give them. Georgia's major TV channels—ones that are close to the government—are not permitted by the government to broadcast our stories nor do those who work at these channels attend presentations we do about our investigations.

In 2009 the Caucasus Research Resource Center conducted a media survey in Georgia. It showed that 75 percent of people expressed a desire to have an opportunity to watch investigative stories on various topics. We make our investigations available on our website ([www.monitori.ge](http://www.monitori.ge)), but the larger challenge remains finding media outlets to broadcast our stories. Since 2007 a dozen of our investigative stories have been shown at the Tbilisi Cinema House, where we also make presentations about them. They are also uploaded to other online sites and some regional TV channels show them.<sup>2</sup>

## **OUR INVESTIGATIVE PROJECTS**

There was one story we did after we discovered how the mayor of Tbilisi had financed 15,000 workers during a four-month period prior to the May 2008 council elections. It turns out that he diverted \$7.9 million of city funds to pay for political activism. Official records showed that these funds were to be spent to check the list of people who live below the poverty line, the so-called socially vulnerable people, even though this should have been the responsibility of the national health ministry.

We obtained official documents concerning this program, and through our sources we later found out who these workers actually were—paid partisan activists—and recorded interviews with some of them. They explained how they signed agreements while sitting in the offices of the ruling National Party and how the party's district heads gave them their tasks to be carried out by Election Day, including bringing National Party voters to the polls. Essentially, the mayor's office hid this political program from public scrutiny.

Another investigation we did involved five members of Parliament who were also members of the National Party. After they purchased designated park land on the outskirts of Tbilisi, the City Council annulled the "recreation zone" status of the park; this made it possible for these businessmen to get a permit to start construction on the site.

By changing the status of the park, the City Council committed a grave violation of the law. We reached this conclusion after analyzing documents we obtained from the City Council, Ministry of Justice, Public Registry, and Civil Service Bureau.

In another investigative piece we examined what happened to \$51 million that the government allocated to assist with repairing housing for internally displaced people (IDP). Georgia has about 250,000 IDPs as a result of the wars in neighboring Abkhazia and South Ossetia. We found out that authorities worked out special terms and conditions that resulted in 20 companies being able to win these contracts—and, not surprisingly, the majority of these firms turned out to be financial contributors to the National Party.

After we obtained the financial reports and bidding documents, we checked the quality of the winning firms' work. Our report revealed breaches of the terms. Although their work was of low quality, the companies have never been officially criticized nor has any compensation been demanded from them.

In "Symbolic Gifts of the President," we investigated property that had been sold by order of

President Mikheil Saakashvili. He "gave" (sold) houses that ranged in price from \$11,000 to \$140,000 for \$600 apiece to 10 judges who sit on the Constitutional Court. This presidential decree was confidential so we could obtain the facts only after appealing to the court. By examining the judges' declarations, we could see that the houses had been stated as being their own property.

## **BARRIERS WE PUSH AGAINST**

It is still a problem in Georgia for reporters to gain access to public information. Often we are able to see public documents only after we go through the courts. Due to actions the government has taken to block our access to public information, Studio Monitor is now involved in six administrative court cases against various public institutions; one of these cases has been sent on to the European Court of Human Rights in Strasbourg, France. Add to this legal situation the fact that databases on the websites of public institutions are very poor, and finding information becomes even more difficult.

Our financial resources are quite precarious, which adds to our difficulties, especially when one project is coming to an end while the next one is in the pre-approval stage. Our lack of facilities makes it difficult for us to implement several projects simultaneously; if we were able to work on more than one project at a time, this would make it easier for us when it comes to obtaining funding. We receive all of our funding from international donors, such as the European Union representative in Georgia, the Open Society Georgia Foundation, the British Embassy, United States Embassy, and the Eurasia Partnership Fund.

With support for our investigative work coming from donors outside of Georgia, Studio Monitor is able to remain free from internal political and commercial pressures; this means we are not answerable in any way to Georgian authorities or major business groups.

When we worked for the national TV company Rustavi 2 and we had a program dedicated to investigative journalism, our stories were seen by the largest number of people. Back then, we received death threats because of the stories we did and the danger of violence against us was always high because our stories had impact. Since we left Rustavi 2, Studio Monitor has had a hard time building a wide audience. Getting our stories seen by people remains a major challenge. Maestro TV now broadcasts our stories, but this channel is seen in only half of Tbilisi, the capital city, and in several nearby towns on cable. TV stations in a few other parts of the country broadcast them but they have limited regional audiences. Broadcasting throughout the entire country is not likely to happen, and because of this our stories are not able to influence public opinion; if they did, we would be threatened.

We are constantly looking for ways to update and perfect our professional skills through training courses. When I was covering financial topics, for example, I did a two-month training course in economics journalism at California State University, Chico. Later the U.S. Embassy financed a visit to Georgia by Karl Idsvoog, a professor at Kent State University and a trainer in investigative journalism. We also took a course in digital media in which we learned how to produce stories for different platforms—print, the Web, and mobile—and how to get our information to potential viewers, listeners and readers.

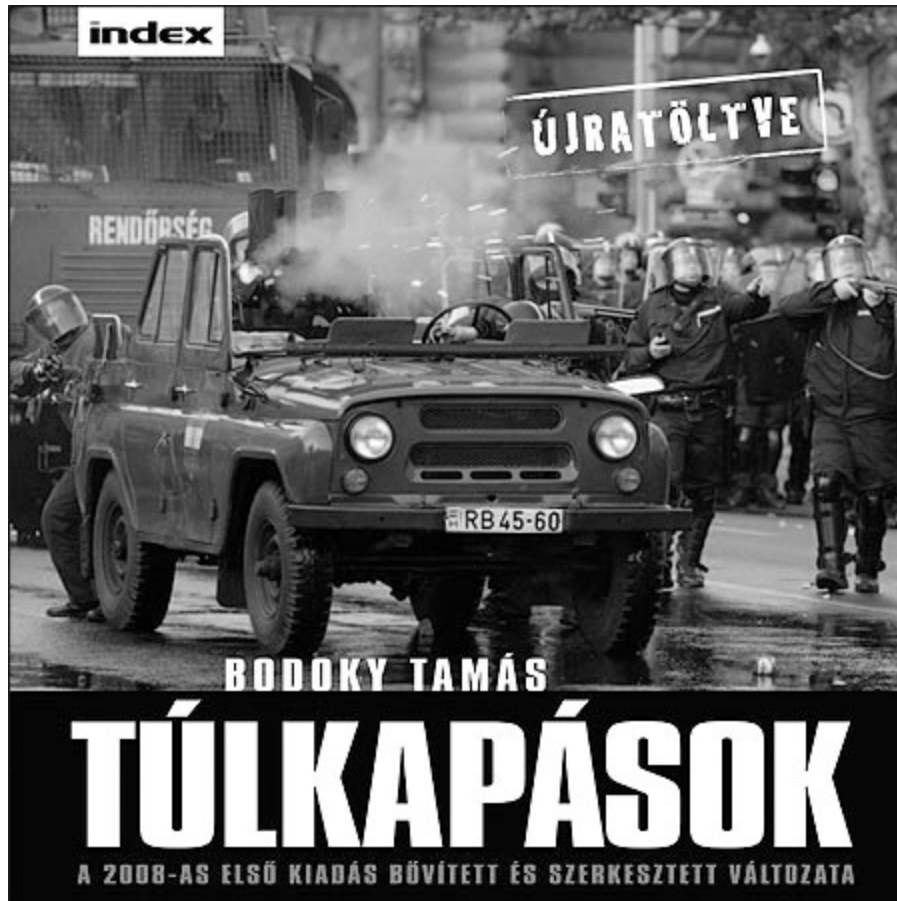
We still need training in how to better use computer-assisted reporting and how to work on cross-border investigative projects. Romanian journalist Paul Radu, co-founder of the Romanian Center for Investigative Journalism, recently came to Tbilisi and we discussed possibilities for collaborating with him. Crime and corruption do not recognize state borders. If our investigative efforts remain

focused only in Georgia and we cannot actively talk with and share information with reporters in other countries, then we will no longer succeed in our mission of uncovering corruption and bringing our investigative stories about it to public attention.

*Nino Zuriashvili is the co-founder of Studio Monitor, an independent production company in Tbilisi, Georgia.*

<sup>2</sup> Studio Monitor's stories have been broadcast periodically on regional channel TV 25 in Batumi, Trialeti, Gori and Bolnisi.

# Hungarian Politics: Present in the Journalistic Mix



Tamás Bodoky's articles about unrest and police brutality in Hungary were published in a 2008 book. The title of its English translation is "Trespasses." Cover photo by Szabolcs Barakonyi.

*'... it is not the journalists but politicians and the media owners with the circles of power behind them who decide the topics that can be covered and which stories can be published.'*

## By Tamás Bodoky

In Hungary, acting as watchdogs is new for journalists since it was only in the early 1990's that the media emerged from tight political control. In these 20 years, as we have transitioned to democracy—albeit with political parties maintaining a measure of control over the news media—some reporters have used investigative journalism to disclose dubious dealings of the political and economic elite. Spotlighting these crimes, however, has not led in most cases to consequences for the perpetrators, though it has for many journalists who have been censored, persecuted, sued or fired from their jobs for doing this type of reporting.

Hungarian investigative journalism has no veterans. A talented reporter lasts only a few years at this kind of work and then, after being driven to the edge of isolation and moral and financial annihilation, he or she goes in search of "new challenges," as the saying goes.

Even with these difficulties and abbreviated lifespan, investigative journalism has taken root in

the Hungarian print and electronic media. A handful of nonprofit organizations, such as the Hungarian Civil Liberties Union (HCLU) and the József Göbolyös "Soma" Foundation, offer support to enable journalists to break away from their daily routines to take on investigative projects. Many newspaper editors want to publish such stories, but political and financial limitations make it tough to do so since infotainment is more popular and less expensive or risky than muckraking. And the nation's deep political divisions—echoed in the allegiance of various publications to one political party or another—mean that news organizations that lean left mainly investigate issues that involve politicians and related businesses on the right while those tilting to the right examine what the opposition is doing.

In the past few years, the rightist media conglomerates have increased their power and influence—and so investigative journalism has focused, for the most part, on dubious activities involving leftist politicians who controlled the government until the spring of 2010. In fact, this circumstance played a major role in the conservative party's landslide victory in parliamentary and municipal elections.

All of this means that investigative journalism doesn't serve the public interest well. Instead, it has become a toy of political and economic interest groups; it is not the journalists but politicians and the media owners with the circles of power behind them who decide the topics that can be covered and which stories can be published. Taboo topics vary among publications. Information is leaked as a way of discrediting political opponents or business competitors. Political operatives will leak minor corruption cases to reporters and editors with whom they are close while at the same time they engage (often together with their political opponents) in large-scale corrupt financial dealings and join forces with their foes in muzzling any media outlet that begins to investigate these big-time operations. This is one reason why numerous corruption cases go undisclosed.

## **MY STORIES**

It's hard to know precisely when during my 15-year career as a journalist I became an investigative reporter. At first I wrote about science and technology, but even then I was more interested in concealed stories than in press conferences. There were plenty of secrets and lies on that beat; copyright organizations supported by multinational entertainment industry companies employed crooked means, with the assistance of the Hungarian police, to criminalize file exchanges and sharing services. Between 2004 and 2006 the National Office for Research and Technology distributed \$250 million of taxpayers' money annually for research and development partly on the basis of political considerations instead of scientific achievement and professional merit. Earlier, in 2002 and 2003, taxpayers' money from a different government agency had been funneled through secret channels that were aimed at the surveillance of and eavesdropping on Internet communications.

From such stories, it was a small step for me to start investigating major corruption scams. Readers could see that I wasn't afraid to go after dangerous subjects so they sent me a lot of tips, information and leaks. In the 1990's, Hungary was a place where the oil mafia could operate freely in selling fuel bought from dubious sources without paying taxes and customs duty. The oil mafia was closely associated with the political elite. I interviewed a former member of the oil mafia who sold fake documents in the name of an oil broker company with strong political ties and wrote a story about it in 2008. Since that time my colleague on this story gave up her career as an investigative journalist because she'd gone too far in trying to disclose the political ties of the oil mafia and found herself isolated and discredited even by fellow journalists.

In another case, the "wind blew in through my open window" a tax authority document used to

blackmail the leader of Hungary's largest bank in 2007. The blackmailers tried to extort approximately \$60 million from him. I could not get this article into the publication where I worked at that time; I sold it to another media outlet, which was willing to publish it. Similarly, in 2009 I received a significant leak that led me to follow the complex route of approximately \$150 million; the path began with the state-owned electric company, went through a network of hidden offshore companies and into a hotel on the Croatian seashore, a wine cellar in Hungary, and other private enterprises.

I've dug into major corruption cases involving environmental pollution as well. As the red sludge disaster in 2010 painfully demonstrated, Hungary does not pay enough attention to preventing environmental crime. This became evident as I uncovered corruption in the institutions in charge of environmental protection. I wrote a series of articles disclosing corruption and malpractice related to the licensing of a power plant that was going to be built on a Unesco World Heritage site and also unveiling the economic and political lobbies behind a hydropower plant to be built on conservation land in the Zemplén Mountains. The nature conservancy areas near Budapest have constantly been under the threat of being used for the unscrupulous expansion of gated communities; a story I did disclosed that investors wanted to take control of such a community in Magdolna Valley and its municipal budget. The plan was vetoed at the last minute by the then-president of Hungary.

The most wide-reaching consequences of my investigative work arose from a series of stories I wrote about the brutal violations the police committed during the anti-government demonstrations and riots in 2006. Riot police illegally used telescopic batons and rubber bullets against the demonstrators; many innocent people were beaten up and suffered devastating injuries. I found evidence that handcuffed people were physically abused at police stations and that the police used false witnesses to bring to court some young people who did not take part in any violent actions. By using a hidden voice recording inside the courthouse, I showed that an attorney threatened people who testified against police officers. I also interviewed a riot police officer who told me that political pressures led to the police violence during the riots.

One reason why this series received considerable attention—and the crimes had consequences—was that the then-opposition political powers considered what happened to be important. This meant that I was regularly invited to be on their TV news program.

Despite the numerous awards I have received for my investigative reporting, the recognition has not enabled me to work without confronting economic and political pressures. For nine years, I worked for Index.hu, one of the most read news portals in Hungary; during the last four years, I was allowed to focus fully on investigative journalism. However, I had to quit after I wrote about a Spain-based company with close connections to the Hungarian government that was involved in a major real estate swindle in Hungary. This company bought farmland for very low prices, had the land reclassified using corrupt practices, and gained immense profits from these operations.

However, the company did not stop there. It applied for and almost received approximately \$75 million in government subsidies for the construction of a MotoGP racing track at Sávolly that would never have turned profitable, according to independent analysts. I filed a lawsuit against the state-owned Hungarian Development Bank when it denied access to the feasibility study for the proposed racetrack on which the government would guarantee its loan. In information leaked to me, I learned that high officials in the finance ministry had issued a written warning that this construction was risky and illegal and disadvantageous for the state. The socialist government backed off at the last moment, after I succeeded in calling public attention to the case. Even though this particular company had close

ties with the then-opposition conservative parties and influential oligarchs, my editor in chief cut important parts of my story without any justification. Afterward he refused my request for a guarantee in my job contract that such intervention with my stories would not happen again. I had to quit.

So now I am a freelancer who publishes articles in various publications. My goal is to establish a nonprofit center for investigative journalism where I and other reporters can publish investigative stories independent of political and economic interests and without bias. The public interest would be foremost, as happens at American institutions such as the Center for Investigative Reporting and ProPublica that are models for this planned project. Already there are several such nonprofit efforts in the Balkans, including the Organized Crime and Corruption Reporting Project (OCCRP).

## **THREATS TO INVESTIGATIVE JOURNALISM**

As in other countries, investigative journalists in Hungary rely on a wide variety of tools to access concealed information. Although not everyone feels they should be used, there are classic methods such as the secret recording of images and sound, infiltration and undercover operations. I prefer to file freedom of information requests and lawsuits, if necessary, against those who withhold public data.

Often concealed information is leaked. When this happens, all of the consequences of publishing the information are borne by the journalist. At the same time, under Hungarian law, documents related to activities by government authorities, offices, institutions and companies managing, using or involving state property are to be made accessible. So if officials withhold information, reporters can file a lawsuit. With the help of the HCLU, I've filed and won several lawsuits and obtained concealed government data.

There is censorship—and first and foremost self-censorship—related to political and economic pressures. But investigative journalism is threatened even more acutely by the shortage of financial resources. Media owners regard investigative journalism as an expensive and dangerous practice and reporters who escape the daily routine of reporting news to spend weeks or months working on one story are not valued. Freelance journalists cannot survive at even a subsistence level if their primary concern is quality over quantity.

Gaining access to important databases remains problematic. While journalists can get free access to the Hungarian business register, there is a hefty charge for using the databases of the land registry offices. Access to information about foreign business services is also difficult, again due to relatively high fees. International cooperation is not a strength of Hungarian investigative journalists. Only a few of them have a network of connections or experience working across borders. In fact, cooperation rarely occurs among investigative journalists in Hungary and those in other European Union countries though corruption and organized crime in Hungary thrives on its cross-border connections.

Our personal safety as investigative journalists is always a concern. With the help of the OCCRP, I received basic training about what to do if I become the target of physical threats during my work. Unfortunately, I've had to use the skills I learned there. Threats of legal consequences come our way, too, and these often succeed in scaring journalists away from investigating sensitive issues; in Hungary, not only the publication but the journalist can be sued for slander and defamation. I recently won a lawsuit filed against me for libel and defamation. Another is still pending. My articles also triggered a lawsuit against Index.hu, my former employer. Although I have never been ruled against, often the threat of a lawsuit is enough for Hungarian media companies to proactively post the



demanded correction.

The practice of bribing journalists is also a major problem. Many companies offer journalists trips or gifts and a financial bonus for publishing or not publishing some information. It is most challenging to deal with the more frequent financial and existential pressures that come from inside the editorial office or from the owners of the publication.

There is some promising news in the advancement of the digital media in Hungary. Websites and blogs broaden the possibilities for investigative journalists. When the mainstream media refuses to publish a story, journalists can still publish it online. With the popularity of social networks and viral marketing, stories often reach large audiences. But digital media can be dangerous, too. While the number of blogs dealing with public affairs is increasing rapidly, the authenticity of their information often is questionable. Many of the articles and posts are biased or are filled, by intent, with disinformation.

Nevertheless, it is no longer possible to stifle critical voices. Attempts to do so—such as the Hungarian government's recent and widely criticized new media law—are doomed to fail. The digital revolution has liberated investigative journalism from the restrictive oversight of mainstream media owners. The old media has to adapt to this new environment even if for now the old reflexes of control and constraint are still being exercised.

*Tamás Bodoky is a freelance investigative journalist based in Budapest, Hungary. Bodoky has won several prizes for his investigative stories, among them the Göbolyös Soma Prize, the Hungarian Pulitzer Memorial Prize, and the Iustitia Regnorum Fundamentum Prize.*

## **II. Engaging the Next Generation**

# Out of Tragedy in Turkey Emerges a Journalistic Mission



In January 1993 hundreds of thousands in Turkey mourned the assassination of investigative journalist Ugur Mumcu. The placard reads "Susmayacagız," which means "We won't remain silent." *Photo courtesy of Ugur Mumcu Investigative Journalism Foundation.*



The nameplate in front of Turkish investigative journalist Ugur Mumcu identified his location as "yolsuzluk masası" ("corruption desk"). *Photo courtesy of Ugur Mumcu Investigative Journalism Foundation.*

*'The year after my father was murdered, our family founded the Ugur Mumcu*

*Investigative Journalism Foundation ... to encourage young people who are concerned about social problems and have ideals of hard work and humanity to enter the field of journalism.'*

## **By Özge Mumcu**

Someone—we still do not know who—affixed a plastic bomb to my father's car, which exploded, killing him. The day was January 24, 1993, and this assassination took a life dedicated to investigative journalism.

It also ignited an outpouring of grief as hundreds of thousands of people marched in his funeral procession. After being trained as a lawyer and spending a few years practicing law, Ugur Mumcu switched to journalism in 1974. In the 25 books he wrote and in his articles published in Cumhuriyet ("The Republic"), the newspaper he worked for, he explored and examined some of the toughest—and most dangerous—issues of his day. Regarded worldwide as an expert on international terrorism, my father, with his pen alone, took on the topics of corruption, mob rule, imperialism, reactionary ideology, and terror.

He believed that remaining silent or indifferent was "the crime of our age," and he received many awards for his willingness to speak out in defense of democracy and human rights. He was killed, it is believed, by the powerful interests whose crimes he exposed.

My father adhered to one basic principle: "A murderer is a murderer, no matter if from the right or left." He pressed for the investigation of many murders regardless of the political affiliation of the victim or whether a person was murdered for his convictions or in an act of terror. He dug for evidence about terrorist groups and their connections with weapons traffickers and he examined how these relationships played out in local and international politics. And he shared with the public the results of his investigations, involving the Kurds, arms trafficking, corruption, foreign intelligence services, the mafia, and the attempted assassination of Pope John Paul II.

Here are words my father wrote in May 1992:

... the journalist must write articles based on news, events, concepts, documents and information, which requires the journalist to be a reliable person. The journalist has to keep secrets ... know how to keep the sources of news and information confidential, and should dare to dispute with the government and powers when necessary.

## **TRAINING YOUNG JOURNALISTS**

The year after my father was murdered, our family founded the Ugur Mumcu Investigative Journalism Foundation in Ankara, Turkey. The aim of the foundation is to spread the ideas and principles my father lived by and to encourage young people who are concerned about social problems and have ideals of hard work and humanity to enter the field of journalism. Its guiding principle is the promotion of freedom of expression as it carries forth my father's understanding of the role and value of journalism.

Each year the foundation trains young people, who apply to be fellows, to become investigative

journalists with a three and a half month course of study. (The largest number of fellows we've had at one time is nine.) In the 360 hours of intensive courses—taught by about 50 academics and active journalists—the fellows learn how to:

- Write a news story, especially one with investigative elements
- Tell the difference between what “can claim to be news” and what is not
- Do investigative reporting.

The last of the how-to lessons is the most important so it is emphasized during the training. Other core lessons involve local politics, climate change, diplomacy, law, economics, and the principles of human rights. In the most recent program we paid more attention to digital media and editorial work in TV than we have in the past. To demonstrate what has been learned, each student prepares a report—covering a news story with in-depth information and interviews. After their coursework is complete, they must pass an examination to gain access to internships at national newspapers and TV channels.

While there are a number of journalism schools in Turkey, young people usually learn on the job and not through a training program. No such training is offered in the private sector due to the long hours that employees work and media owners' lack of interest in supporting such efforts. The gap we are hoping to fill in the future is finding ways to unite our young fellows with foreign reporters so that we can encourage and support cross-border reporting on the many investigative stories that now demand such an effort.

Funding for the foundation comes from a variety of sources, including what we earn from giving seminars on creative writing, philosophy, photography and political thought as well as workshops on documentary filmmaking. We also publish books, primarily my father's works, but children's books as well, and we teach courses for children. Some of our money comes from independent donations.

Our hope is that we instill in these fellows the courage to write on forbidden topics and give them skills so their research and reporting will be grounded in intellectual argument and documentation. In Turkey, maintaining editorial independence is the key to determining what will be reported as news. Looking to the United States, we see digital publications like ProPublica—which describes itself as “journalism in the public interest”—and we realize how digital media can emphasize investigative reporting and be seen as the exit strategy from the mainstream news organizations, which sometimes won't take on those kinds of stories. At our foundation we are using digital tools to research and publish information (on our “Social Memory Platform”) about victims of assassination in Turkey, including the unsolved case of my father.

To do this kind of reporting in Turkey, digital media are essential. The country's political atmosphere still oppresses those who advocate freedom, including freedom of the press, and Turkey has not reconciled with its military past. Those journalists, for example, who set out to investigate unsolved murder cases in which political motives are suspected of being in play often find themselves under pressure from political parties and government bureaucrats.

Reporters Nedim Sener and Kemal Göktas experienced this when they researched their books about Hrant Dink, the Armenian editor in chief of the Turkish-Armenian newspaper Agos, who was assassinated in Istanbul in January 2007 by a Turkish nationalist. Also seen as “inconvenient” is the coverage of topics that involve corruption, such as reporting about the Deniz Feneri (“Lighthouse”)

case involving the transfer of donations from the Germany-based charity to officials in the ruling Justice and Development Party (AK Party) government or the Kurdish situation, as it relates to the Kurdistan Workers Party and the Turkish Hizbullah.

Pressure on investigative reporters also comes from media owners because of close relationships the owners develop with those who serve in government. These owners often run other businesses as well and face pressures from the ruling party. The connections result in self-censorship being practiced by those who work in the media—from reporters to top-level managers.

What we achieve at the foundation honors my father's life and work as it constructs a continuum between the principles he died upholding and the ones we, as journalists in Turkey, need to abide by even in what remain difficult times.

*Özge Mumcu is coordinator and a board member of the Ugur Mumcu Investigative Journalism Foundation and a writer for the independent news portal [t24.com.tr](http://t24.com.tr). In writing this article, she received invaluable assistance from Mehmet Ayfer Kanci, who volunteers at the foundation and is an editor at the TV channel TRT Turk. With his 16 years of journalism experience, Kanci provided essential information about recent news media practices in Turkey.*

# A Bulgarian Reporter's Journey Traces a Nation's Progress



The funeral of wealthy Bulgarian businessman Iliya Pavlov, who was shot to death by a sniper in front of his office in Sofia, Bulgaria. *Photo by 24 Chasa/Bulgaria.*

*Once beaten and tried in court for his investigative reporting, Stanimir Vaglenov now teaches young journalists and manages uncensored Internet projects for the nation's leading news group.*

## **By Stanimir Vaglenov**

My career as a journalist began at the same time the Berlin Wall came down. It was in 1989 so this was a time when democratic changes were starting to happen in formerly Communist countries, including my own—Bulgaria. When I was working on my first stories as a journalist, I also participated in two student strikes. And I witnessed the overthrow of two Communist governments and the removal of a president appointed by the Communists.

The overlap of these events played a vital role in the development of my career as a journalist. Soon after the dictatorship collapsed I felt I could play a valuable role in bringing forth the democratic principles that my country had lacked for decades—freedom of speech, the rights of citizens, and the promotion of independent journalism. Years later when I was teaching investigative journalism to younger colleagues and college students, they would read my stories and ask: How could you possibly still be alive after writing this?

I could write these investigative articles because, as a citizen, I felt I was playing a part in the effort to overthrow the government. In this way, I lost any fear of authority. I have survived because of the kind of experience and outlook that I have acquired in more than 20 years of being a journalist in a country where the ambition for change overcomes the pressures of fear.

Is it dangerous to be a journalist in Bulgaria? Yes, it is: Fail to watch your step and your health might be damaged—or you could lose your life. On several occasions after an investigation I did was published, I took some time away, including traveling abroad. I would stay away until the primary danger had passed. To this day, I seek to have a flexible schedule for leaving home or work so as to impede the organization of a possible attack. Yes, Bulgaria is still a considerably dangerous place for journalists, but the dangers are not the same as reporters would find in Iraq, for example.

When I went to Iraq months after the fall of Saddam Hussein's regime, I worked in a precarious environment for which one can hardly prepare, not to mention the difficulty of ensuring one's safety. Danger arrives with randomness. In Bulgaria reporters usually have the opportunity to assess the situation and decide how far to go with their investigation.

In 1994 I was the victim of a physical attack. It happened in my hometown of Stara Zagora where I worked for nearly a year after graduating from the university. I wrote an article in which I was critical of a nightclub that was notorious for drug distribution and underage prostitution. The owner had good contacts in the local underground world and a close relative at the local police department who was chief of the department in charge of the fight against organized crime. That is why he thought he was untouchable. After my story was published, the nightclub's owner tried to buy up the print run of this regional newspaper. Later, three of his bodyguards attacked and beat me but without any serious consequences for my health.

Shortly after the incident I moved to Sofia, the capital, where it is generally safer for journalists. Still, for a year I received 10 threats that I would be taken to court in my hometown because of my stories. None turned into an actual lawsuit. They were just ways of warning me that if I wanted to have a family and lead a normal life, I should stop writing about certain people.

In Sofia, threats followed the publication of almost every story I did, and over the course of a couple years, I was taken to court on three occasions. The hardest period of time—packed with threats and court cases—was between 1994 and 2002.

I definitely do not consider myself a hero nor am I a journalist who has been severely pressured. I am more of a typical representative of the journalistic guild from the transition years in Bulgaria. In those times, a significant number of my colleagues have been put on trial, become victims of physical encounters, been fired, or were pursued.

## **FIGHTING LAWSUITS**

In 1996 I found myself in court for the first time. The person who headed the state telecommunications company had sued me. I had written in my stories that he was part of a criminal group that was extremely close to the Socialist government then in power. This group, which the news media called “the Orion friendship circle,” had permeated state authority on multiple levels and drained state resources through various schemes. I had written about this group after I had conducted a series of investigations. The lawsuit filed against me went on for months.

At that time it was impossible for a journalist to demand and acquire official information in connection with an investigation. Additionally, the telecommunications company director barred me from the central office building. Even so, I had at my disposal reliable sources who supplied documents from telecommunication equipment auctions. These documents clearly showed how companies whose offers were far from the most favorable won the auctions because of the corruption



built into the selection procedures.

In the course of those several months, I described with exact numbers the mechanisms of corruption and defended my journalistic disclosures in court. In December 1996 the top officials of the Socialist government resigned, followed by the collapse of the Orion friendship circle and its power. This is how I managed to fairly easily win the first court case against me.

In 1997 Iliya Pavlov, the boss of Multigroup, the biggest private enterprise in the country, threatened—via an official message he sent to all of the nation’s news media—to sue me. His legal action was in response to an analytical piece I had done about how the Russian interest in gas, which he represented at the time, was not in accordance with the Bulgarian national interest. By chance, this threat of a lawsuit happened on my birthday, and the managers of 24 Chasa (“24 Hours”), the newspaper I was working for at the time, as a joke gave me a present of a striped shirt so I could be ready for jail. In these ways, we tried to overcome the stress of a potential claim for a large amount of money, which could cause serious trouble for our newspaper.

At that time Bulgarian law allowed journalists to go to jail for stories they published; this law is something we have since managed to change through social pressure. But thanks to the managers of 24 Chasa, Multigroup’s legal threat was overcome without any serious backlash. It was not a secret that Pavlov was connected to the most dangerous criminal groups in Bulgaria. Years later he managed to acquire American citizenship, and in March 2003, on one of his rare visits to Bulgaria, he was shot to death in front of his office in Sofia by a sniper.

In 1997 I was back in court again when the boss of a security company, who was also part of the Orion friendship circle, took legal action against me. For two years he pursued me with lawsuits because of a story that described how he pressured innocent people to leave their private property. He lost this legal fight. Soon after, this man was arrested and prosecuted for his participation in the murder of the former Bulgarian Prime Minister Andrey Lukanov. He received a life sentence, which another court repealed, and he is now free.

A public prosecutor who had deprived scores of people of justice initiated the most grueling court case against me after I wrote about his actions. Even though the Supreme Court Council imposed due penalty on this prosecutor, it did not prevent her from filing lawsuits against me for two and a half years. I prevailed because of the competence of my defense lawyer and the support of my newspaper’s publisher.

## **GAINING SKILLS**

In 1997 I started using databases as I worked primarily in analyzing information from company registers. This reporting tool made it possible for me to discover connections between businessmen, politicians and organized crime. I gradually incorporated into my work more advanced database reporting and the classification of information in Excel spreadsheets.

For a number of reasons, however, some of the journalistic investigations I did between 1997 and 2008 were not published in the newspaper. Sometimes this was because the people or companies I had investigated were too powerful and they made aggressive threats against the newspaper and me. The decision was made by the editor in chief. This is why in 1998 I created a personal website. When I disagreed with my editor’s decision, I had a place to publish those stories, along with the ones that the newspaper did publish. There were times when I agreed with my editor that my life would be in

danger if we published the story, and so I would not publish those on the website either.

Through the years I have participated in a number of investigative journalism trainings in Bulgaria conducted primarily by foreign journalists. In 2001 I made a presentation at the Global Investigative Journalism Conference in Copenhagen, Denmark; I took part in the second conference in Copenhagen in 2003 as well as the third one in 2005 in Amsterdam, the Netherlands. In the course of all three conferences, I attended training workshops on computer-assisted reporting and these have proven to be hugely significant to my work. In 2002 the U.S. State Department invited me to attend a month-long training in investigative journalism in the United States, where I visited the editorial offices of leading news organizations in Seattle, Minneapolis, Philadelphia, New York, Washington and other cities.

My visit to the United States was extremely important in helping me to learn more about the guidelines for investigative journalism. In 2003 my book, “Toppling the Government: 100 Stories of an Investigative Journalist,” became the first book about investigative journalism published in Bulgaria. The next year I compiled and edited a report for Transparency International about journalistic investigations by Bulgarian nongovernmental organizations. The U.S. Agency for International Development funded the investigations and the report.

Between 2004 and 2006 I participated in the BBC’s Technical Assistance for Improving Professional Standards of Journalism project as a local trainer. Through this project, nearly 600 Bulgarian journalists and media workers received training in investigative reporting. I also co-taught a course in investigative journalism (with a focus on new media) at Sofia University. The development and teaching of this course was financed by the Embassy of the Netherlands from 2008 to 2010.

During this time I also started to seek support outside of Bulgaria for my reporting and to engage with reporters from other countries on cross-border projects. For more than five years I have worked with Scoop, a valuable support program financed in part by the Ministry of Foreign Affairs in Denmark for Eastern European investigative journalists. Scoop provided vital support for journalists in Bulgaria and the Balkans at a very difficult time. [See [Henrik Kaufholz’s article](#) about Scoop.]

Since 2006 I have worked on projects with other journalists through the Organized Crime and Corruption Reporting Project (OCCRP), which is a highly effective network of Balkan-based investigative journalists. For a cross-border project on the Balkan energy market as it confronted new economic circumstances, I provided the necessary information from Bulgaria. I continue to work with OCCRP.

In 2006 and 2007 I prepared annual reports (“Reporter’s Notebook for Bulgaria”) describing the levels of corruption in Bulgaria as part of a project of Global Integrity, an independent information provider based in Washington, D.C. I also prepared anti-corruption reports for this same center in 2008 and 2010.

Meanwhile, in Bulgaria, I established the Bulgarian Investigative Journalism Center that was launched at the start of 2008. Through this center I am able to work collaboratively with investigative journalism centers throughout the world. And I’ve assumed the role of executive director of the Information and Online Services Department at the Newspaper Group Bulgaria, which is the company managing the biggest newspapers and magazines in Bulgaria. I am responsible for the Newspaper Group’s Internet projects, including Bulgaria’s two biggest news websites, [www.24chasa.bg](http://www.24chasa.bg) and [www.trud.bg](http://www.trud.bg).

With these new management responsibilities, I have had to considerably reduce the number of investigations in which I can take part. However, my positions allow me to upload stories—without censorship of any kind—to our websites, which receive a combined total of more than 100,000 visits daily. And I do this working with a team of talented young journalists who are mastering the minutest details of investigative journalism. I am studiously transforming myself from a traditional journalist to a digital media professional as I strive to continually apply new technologies to my investigations as well as figure out how to best use multimedia for a more effective presentation.

Today I feel that journalism in Bulgaria can be conducted in the same way as it is in Western Europe or the United States. What creates a distinction is the substantial lack of resources for Bulgarian journalists. Another problem remains the ineffective judicial system, which fails to provide a legal environment that is sufficiently protective of the rights of Bulgarian journalists.

Just a few weeks before I wrote these words I was in court, but this time as a witness. A colleague of mine had a lawsuit filed against her for a story she wrote about an employee at the Ministry of Justice who was fired because of corruption. What she had reported is true, but she was in court having to defend her story. A lot of Bulgarian journalists have faced similar situations, and many of them end up being found guilty. While the situation is much better than it was years ago, it remains dangerous for investigative reporters to do their work in this country.

*Stanimir Vaglenov is the founder of the Bulgarian Investigative Journalism Center and the executive director of the Information and Online Services Department at the Newspaper Group Bulgaria in Sofia. He was awarded the Global Shining Light Award at the Global Investigative Journalism Conference in Toronto, Canada for his work on the OCCRP cross-border project about the Balkan energy market.*

# Questioning the Western Approach to Training

*‘International journalism training can have the feel of a quite rigid, institutionalized sense of what must be done even while operating in an environment of increasing contingency and dynamic change ... ’*

**By James Miller**

Walter Lippmann complained in 1919 that American journalists were doing the work of “preachers, revivalists, prophets and agitators.” They reported the news “by entirely private and unexamined standards.” People would look back, Lippmann observed acidly in his book “Liberty and the News,” and wonder how nations that thought themselves to be self-governing “provided no genuine training schools for the [journalists] upon whose sagacity they were dependent.”

Lippmann considered making training in schools of journalism a requirement for the job. But what he really wanted, philosophically, was to model the practice of journalism on science, which had successfully harnessed the “discipline of modernized logic.” Decades later, Bill Kovach and Tom Rosenstiel, in “The Elements of Journalism,” were still pursuing the same possibly illusive end, encouraging newspeople to adopt the rigor of their five “intellectual principles of a science of reporting.”

If the dream of a scientific journalism has yet to be fulfilled, the more prosaic of Lippmann’s visions seems to have been realized. By 2000, so many young American journalists had majored in journalism or communications that the degree had become in effect a necessary condition for a reporting or editing job. In addition, this is a time of unprecedented international efforts to codify and inculcate Western-style news reporting and editing—to train on a global scale what its proponents assertively call “world journalism”—in places quite different from American newsrooms and classrooms, with nothing like the journalistic or political-cultural history of North America and Western Europe.

There is the obvious irony that these achievements occur at the very moment of mainstream journalism’s great unraveling—jobs grown scarce, widespread doubt about the very purpose and nature of news, and amateurism celebrated, all an implicit challenge to the notion of training in a canon of ethics and practice.

Around the time of Lippmann’s lament, however, American journalism education was already taking root in pragmatic public universities. Newspaper publishers were giving their names and money to establish such schools at private institutions. Training and occupational enrichment programs began. Lippmann himself helped convince Harvard to use the unexpected Nieman bequest in the late 1930’s to offer a mid-career fellowship for journalists. After the war, publishers established the American Press Institute to give advanced training to their employees. In the 1970’s publisher Nelson Poynter created his own idiosyncratic training school, which became the influential Poynter Institute.

If there is a hodgepodge feel to the development of American journalism education and training, its one persistent, overarching theme is the jealous desire for the status of a profession, like medicine and law, for the realization of a science of journalism. Yet, from the start there was sharp debate,

inside and outside the academy, about whether and how to educate and train. In 1993 journalist Michael Lewis famously dismissed “the entire pretentious science of journalism” taught in the now nearly 500 schools and departments of journalism. The two principal associations of U.S. journalism educators have issued, during the last 25 years, a series of somewhat self-defensive accreditation documents on “missions and purposes” and “viability” in the “university of the future.” The University of Colorado recently moved to “discontinue” its (accredited) School of Journalism and Mass Communication for failing to resolve tensions between journalistic skills training and the conduct of media research.

## **WESTERN AID—WESTERN MEDIA**

This unsettled history makes no appearance in the confident realm of international journalism training. There, a surprisingly idealized version of mainstream journalism has been actively promoted for decades. The export of media in the American style was a hallmark of Cold War modernization theory. Then, as now, development experts sought to replicate the U.S. media system, claiming it to be a necessary means of democratization.

The return to Europe of former Communist countries in the 1990’s was a watershed opportunity for North American and Western European trainers of “free and independent news.” Later, Western journalism training became part of post-conflict, “peace-building” interventions in Southeastern Europe and Africa. It can now be found nearly everywhere in the developing world. Media assistance more generally, which includes creating an “enabling environment” of privately owned, advertising-supported media, freedom of expression laws, and technological “capacity building” as well as journalism schools has become so extensive that a German scholar, Christoph Dietz, recently produced a 30-page bibliographic guide to 20 years of literature on the subject.<sup>1</sup>

Clearly, global journalism training is today an established part of Western foreign aid, well funded though little discussed and hardly visible beyond the circle of what Ellen Hume, an Annenberg Fellow in Civic Media at Central European University who has written several reports on international training efforts, approvingly called its “media missionaries.” [See ["Media Assistance on the Global Stage"](#) for descriptions of funders of and programs for global media training.]

International journalism training can have the feel of a quite rigid, institutionalized sense of what must be done even while operating in an environment of increasing contingency and dynamic change—perhaps yesterday’s solutions to tomorrow’s problems. In “Global Investigative Journalism: Strategies for Support,” a report issued by the Center for International Media Assistance (CIMA) in 2007, such training efforts were described as the descendants of American muckraking’s “vital tradition” that “has now spread worldwide.” CIMA wants more of this, but only through additional training to ensure “standards and quality,” professionalized behavior, and even the proper use of the term investigative reporting. The report wonders, “How does one produce a Woodward and Bernstein?” and considers performance evaluation that examines “the impact on a per-story basis.” On the one hand, this is pretty instrumental and formulaic. On the other, the expectations are extraordinary: The report says modern muckraking is nothing less than “an important force in promoting rule of law and democratization.”

America’s own history of investigative reporting, like that of journalism education, is less tidy. In his paper “A Muckraking Model: Investigative Reporting Cycles in American History,” Mark Feldstein explains its major appearances (in national magazines early in the 20th century and in

metropolitan dailies during the fabled 1960's) as the serendipitous convergence of a literate, politically attentive public, and a commercially competitive media environment in which uncovering malfeasance is good business. James S. Ettema and Theodore L. Glasser, in their book, "Custodians of Conscience: Investigative Journalism and Public Virtue," reveal the gap between professed standards and actual practice by showing how mainstream investigative journalists pretend to let facts speak for themselves, while hiding their own moral judgments behind an ironic discursive style.

The stories in this issue of Nieman Reports are the work of industrious people, actively engaged in political change, putting themselves in real danger. But are they journalists? Is their work "investigative journalism" or maybe some variety of post-journalism? Is it mainly an expression of highly local knowledge, often gathered on its own terms, using its own means? Did the writers require Western training programs?

## THINKING DIFFERENTLY

After thinking over the prospect of journalism education, Lippmann rejected it, saying of newsmaking that "There is a very small body of exact knowledge, which it requires no outstanding ability or training to deal with. The rest is in the journalist's own discretion." An overstatement, even then, but now almost an anthem for the entrepreneurs at home who are daily inventing replacements for the mainstream news practices that most international journalism training persistently advocates abroad.

Another contemporary view, unexpectedly from inside journalism's establishment, urges the need for a basic reconsideration of what constitutes reporting and how best to prepare reporters to do it. Jack Fuller, the widely experienced newspaperman who became president of the Tribune Publishing Company, devotes a chapter to the conflicted science of journalism in his 2010 book "What Is Happening to News: The Information Explosion and the Crisis in Journalism." Having discovered the findings of cognitive science, Fuller believes that the Standard Model of Professional Journalism repressed what he calls emotion at great cost to its capacity to represent the world in genuinely human terms.

Fuller recommends the active development of a new, more flexible journalistic "rhetoric" that draws creatively from alternative, even non-news forms like cinema, memoir, long-form radio, and the tabloids. Here, Fuller takes a position much more akin to the experimental practices of entrepreneurial journalists than to the idealizations of training. And his preferred means to prepare aspiring journalists sounds surprisingly like a rich liberal arts education.

Lippmann hoped for a science of journalism, but concluded that at its best it was creative work that eluded instruction in fixed routines and formulas. Fuller, nearly a century later, sees the adoption of these same rigidities as a source for the decline of mainstream journalism. There will be journalisms, plural, in the near future—new, post- and even anti-journalism—displacing familiar conventions of the news to the sidelines. The large-scale exportation of mainstream Western journalistic ethics and practices today brings to mind Marshall McLuhan's famous admonition against driving into the future while looking in the rearview mirror.

*James Miller is visiting professor at the Center for the Study of Global Media and Democracy at Goldsmiths, University of London, and professor of communications at Hampshire College. His writing on media assistance includes the chapter "Retelling the News in Central Europe: Western*

*Journalism as Democratic Discourse*” in the book *“Nationalist Myths and Modern Media,”* published in 2005 by Tauris, and *“NGOs and ‘Modernization’ and ‘Democratization’ of Media,”* published in the journal *Global Media and Communication* in 2009.

<sup>1</sup> Christoph Dietz’s bibliography “International Media Assistance: A Guide to the Literature 1990-2010,” was prepared for the Konrad Adenauer Stiftung and Forum Medien und Entwicklung (FoME) symposium, “The ‘Fourth Estate’ in Democracy Assistance,” held in November 2010.

# Media Assistance on the Global Stage

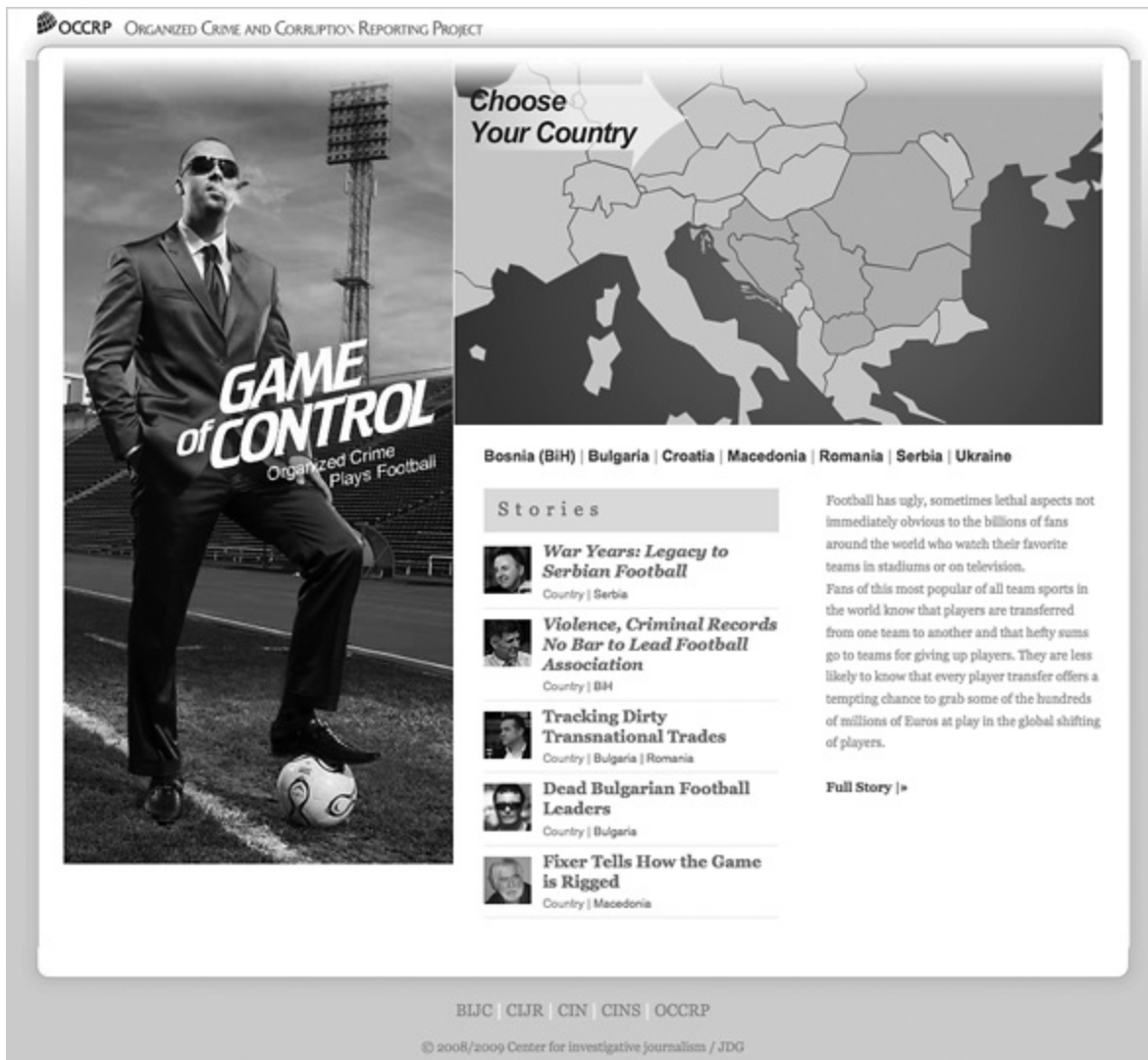
**By James Miller**

The intertwined, global array of media assistance funders and implementers has become almost too complex to describe. Money comes from international organizations (e.g., the World Bank, Unesco, U.N. Development Program), foundations (John S. and James L. Knight, Open Society, Eurasia, Ford, John D. and Catherine T. MacArthur) and national development agencies (USAID and its counterparts in Sweden, Denmark and the United Kingdom). Some organizations such as the International Research & Exchanges Board (IREX) get money from funders and invite project proposals from trainer-implementers. Internews and the BBC World Service Trust are more likely to do both of these elements themselves. The Organization for Security and Co-operation in Europe's (OSCE) representative on freedom of the media monitors the Caucasus and Central Asia for conformity to Western media standards, holds instructional conferences, and issues prescriptive reports.

The Center for International Media Assistance (CIMA), founded with U.S. State Department money at the National Endowment for Democracy in Washington, D.C., has become a central node in this network, producing numerous studies, hosting events, celebrating "media visionaries," and advocating the view that the "professional skills of journalists are probably the most-recognized measure of media quality." The World Journalism Education Council involves 29 academic organizations that have met twice to address common issues. Unesco has published "a generic model" of journalism education curricula, and then there is a Global Forum for Media Development that claims a membership of 500 nongovernmental organizations operating in 100 countries. Its current chair is the president of the International Center for Journalists (ICFJ), which is funded mainly by U.S. foundations and the U.S. government. It produces newsletters, sends working journalists into the field, arranges exchanges of U.S. journalists and foreign journalists, publishes how-to manuals, and offers online instruction.



# Where Western Perceptions Clash With Eastern European Realities



The screenshot shows the OCCRP (Organized Crime and Corruption Reporting Project) website. On the left is a large image of a man in a suit and sunglasses standing on a football field with a ball at his feet. The text 'GAME of CONTROL' is overlaid on the image, with 'Organized Crime Plays Football' written below it. To the right is a map of Europe with a 'Choose Your Country' dropdown menu. Below the map is a list of countries: Bosnia (BiH) | Bulgaria | Croatia | Macedonia | Romania | Serbia | Ukraine. A 'Stories' section lists several articles with small profile pictures of authors:

- War Years: Legacy to Serbian Football** (Country | Serbia)
- Violence, Criminal Records No Bar to Lead Football Association** (Country | BiH)
- Tracking Dirty Transnational Trades** (Country | Bulgaria | Romania)
- Dead Bulgarian Football Leaders** (Country | Bulgaria)
- Fixer Tells How the Game is Rigged** (Country | Macedonia)

On the right side of the page, there is a paragraph of text: 'Football has ugly, sometimes lethal aspects not immediately obvious to the billions of fans around the world who watch their favorite teams in stadiums or on television. Fans of this most popular of all team sports in the world know that players are transferred from one team to another and that hefty sums go to teams for giving up players. They are less likely to know that every player transfer offers a tempting chance to grab some of the hundreds of millions of Euros at play in the global shifting of players.' Below this is a 'Full Story |>' link. At the bottom of the page, there is a footer with the text: 'BLJC | CIJR | CIN | CINS | OCCRP' and '© 2008/2009 Center for Investigative Journalism / JDG'.

The Organized Crime and Corruption Reporting Project, a consortium of investigative centers, brings together journalists on cross-border stories.

*‘In the Balkan context, what Westerners call corruption is seen as the customary tool of political organization.’*

**By Drew Sullivan**

In 2000, I arrived in Sarajevo, the tumbledown, war-torn capital of Bosnia and Herzegovina. On a brief hiatus from my reporting for The Tennessean, my two-week training assignment seemed straightforward and simple to perform. Sarajevo has always seemed like Roman Polanski’s Chinatown—an inscrutable land where bad things happened, and if you asked about them, the explanations seldom made sense. Corruption was rampant. Crime lords with colorful names like Caco (pronounced “Satso”), Celo (“Cheylo”), and Gasi (“Gashi”) were local celebrities.

My job was to train reporters, and I figured I could do that without having a clear understanding of the environment in which they work. Or so I thought. Eleven years later I am still in Sarajevo part

time advising the Center for Investigative Reporting (CIN), which I started in 2004. I also work as an editor on the Organized Crime and Corruption Reporting Project, a regional consortium of investigative centers founded to tackle the issue of organized crime.

My thinking back then was wrong in so many ways. My journey from naïve and altruistic trainer to editor who oversees local investigative stories on organized crime has been long and sometimes painful. Altering the perceptions I arrived with proved to be my biggest challenge. It should have been obvious, but it had never occurred to me that American journalism is unique and is only practiced in the United States. It was forged out of our history, culture, politics and economy. While it is a business, its practitioners also have a public service responsibility. Democracy—with its need for a fourth estate to fight corruption, hold government accountable, and educate its citizenry—is intrinsic to our journalism.

But democracy, as we know it in America, isn't yet working here. Consequently, in the Balkans, journalism is a different beast. Those who are involved in journalism act as players in the political process. Most editors and publishers see themselves as serving the political establishment by hosting a dialogue with the political elite about what is best for the country. The idea of serving the public interest is a distant second since unfortunately the public really doesn't matter. Power resides solely (and those who hold it hope permanently) with the political elite so direct engagement with them is seen as the most effective media strategy to bring about change.

This difference in perception changes everything. When the audience and the owners belong to the political elite, not only does it change what stories get reported but it also changes how they are written or produced. Few feature stories about ordinary citizens are done because journalists and politicians regard them as irrelevant. Storytelling and background context mean less to a group of insiders so stories are often unintelligible to ordinary readers. Instead, it is no surprise that most of the Balkan news media tend to feature event-driven political stories about the daily theater of Balkan politics.

Corruption also means something different. Westerners think of corruption as the (often illegal) use of resources for the benefit of the few at the expense of the many. In the Balkan context, what Westerners call corruption is seen as the customary tool of political organization. No one holds the expectation that resources will be fairly distributed. The spoils go to the winners, and therefore people are not trying to change the system. They are trying to belong to it.

## **INDEPENDENT MEDIA?**

The words “independent media” mean very little in the region. Independent of what, people would ask. In Balkan countries, almost all business is still determined by politics so no one is truly independent. Almost all media—organizations and journalists—have political connections either directly through the political parties or indirectly through oligarchs and organized crime. Political parties sponsor some of them and the ruling party controls state media. The business elite and the politicians operate the advertising market. News media that survive in the region do so not through the quality of what they produce but through the nurturing and maintaining of connections with this elite. A nongovernmental organization like CIN is considered by many to be an agent of foreign powers.

This arrangement undermines journalistic standards in this country and other countries in the region with similar dynamics. If income and credibility are not connected with fairness, accuracy and

readability but with political and financial relationships, then the workplace standards don't need to be high.

Rather than being seen as a bad thing, organized crime is seen as just another actor in the political process. Crime figures here are smart in how they build connections to powerful political parties and oligarchs. Some provide inexpensive loans to politically connected businesses, which serve to launder their money and increase their political influence. It can be difficult sometimes to separate who is a criminal, who is an oligarch, who is a politician or, as is often the case, who is all three.

## **MY TRAINING AS EDITOR**

When I became an editor and had to work with journalists reporting stories, my real training began. For one thing, communication was an issue. Understanding someone's words did not mean that I understood the importance they held. It took years before reporters really understood what I was trying to say and, in turn, before I could see things through their eyes. Gradually, however, the "Chinatown effect" lost the power of its mystery so that I was able to understand why people acted as they did and, importantly, I became able to predict their behavior.

In the beginning, it seemed as though people seemed to lie a lot to me. I took offense, as many Americans tend to do. But I eventually realized that to survive in a country ruled by one party, people sometimes had to lie to survive. Often it was not expected that the lie would be believed but just accepted.

I also clashed with reporters on stories. What I considered to be a story, my reporters sometimes did not. Politics was news and was seen to influence everything. Few reporters were interested in the plight of minorities, the working poor, and pensioners. Ordinary people were seldom included in stories and how an issue affected them was rarely reported. Instead, members of the political elite set the news agenda and were the ones who were quoted and portrayed in stories.

There were other challenging differences. For example, politicians might squander public resources while enriching themselves but technically their actions were not illegal. As a consequence, many reporters felt this was not a story because the activities were not illegal. I invented the term "legal corruption" to address these cases and change the reporters' perceptions.

Reporters warned me that it would be difficult to get the information we needed to do investigative work. Freedom of information laws are weak in the region. But the bigger problem was that many reporters relied on political parties for their documents and seldom had sources outside of their personal contacts. However, when pushed, they proved very resourceful in getting all sorts of data. I have even come to believe that when a reporter develops the necessary skills it is easier to secure government records in Eastern Europe than in the United States.

Despite the low standards evident in most of the region's news media, the reporters themselves proved to be as adept as journalists anywhere. When given the resources and motivation—and with strict standards put in place—the reporters I have worked with were able to turn out great work that won international awards, even when competing with U.S. journalists.

We still face many problems. Funding for media nonprofits is limited, even though potential donors recognize that nonprofits are the only independent source of news and information for citizens. Given the realities and sensitivities of the elite, many newspapers will not run politically sensitive stories. If reporters write about an oligarch in places like Serbia, Kosovo or Azerbaijan, it is unlikely

the story will appear in the mainstream media.

It is obviously very dangerous to report on organized crime. While we have developed sophisticated ways to protect our reporters, sometimes they don't follow these procedures. Such reporting can be done safely but exercising good judgment and sticking to the ground rules is essential.

Where we have succeeded is in bringing together a number of like-minded journalists who have the desire to expose corruption and reveal the activities of organized crime figures—all in an effort to inform the public. The standards remain a little different than in Western newsrooms and often stories don't read as ones done by U.S. reporters would. But given where we started—and where we are today—I would say that our approach is working.

*Drew Sullivan co-founded the Organized Crime and Corruption Reporting Project where he served as director and is now advising editor. He founded the Center for Investigative Reporting in Sarajevo in 2004 and still advises the center on a part-time basis.*

# An Idea Born Out of Necessity—And It Works!

*‘Journalists who have promising ideas for investigations but work for news organizations with few resources apply for support.’*

**By Henrik Kaufholz**

It was the spring of 2002 and a young Ukrainian woman named Valentyna Telychenko was puzzled. Why, she wondered, do Ukrainian journalists still perform so poorly? After all, millions of dollars had been spent bringing trainers to teach journalists in this former Soviet republic and sending Ukrainian journalists to the United States and Western Europe so they could visit news organizations and learn from them.

Telychenko knew that changes should be evident by now. Journalists—if not the public they serve—should be able to see signs of improvement at least in the standards of journalistic practice. But she didn’t find any when she analyzed the effect of the training and exchange programs for a Western donor. Despite the investment of tens of millions of dollars, she found that the quality of journalists’ work was as bad as before the money started to flow. Her conclusion—that money was being wasted—was not well received.

When she met a fact-finding mission from the Danish nonprofit International Media Support (IMS) that summer, Telychenko asked a logical question: Is it possible to establish a project in which journalists can use the skills they are being taught? Her question emerged out of a number of conversations with journalists who had received Western-funded training. A frequent comment was “Oh yes, I would love to have that opportunity, but my newspaper (or radio or TV station) has no money.” So once the trainers left or the reporter returned from overseas, there was no opportunity to practice what had been learned.

IMS took this finding back to the Danish Association for Investigative Journalism (Foreningen for Undersøgende Journalistik, FUJ). It had already partnered with Investigative Reporters and Editors in establishing the Global Investigative Journalism Conference, next being held in Kiev, Ukraine this October.

Hearing from Telychenko about the challenges facing journalists in Ukraine, FUJ and IMS decided in January 2003 to create Scoop, an organization to support the efforts of investigative reporters in places like Ukraine, where internal support is limited or nonexistent. Scoop is now active in 13 countries in the Balkans and Eastern Europe and has been involved in establishing similar organizations in the Middle East (Arab Reporters for Investigative Journalism, ARIJ) and West Africa (Programme for African Investigative Reporting, PAIR). Since its founding, Scoop has supported the work of reporters and editors involved with more than 400 investigations; 25 of them have won awards in their own nations or internationally.

## **HOW SCOOP WORKS**

The way we work at Scoop is quite simple: Journalists who have promising ideas for investigations but work for news organizations with few resources apply for support. Mostly Scoop

provides financial support, but because it is part of an international network journalists can also find expertise; partners, if needed; and back-up assistance, in case they get into trouble.

Scoop was designed to be a support structure for journalists. It is not in the business of building centers, creating associations, or providing training. Reporters are creating nonprofit centers for investigative reporting in their countries, and we offer support for their efforts. Scoop's mission is to respond to the local needs of investigative journalists so if training is the local need, then Scoop offers it, or, in most cases, asks a training organization to step in. Scoop's efforts in Europe are overseen by a committee of Danish journalists as well as journalists representing the participating countries. Separate committees oversee Russia and the Caucasus. Each committee develops guidelines and operating plans; applications for funding are handled on the local level by coordinators for each participating nation or region. The native journalists are paid a small annual stipend; the Scandinavian journalists are volunteers.

We promote a peer-to-peer approach so reporters and editors involved with Scoop are in contact with working Western reporters and editors but they pursue stories on their own. Scoop coordinators don't rewrite or edit stories and they do very little coaching. Information about published stories, along with links to them, appear on Scoop's website. Every Scoop-supported story is subject to a legal review before it is published or broadcast. Scoop has only been sued once (in Moldova) and it prevailed.

Scoop supports small investigations that are of national interest—many of which have a budget of less than \$1,300. But it also funds investigations involving teams from several countries and some of these cross-border projects have received grants of more than \$53,000. With globalization well under way, it is imperative that reporters' investigative efforts assume global dimensions as well.

To summarize, Scoop's key operating principles are:

- Support local investigative projects
- Step in when journalists ask for our assistance but do not order investigations or ask that specific issues be researched
- Promote the peer-to-peer approach of journalists working with journalists
- Establish regional networks to promote transnational investigations.

Has Scoop been worth the many millions that the Neighbourhood Programme of the Danish government, the Open Society Foundations, and many other foundations have given to support its work? We know Scoop is making a difference. Enthusiastic reporters all over Eastern Europe and Russia are digging up the kind of information that those in authority, including the oligarchs, would like to keep hidden. Nonprofit centers for investigative reporting are being developed in many of these countries—and there are even investigative programs appearing on local TV in some parts of this region. In countries where we've been active, investigations funded by Scoop have changed laws, led to corrupt bureaucrats being fired, and alerted people to the pollution of their tap water.

Ask the former president of Moldova, Vladimir Voronin, about Scoop. An investigation into election fraud and another that looked at how the Voronin family used the presidency to enrich its own coffers led to his party's defeat and his own election loss.

Telychenko no longer works for Scoop. In Ukraine she has taken a role closely related to the

passion that drove her to come up with this idea. She is the lawyer representing the widow of the murdered Ukrainian journalist Georgiy Gongadze in court cases trying to solve the brutal crime.

*Henrik Kaufholz, whose journalism career started in 1967, is a reporter at the Danish daily Politiken. Co-founder of the Danish Association for Investigative Journalism (FUJ), he is FUJ's representative at Scoop for Armenia, Ukraine, Moldova, Belarus and Russia. He has been a correspondent in Moscow, Bonn and Berlin, and he covered the war in the Balkans from 1991 to 1995.*

# The Challenge of Cross-Border Reporting in Europe



Under this banner, the European Fund for Investigative Journalism featured reporting that it financed in Ireland and Latvia on human trafficking.

*‘Through networking, journalists contribute their part in shaping this European public sphere by investigating and illuminating its common issues.’*

**By Brigitte Alfter**

They are poor women who come mostly from Latvia, a country on the easternmost border of the European Union. What they hope to find in Ireland is a better life for themselves and their families. Instead, they experience abuse and threats, and soon they are powerless and trapped. The assaults against them are committed by members of organized crime groups who lured the women—with the promise of \$1,300 to \$2,600—into sham marriages to obtain E.U. residence permits for men, many of whom are from the Indian subcontinent. The rules and loopholes that enable the women to be brought here were decided in Dublin, the capital of Ireland, and Brussels, the headquarters of the E.U.

Aleksandra Jolkina, a young and committed Latvian journalist, had been researching this topic in Latvia since 2007 when she worked for the daily newspaper Diena (“The Day”). Likewise, Jamie Smyth, a social affairs reporter who is the former European correspondent for the Dublin-based Irish Times, had been working on the same story. Last summer, with assistance from the European Fund for Investigative Journalism, Smyth and Jolkina joined forces to stitch together the beguiling chain of supply and demand. “Working together enabled both of us to identify contacts in each other’s countries that would have been difficult or impossible to source while working on our own,” Smyth has observed.

In October after Smyth traveled to Latvia for Jolkina’s assistance with reporting, The Irish Times published a series of three stories about sham marriages. In turn, Jolkina went to Ireland to report on the story from angles she hadn’t been able to cover from Latvia. By working together to connect the two ends of the Latvian women’s journey, Jolkina and Smyth produced stories that made big headlines in Ireland and were noticed throughout Europe. Early this year, Jolkina’s book on the subject was published in Latvia.

## **THE NEED TO COOPERATE**

The chain of human trafficking involved two countries on opposite sides of the E.U.; yet the enabling legislation, decided at the E.U. level, affected all E.U. countries. This circumstance is quite typical today when it comes to stories about social affairs and public policy in Europe. As such, networking among journalists is essential to fulfilling their role as watchdogs. Yet, especially when



travel, multiple languages, and various administrative entities are involved, working as a team can mean additional costs. Jolkina and Smyth managed to cover travel and other costs through the grant they received from the European Fund for Investigative Journalism.

This is a project I've been building up since 2008 with assistance from the Belgian journalism foundation, the Pascal Decroos Fund. It has provided research grants to journalists in Belgium for more than a decade.

I learned of the Decroos fund when I worked in Brussels as a European affairs correspondent for a Danish newspaper. In Brussels, many of the journalists who comprise the world's second largest corps of correspondents (the largest is in Washington, D.C.) spent much of their time focused on agendas related to their native countries, even though the E.U. has developed into a quasi-federal body. I came to believe that if reporters want to play an effective watchdog role in overseeing what happens in Brussels then we need to produce better journalism. And to do this requires finding ways to cooperate with journalists from other countries on reporting important cross-border stories.

The fact that E.U. countries have 23 official languages and several non-official languages can appear to present obstacles. Yet the many languages and media cultures enable journalists to draw on their research competencies, joining together in cooperative, not competitive, ways. Knowledge about common issues can be compared and contrasted as a way to move forward with a vexing topic. No new networks of sources have to be created; reporters can share resources to mutual benefit. Through such partnerships journalists can obtain high-level research that they can shape into stories told in their native languages and fit into their media tradition.

By investigating and illuminating issues common to E.U. countries, these journalists do their part in creating a vital and vibrant European public sphere, which is something politicians, philosophers, political analysts, and media commentators have said for decades is lacking. Through networking, journalists contribute their part in shaping this European public sphere by investigating and illuminating its common issues.

When journalists have cooperated on stories, the impact of their work has been strong. One of the more significant projects that I have been involved with was Farmsubsidy.org. Each year the E.U. distributes more than \$70 billion to subsidize farmers. Inspired by the success in 2004 of two Danish colleagues who made freedom of information requests about subsidies in Denmark, I asked that the European Commission provide me with information about all of those who benefited from the E.U.'s farm subsidy program. Only with that material in hand could we make a thorough analysis. My request was denied.

A year later I co-founded Farm subsidy.org with the following plan in mind: We would work on this country by country. European journalists in as many countries as possible would file applications through their country's freedom of information system to request this information. Once they had the information and published stories in their native press, they would upload their data onto the common website. This way we would be able to see a wider European pattern evolve. [See more about journalists' access to farm subsidies data in "[Investigating Farm Subsidies on a Global Stage.](#)"] This revealed that the usual political narrative that had these funds assisting small and poor farmers was wrong. Instead, we'd found that old European nobility and international corporations were among the program's largest beneficiaries. Interestingly, these stories strongly influenced public opinion; people started to talk in everyday conversations about farmers and their subsidies.

Given how well this networking approach worked, I decided to try using it to examine other

cross-border issues. Since then I have been involved in several such investigations. There was the story about trafficked women; in others we were able to reveal side effects of pharmaceuticals and examine the ways in which lobbyists influence climate change policy. Another collaborative effort focused on illegal fisheries. Each story had European aspects to it, and in all cases stories were published in several countries to strengthen the impact. For several of these projects we received support from nonprofits to cover the additional costs for travel and translations.

## **SUPPORT STRUCTURES FOR JOURNALISTS**

Fundraising story by story is cumbersome, as anyone who has done it will attest. To keep these efforts going, we needed a support structure. From my involvement in 2003 with the creation of Scoop—initiated by the Danish Association for Investigative Journalism and the Danish nonprofit International Media Support to offer support for journalists in the Balkans and Eastern Europe—I learned the value-added efficiency of creating a pool of resources and expertise to assist individual journalists or small teams of reporters in investigations. [See [Henrik Kaufholz's article](#) about Scoop.] Comparably low levels of support were found to result in strong investigative pieces ranging from local corruption to regional war crimes to international trafficking. With the Pascal Decroos Fund's visionary director, Ides Debruyne, I co-founded Journalismfund.eu in 2008 with the aim of expanding the reach and breadth of grants available to European teams of investigative journalists. While fundraising continues to be a challenge, we persist because we know this model works and provides value in the stories that emerge. In Europe, there exists a longstanding tradition of public monies being used to support media, along with safeguards for editorial independence; many European foundations and donors have slowly begun to carve out a role for themselves in this realm.

The needs we identify are specific. We do not want to support media institutions; we want to directly support journalists in their pursuit of investigative stories. Because of the difficult times in the media business, internal funding for investigative projects can be tough to get. Thus, important stories go untold. And as political and policy issues cut across borders—and reporters want to follow the money or compare and contrast circumstances—money isn't easily available to enable them to do this. We believe the changing European structures, combined with new media possibilities, provide good opportunities for quality journalism. Our goal is thus to channel money in support of research and networked reporting on specific stories.

Scoop and the Pascal Decroos Fund receive most of their funding from governments that respect their editorial independence. Recently we've had to halt our attempt to obtain E.U. grants because of a struggle about retaining journalistic independence. Our primary task is to develop support structures in Europe to facilitate cross-border, networked journalism. So part of our effort is to raise awareness among potential donors—and journalists—about the necessity of this model.

*Brigitte Alfter is a freelance journalist covering European affairs and a co-founder of Scoop, Farmsubsidy.org, the Wobbing network, and the European Fund for Investigative Journalism. She was a co-winner of the Investigative Reporters and Editors' Freedom of Information Award in 2006 when she was a European affairs correspondent for the Danish newspaper Information. Her website is [www.alfter.dk](http://www.alfter.dk).*

# Investigating Farm Subsidies on a Global Stage



This British daily employed sarcasm in writing its headline about some of the recipients of European farm subsidies.

*The collaborative effort among journalists to make the E.U.'s farm subsidies transparent is a striking example of how developing networks and providing support for reporters can result in important stories being told.*

**By Nils Mulvad**

Farm subsidies in Europe is a natural topic for journalists. Investigative reporters know what comes from following the money. Since close to half of the European Union's total budget goes toward subsidizing agriculture, trying to obtain information about these payments seemed like a good direction to head in—holding the potential that we'd find important stories waiting to be told.

When Farmsubsidy.org was formed in 2005, its goal was to get access to information on who gets what in farm subsidies from the E.U. and why. Already, in Denmark, I had managed to get this data, and in the United Kingdom, Jack Thurston had won some legal battles that provided him with access to these figures. As the two of us corresponded about our efforts, we decided to take this project to the larger stage of the entire E.U.. Danish journalist Brigitte Alfter had already requested this E.U. data in 2004 so she joined forces with Jack and me in co-founding Farmsubsidy.org. [See "[The Challenge of Cross-Border Reporting in Europe.](#)"]

Our investigative network included people from various nongovernmental organizations (NGOs)

along with journalists. After we started to file legal challenges to get access to this data in the Netherlands, Poland, France and Germany, the E.U. Commission and the European Council decided that all member states would be required to publish on their websites information about who receives farm subsidies and how much they receive.

Our victory appeared total—and seemed to happen rather quickly. In 2009 we realized there were some problems on the websites with data missing for payments in 2008. By the next year, when all of the data on farm subsidies were to be published on the websites, things seemed to be working well. By May of 2010, we were able to engage in a successful data harvest festival in Brussels. Working as a team, we extracted the data from each country's website, created a database to provide a structure for them, and then reporters in different countries could search for the information they needed for their stories.

But our good fortune lasted only briefly. In November 2010—just as the E.U. was negotiating the next seven-year plan for subsidies—the European Court of Justice ruled that it is a violation of human rights to publish the farm subsidy information to the extent now required of E.U. member states. So the commission has asked all member states to shut down their websites while it prepares a new regulation. We are hopeful that we can influence this process by getting the commission to recommend that all member states include in their budget figures an explanation of why the applicants are receiving funds. We believe this will be in accordance with the court's ruling.

This would also be a pragmatic solution to challenges we face with transparency in a number of related areas. If the court's decision is used by others to shut down the publication of all kinds of information about private individuals, then it is likely that inappropriate expenditures will continue to occur. For example, when we received the farm subsidies information we learned of funds going to support family members of a high-ranking government official in Bulgaria who was responsible for his country's distribution of the farm subsidy money. With so much of the E.U. budget devoted to subsidies, there remains a high possibility of fraud and misuse of these funds. Only transparency regarding how these public funds are allocated will enable us to uncover problems.

Now we are just about back where we started—fighting to get information on who gets what amount of this public money and why. Knowing how good it felt to succeed in opening up these records to public view—and realizing the value of the stories the data revealed—is what keeps us pushing to gain access to this data again. One thing working in our favor is that we have now established this network of journalists who are cooperating and coordinating across borders. It was the farm subsidies story that brought us together—and now it's keeping us moving ahead.

## **STRETCHING BEYOND EUROPE**

During the past decade I have also been very involved with the development of global efforts to build networks of investigative journalists. In 2000, as a reporter at Jyllands-Posten (“The Jutland Post”), the largest Danish daily newspaper, I worked to build a nationwide network of journalists who were focused on using computer-assisted reporting (CAR). At that time, I was also the chairman of the Danish International Center for Analytical Reporting (DICAR).

At a conference that year I met Brant Houston, who was then the executive director of the U.S.-based Investigative Reporters and Editors. At dinner we talked about creating an international network of investigative reporters, and before long I found myself plunging into the task of helping to

organize and launch such an initiative. I invited the Danish Association for Investigative Journalism (Foreningen for Undersøgende Journalistik) to join us, and soon the three of us were planning our first conference, which took place in April 2001. More than 300 journalists from 40 countries attended and heard from 80 speakers and instructors and participated in dozens of panel discussions and hands-on training sessions, including lessons in CAR.

Two years later, a second global conference took place. And by then, we had settled on our name: the Global Investigative Journalism Network (GIJN). We have continued to meet every two years or so in such places as Amsterdam, Toronto, Lillehammer and Geneva. We will gather in October in Kiev for a conference that is being organized by Scoop, a support organization I was involved in creating that provides grants and legal advice to reporters in 13 countries in the Balkans and Eastern Europe. [See [story by Henrik Kaufholz](#) about Scoop and GIJN.]

Through these experiences in supporting global networks of investigative journalists, I've learned some valuable lessons, which include:

- Giving grant money to media organizations is not the best approach. There are some places where this has worked, but it is best to support the journalists directly with money and legal advice.
- It is essential to bring the right people together from different countries, and this means doing the background work necessary to know who is capable of taking on these kinds of challenging assignments.
- Freedom of information rules and regulations inevitably vary from country to country. The common ground is in how journalists negotiate for data by using the same set of skills as in their reporting, but also learning how to be precise in the language they use to make requests as they apply for access to data.

What's been a common experience in forming these networks and organizations is that we always face a lack of money and resources. If we expect those issues to be resolved before we move forward, little will be accomplished. But there are also the risks that come in moving too fast and without having the right people onboard. This can result in other kinds of problems. So my advice is to move ahead in a well-considered direction—being realistic about what can be accomplished at the start, and then, over time, expand. When the GIJN meets in Ukraine this fall, I expect that there will be about 500 investigative journalists from more than 60 countries—gathering to learn from one another and figure out how to work together.

*Nils Mulvad is an editor at Kaas & Mulvad and an associate professor at the Danish School of Media and Journalism. He was the chairman and then the CEO of DICAR from 1999 to 2006. In 2006 he was named European journalist of the year by the European Voice newspaper and he was a co-winner of an Investigative Reporters and Editors' Freedom of Information Award.*

### **III. Government Pushback—In South Africa and China**

# Arriving at a Sadly Familiar Crossroads



After the African National Congress party proposed a media tribunal and Protection of Information bill, Zapiro drew this cartoon for the Mail & Guardian in South Africa. Reprinted with permission. For more Zapiro cartoons visit [www.zapiro.com](http://www.zapiro.com).



Sunday Times editorial cartoonist Zapiro depicts President Jacob Zuma unbuttoning his pants while members of his government hold down Lady Justice. Two years after it was published in 2008, Zuma sued the paper and the cartoonist for \$700,000. The showerhead is a satirical reference to Zuma's statement in court that after having unprotected sex with an HIV-positive woman he showered to reduce the risk of infection. *Reprinted with permission. For more Zapiro cartoons visit [www.zapiro.com](http://www.zapiro.com).*

*'South Africa's crackdown on press freedom comes at a treacherous time, as numerous countries have regressed, rather than progressed, on this front.'*

## By Rob Rose

It was last summer, on August 4, that South Africa's news media confronted its most sinister moment since the fall of apartheid in 1994. Over the last 16 years, the press had become almost complacent about its hard-won freedom. Bolstered by one of the most progressive constitutions in the world, the media organizations had operated with carefree independence. But stories of corruption—particularly those of kickbacks in a \$6.7 billion arms deal and government contracts being covertly dished out to the powerful—didn't impress the ruling African National Congress (ANC).

For months, the ANC had darkly threatened to install a media tribunal to rein in irresponsible journalists, a body accountable to politicians with the power to jail incorrigible hacks. This, while a new Protection of Information law was being written that would put virtually all government information behind a wall of secrecy and make criminals out of whistleblowers.

Editors and journalists largely saw this as bluster, threats unlikely to be codified because the politicians would surely remember that it was a free press that helped draw the world's attention to the plight of apartheid. Nonetheless, the chorus within the ANC was growing stronger, fueled by Julius Malema, the brash and provocative leader of the ANC's Youth League who had been savaged



by a glut of stories about shady government contracts his companies had won.

## **GOVERNMENT VS. THE PRESS**

The heroic journalists of the apartheid era who had defied the tyrannical whites-only government weren't in any mood to surrender their new liberties. So on that early August day journalists from across the board attended a special meeting at the offices of Avusa, the company that publishes the Sunday Times, to thrash out a response. At that moment a cadre of 20 armed policemen arrived at Avusa to arrest my colleague, Sunday Times investigative reporter Mzilikazi wa Afrika.

It was an obvious and unnecessarily intimidating show of force. But to make it worse, the police initially refused to reveal why my colleague was being arrested and where he was being taken. This led Sunday Times editor Ray Hartley to speak grimly of wa Afrika's "detention without trial," which recalled the tactic used gleefully and frequently by the former apartheid government. Wa Afrika's crime, it turned out, was writing about corruption in the country's northeastern Mpumalanga Province, a place where rampant bribery had secured more than one dirty little contract to help build a soccer stadium for South Africa's hosting of the 2010 World Cup. [See ["The Shady Dash for World Cup Cash."](#)]

Finally interrogated at 2:30 in the morning, wa Afrika was questioned about whether he had any involvement in "discrediting senior ANC office bearers." It was a striking incident, that much more so given the irony of the ANC government emulating the tactics of the one it fought so hard against; it served to jolt the more complacent into alertness. Gone were the days when journalists were seen as comrades. Now, clearly, knives had been drawn.

The clamor led within days to wa Afrika's release. Predictably, charges were dropped within weeks. But it was a wake-up call; in a country still bearing the visible scars of an oppressive totalitarian state, South Africa was still subject to the Orwellian currents that have knee-capped many post-liberation states. In other newly democratized countries, which relied on the press to expose the despotic regimes of the past, the government leaders have become as much of a threat to media freedom as the regimes they replaced, lashing the watchdogs for exposing home truths.

Usually, these truths center on corruption, an often unfortunate accomplice to liberation. And it's easy to understand why: A key element of the change in regimes is the transfer of assets from the tyrants and beneficiaries of the illegitimate governments to "the people."

## **CORRUPTION SURFACES**

In South Africa, the policy that facilitated the transfer of assets from whites (9.2 percent of the country) to non-whites was called "black economic empowerment" (BEE). Here, companies were encouraged to sell more than 25 percent of their shares to black individuals at big discounts. Those with the strongest "empowerment credentials" vault to the front of the queue for government business.

Such a strategy is necessary affirmative action in a country crippled by social inequality where blacks historically were prevented from holding all but the most menial jobs. The problem has been in its implementation. BEE has been bedeviled by paternalism, as established ANC politicians inevitably wound up taking the stakes in companies or winning government contracts in shady deals. In this way, the apartheid-era white kleptocrats are simply replaced with a new class of black

oligarchs.

This scenario certainly isn't unique to South Africa: Many post-liberation societies have some form of affirmative action as assets are wrestled out of the hands of the haves and transferred to those with a more legitimate claim. Boris Yeltsin's privatization program in Russia is a notorious example. But as multibillion-dollar chunks of change are shifted around, the potential for corruption flourishes, both when it comes to choosing who gets the windfall deals and how that cash is distributed.

In South Africa, journalists, by aggressively questioning how politicians get multi-million dollar deals, haven't exactly endeared themselves to the power brokers. Malema's companies, for example, mysteriously landed government building contracts worth \$20 million despite the fact that Malema lacks construction experience. Perhaps most ominously, reporters vigorously pursued the former deputy president, Jacob Zuma, whose financial adviser was jailed in 2005 for soliciting a bribe (supposedly for Zuma) from French arms firm Thomson-CSF. While Schabir Shaik was jailed, prosecutors dropped the case against Zuma in April 2009. That month, Zuma was elected president. (This occurrence should not suggest that South Africa is a banana republic: Zuma's rise has been no less colorful than that of Italy's Silvio Berlusconi nor is the system of odious patronage entirely foreign to the American practice of lobbying, personified best, perhaps, by all the Jack Abramoff-style perversions in the United States.)

Zuma was no defender of the press. He had already brought a number of defamation lawsuits against various newspapers. In December 2010 he hit the Sunday Times with a \$700,000 suit for a cartoon drawn by Zapiro. The cartoonist drew Zuma in the posture of loosening his trousers while Malema and ANC Secretary General Gwede Mantashe held down Lady Justice. In defending his plans for the media tribunal, Zuma spoke of how "a lot of pain has been caused by how the media has been reporting on certain individuals in the country." (No prize awarded for guessing which individuals he has in mind.)

South Africa's crackdown on press freedom comes at a treacherous time, as numerous countries have regressed, rather than progressed, on this front. In December Hungary's President Pal Schmitt signed a new repressive media law. In China, party leaders don't trifle with unruly media: They jail them, as the 34 Chinese journalists now in prison will attest. But China's thumping economic triumph has shown that you don't need a democracy with the necessary evil of a critical press to be a monetary success and an emergent world leader. Speak frankly to some politicians from developing countries like Nigeria and South Africa, and they point to China as evidence of why an ambitious country doesn't need a free press. It's scant consolation that the WikiLeaks debacle shows that American political figures such as Senate Minority Leader Mitch McConnell and potential 2012 presidential candidate Mike Huckabee share this same sketchy grasp of the concept.

Quite how this nasty assault on press freedom will play out in South Africa remains uncertain. Journalists have been almost hysterical in decrying the assault on their freedom, but underlying this is a sense of disbelief that this could be happening again—in the new South Africa of Nelson Mandela. In a sense, it seems that the country is at a crossroads, with its treatment of the press an indicator of which way it will turn. It is of little comfort to know that many other countries are at that same junction.

*Rob Rose, a 2011 Nieman Fellow, is an investigative reporter in the business section of the Sunday Times, based in Johannesburg, South Africa.*

# The Shady Dash for World Cup Cash



Questions arose in South Africa about improprieties in a major World Cup soccer contract after it was learned that a black security guard who, on paper, was a 26 percent owner of the multimillion-dollar company lived in the brick house, above, in a poor township near Johannesburg. *Photo by Kevin Sutherland/Sunday Times.*

**By Rob Rose**

It is the world's biggest sporting tournament, with the final game watched by an estimated 700 million people in more than 100 countries. For the country fortunate to woo the fickle attention of FIFA, the federation that governs soccer, and win the right to host the World Cup, it's a potential windfall.

But in South Africa, the 2010 host, the scrapping over tournament contracts was positively murderous—with hit squads set up to take out business rivals, contracts rigged, and black ownership credentials forged. This says nothing of the double-dealing among foreign companies that landed them deals with FIFA.

All of these stories were pursued—and published—by the press and to the regret of government officials who preferred to turn a blind eye to these shady dealings.

The African National Congress-led government spent \$2.3 billion on building stadiums to host the games so getting the right black ownership credentials was crucial to winning part of this business. One poignant example of the corrupted spirit of black empowerment was seen in the contract the city of Johannesburg handed out to manage the \$470 million Soccer City stadium that hosted the opening and final games. The 10-year management contract was awarded to a company called National Stadium SA, partly because its largest shareholder was supposedly 26 percent owned by a black man, Gladwin Khangale. Also, it emerged from secret documents that the city of Johannesburg would get none of the “rental” paid by FIFA for using the stadium—instead that cash would be managed by

National Stadium SA.

Khangale, it emerged, is a former security guard with virtually no operational responsibilities at National Stadium SA. He's not even allowed to sign any company checks. A trip I made to Khangale's house in a poor township on the fringes of Johannesburg showed that he lived in a neighborhood where the average home had sold for \$11,000 the previous year. Is this the home of a man dealing in shares in a company with multimillion-dollar contracts? Well, no, it isn't.

Khangale told me that he did not pay a cent for those shares nor did he still own them. After the Sunday Times exposed these details, the city of Johannesburg launched investigations. But whether or not those inquiries reveal Khangale's deal to be an elaborate case of "empowerment fronting," this is clearly not what the rainbow nation intended in 1994 when it pledged to share its wealth with all its citizens.

# Chinese Journalists Circumvent Government's Tight Restrictions



Phoenix Weekly reporter Deng Fei is a leading microblogger. *Photo by Ying Chan.*

*'Given how information from Yihuang was spread in China, this story signaled a landmark moment in contemporary Chinese media with the emergence of microblogs ... as a valuable distribution tool for journalists.'*

**By Ying Chan**

The state of journalism in China is bleak and exhilarating. Last year journalists pushed the envelope and scored many small victories. But huge challenges remain. Now reporters are bracing for a long bitter winter—one in which cold winds will blow on them even as the temperature rises—as they anticipate the 18th National Congress of the Communist Party that will convene in 2012. At that time there will be a change in the party's senior leadership, and there are already reasons for the press to be concerned.

This past January the party's propaganda officials sent draconian instructions to the Chinese news media. That same month Chang Ping, one of China's most respected columnists who worked for the Southern Media Group, was forced out. Several months earlier, his editors had banned him from writing for the Southern publications; his contract was not renewed when he refused to refrain from writing for other media outlets. And the government's blockage of social networks continues, as its tools of censorship become increasingly sophisticated and are applied with surgical accuracy to

control dissent and criticism.

Still, despite the propaganda ministry's best efforts, it is discovering that with more than 400 million Internet users in China, 100 million bloggers, and 850 million mobile phone users, the impact of the people's voice is growing. And journalists remain an unruly and determined lot intent on obtaining and moving information to the people.

Collusion between corrupt government officials and businesspeople is at the heart of many of China's tens of thousands of annual episodes of social unrest. Nowhere is that more in evidence than with the forced evictions and the seizure of land and homes to make way for development; these stories now reside at the top of the news agenda for investigative journalists.

Last September the forced demolition of a family home in Yihuang in Jiangxi Province resulted in three family members—a man and two women—lighting themselves on fire and jumping from the roof of their house. Given how information from Yihuang was spread, this story signaled a landmark moment in contemporary Chinese media with the emergence of microblogs—China's version of Twitter—as a valuable distribution tool for journalists.

Two family members were harassed and threatened by local officials as they set out to petition the Beijing government to have their grievances heard. Police had confronted them on their way to the airport so they locked themselves in an airport bathroom and corresponded via text messages with local reporters. Phoenix Weekly reporter Deng Fei reported the story live via microblog and then other journalists began to do the same through two popular websites, [Sina.com](http://www.sina.com) and [Tencent.com](http://www.tencent.com). This rapid-fire reporting catapulted the story to national attention and, in doing so, made Chinese news history by demonstrating the power of microblogging. These efforts by the Chinese media eventually brought a small measure of justice to the Zhong family.

What happened in Yihuang offered sobering lessons for the Chinese government and the public. In recent years the forced requisition of land and the destruction of homes have pitted Chinese citizens against local authorities. While party leaders in Beijing have repeatedly issued orders to ban such forced demolition, local government officials continue to act recklessly, and the Yihuang affair was a particularly egregious example.

Last year The Beijing News exposed audacious land practices in Pizhou in Jiangsu Province. There, the government had submerged thousands of acres of farmland by diverting a river. Then government officials attempted to hide their misdeeds by blanketing areas of illegal land development throughout the city with black plastic netting to deceive the remote sensing satellites of the Ministry of Land and Resources. The reporting about this drew the attention of central government leaders. Following its publication, Political Bureau Standing Committee member Zhou Yongkang and Minister of Public Security Meng Jianzhu ordered an investigation that uncovered staggering abuses in Pizhou.

There were other investigative stories in 2010 that are notable for the government abuse they brought to light, including these:

- Guangdong's Southern Metropolis Daily and Caijing magazine reported on another appalling situation involving Anyuanding, a private security firm with strong official backing from party leaders. It was operating a network of "black jails" in Beijing, which involved the acceptance of payments from local governments throughout China to round up and lock up those petitioners who came to Beijing. Prisoners in these facilities were abused and tortured as their jailers were found to be acting beyond the law.

- When a fire tore through a high-rise residential building in Shanghai in November, Century Weekly magazine, led by former Caijing editor in chief, delivered an in-depth report about the causes of the tragedy. The story revealed that the redevelopment project never went through an open bidding process.

In the wake of Hu's departure, Caijing has tried to keep up its reputation of hard-nosed reporting. For example, it did a special report on 120 corrupt officials who were found guilty over a 23-year period, ending in 2010. The magazine's relentless probing for the underlying causes of China's ubiquitous corruption has amounted to an indictment of the political system. Chinese journalists also continue to report on the country's many environmental issues—in the face of government officials' attempts at censorship and efforts to suppress bad news, whether the story involved an oil leak or a disaster in a gold mine. Public health issues remain a frequent target of journalistic enterprise, such as the reporting that revealed the deaths and disabilities of children after the use of tainted vaccines in Shanxi and brought to public attention the melamine that had been put in milk and infant formula that led to thousands of children becoming sick and some dying.

## **MICROBLOGGING: THE PEOPLE'S POWER**

There was more vital investigative work accomplished by Chinese journalists in 2010 than can be summarized in this brief story. What is exciting to report is that in a year filled with intense pressures and tightening restrictions on journalists, reporters from party-run media and the market-oriented press made important inroads and did so with professional grit and idealism.

Yet the challenges journalists confront remain daunting. As state power expands, it often is applied arbitrarily. Editors who step out of line are fired as the propaganda ministry tightens its control of the editorial decision-making process. All of this is done with an ongoing lack of transparency. As commercial pressures increase, more avenues of professional corruption open up for reporters. Two paid-for cover-ups on the rise are the red envelopes containing cash given as a reward for cooperation and “shut-up fees” for not reporting news.

On the positive side, technology is serving journalists well. Our new communications tool—the microblog—releases news in real time and at high speed. Because the microblogged story is told in fragments as information becomes available, it is difficult to censor. It is fair to say that Chinese journalists are now universally aware of the power of the microblog. Chinese new media expert Bei Feng has described the medium as “fragmented and decentralized communications.” Journalist and blogger Xiao Shu has said that “observation is a power unto itself, capable of changing China through all-encompassing attention.”

Qian Gang, my co-director at the China Media Project, launched his microblog on [QQ.com](http://www.qq.com) this past May, and within five months had 1.7 million people following what he posts. Some of those 1.7 million readers will share his posts with other people so this means that his broadcast power surpasses that of many newspapers.

In January, a call went out through two of China's major microblogging platforms—QQ.com and Sina.com—asking people in China to share photographs of children working as street beggars. The idea is to enable families to locate abducted children by recognizing them, or the children could be identified through police databases. This is another example of how microblogs are becoming a dominant method of spreading word about sensitive topics.

## VALUE OF EXPOSURE

On a balmy winter day in late December, I met the intrepid journalist Deng Fei and three other reporters over lunch in a restaurant in Sanlitun, Beijing's latest trendy hangout. We mused about the media scene, their work, and the odds we face in doing these kinds of stories. As we chatted, Deng checked the news with his computer, answered phone calls, and sent short messages with his phone from @dengfei. In Beijing, free wireless is now common at newer restaurants, or people use 3G to get online at an affordable monthly charge of less than \$20.

We live in an era when we receive and dispatch news anytime and anywhere, a time when the human spirit and information flow like running water, gathering and dispersing with warp speed. How can bureaucrats suppress such forces of nature?

Sober, but feeling confident, my friends talk about how they compete while also sharing news tips and watching out for each other amidst the hazards of reporting. The camaraderie they experience and the pride they feel are palpable. Last year Deng dug into stories such as the spread of AIDS from Henan to neighboring provinces. A few years ago the province's largely unregulated blood-selling operations led to roughly one million people being infected, and at the time the government made intense efforts to prevent reporters from telling the story and police intimidated those who tried. Deng also used microblogging to investigate the wave of suicides among migrant workers at the electronics manufacturing plant owned by Foxconn. His words reached his nearly 2.45 million followers, and the number of those signing up for his posts continues to grow.

As market competition intensifies, investigative journalism is now regarded as a shared value among national and regional newspapers. A reporter's job is to expose corruption and to uncover the dark forces of society, my friends agreed, and a newspaper has to do these kinds of deep investigations to establish its reputation among the people. There is no going back.

*Ying Chan, a 1996 Nieman Fellow, established the Journalism and Media Studies Center in 1999 at the University of Hong Kong, where she teaches. She also set up its master of journalism program, launched Hong Kong's first fellowships for working journalists, and forged extensive ties between the University of Hong Kong and the news industry. She received a George Polk Award for coverage during her time working at New York's Daily News and an International Press Freedom Award from the Committee to Protect Journalists.*



# China's Propaganda Department: New Restrictions on the Press

*On January 5, 2011, China's state-run news agency Xinhua reported on the annual meeting of the media propaganda ministers. A few weeks later, China Media Project editor David Bandurski wrote on the project's website about the significance of the fact that a known hardliner had presided over the meeting. Bandurski also provided an English-language version of the ministers' 10-points bulletin with new restrictive regulations from the Central Propaganda Department. The source was Cao Guoxing, a Shanghai-based reporter for the Chinese-language Radio France International, which had published the bulletin. Posting the translated bulletin, Bandurski explained: "We have not yet confirmed this list with our own sources, but we have learned independently about a number of the orders listed in the bulletin, which supports its authenticity.*

*Journalists Ying Chan and Qian Gang established the China Media Project in 2003 as a place to document the process of media reform and provide open and active discussion of reform-related issues. The website is a collaborative effort involving the students and faculty at the Journalism and Media Studies Center at the University of Hong Kong where they both teach. Ying Chan is the center's founder.*

*What follows is the 10-points bulletin, as reported by Cao Guoxing.*

1. **Create a favorable public opinion climate** for the two holidays [including Spring Festival] and "two meetings" (NPC and CPPCC). Do a conscientious job of channeling [public opinion] on such hot topics as income distribution, the stock market and property market, employment and social security, education and public health and sanitation, and safe manufacturing, explaining the issues and dissolving tensions.
2. **Strictly control reporting of disasters, accidents and extreme events**, and extra-territorial reporting and monitoring is not permitted for these types of stories. For major disaster and accident reports the central news media will report on developments. No [live] reporting [via reporters from other local media on the scene] or direct broadcasting [of such stories] is permitted. [Events in which] less than 10 people die, central media will not issue reports. These are to be reported by local media, and media outside the area where the incident occurs are not to carry out extra-territorial reporting. For general accidents not reported by central media, local media can carry out a reasonable degree of reporting, and media outside the area may not do their own reporting.
3. **Reports on demolition and removal** [of residents to make way for development projects] must be "grasped safely and reliably," and [media] "must not cast doubt on" normal demolitions and removals done according to laws and regulations. No public opinion support must be given to exorbitant [property] prices, and no reports must be made of "suicides, self-immolations or public incidents" occurring in the course of violent demolitions and removals. Extreme isolated cases must not be built up [with reporting and editorial treatment], and concentrated or serial reporting cannot be done [for such cases].
4. **The Central Propaganda Department orders that** various regional online news portals and commercial websites must not without exception hold various national-scale selections of [top

influential] news stories or [top influential] news journalists. An awards event held for eight years by Guangzhou's Southern Weekend has been stopped as a direct result of this order.

5. **In the case of reporting of regular mass incidents**, central media and media outside the region where the event occurs will not report such incidents, and “management” of metro city newspapers must be strengthened. In the case of mass incidents the pointing of blame at the Party and government must be prevented.
6. **The Central Propaganda Department orders that** [in reporting of] cases of anti-corruption, the trend of “vulgarization” must be stopped. Content may not discuss, debate or question on the issue of political reform, the term “civil society” may not be used, and standing on the opposite side of the government is “strictly prohibited.” The use of media opinions to “replace and interfere with” the opinions of the masses is not permitted.
7. **A fully adequate job must be done of carrying out public opinion** channeling concerning the property market. Questionnaires on high property prices and online surveys must not be done. [Media] must not speculate about property price trends on the basis of changes in “any given time and place”, and they must not build up extreme examples.
8. **No reports whatsoever are permitted on exchange of *hukou*** [or “household registration”] by [residents of] the residential areas of collectively-held villages [in urban areas or urban fringes], or concerning the exchange of contracted land for social insurance. No reports are permitted concerning questions being internally discussed or of research essays by experts or scholars [on these and related issues].
9. **Reports on the [annual] Spring Festival migration** must be positive. Do not report on problems existing during the Spring Festival, such as “hard-to-get tickets.”
10. **The document, “Opinions Concerning the Further Strengthening** and Improvement of News Reports on Criminal Cases,” sent down recently by the Central Propaganda Department and the Political and Judiciary Commission, divides [criminal] cases into “significantly grievous”, “grievous”, “routine” and “special”, and makes a clear demand on how cases at various levels are to be reported and grasped [in terms of guidance, or control]. [These stipulations] deal with the problem among metro city newspapers of reports being “too frequent and too careless.”

# Investigative Reporting in China: Progress, Setbacks and Surprises



**By Jan Gardner**

In her introduction to a book about investigative journalism in China, Ying Chan traces the progress and setbacks of news reporting under Communist rule, a history that has actually seen some hard-hitting stories published in government organs.

The book, “Investigative Journalism in China: Eight Cases in Chinese Watchdog Journalism,” was edited by David Bandurski and Martin Hala and published in 2010 by Hong Kong University Press.

Ying Chan identifies a number of themes in her brief history of journalism in the Communist era, including the pioneering role that party media, especially on the national level, have played in investigative reporting. China Youth Daily, the flagship newspaper of China’s Communist Youth League, and the China Economic Times, published by a policy think tank of China’s State Council, are among the party newspapers that have published noteworthy investigations.

Typical of the Chinese government’s seesawing between openness and censorship is the case study that looks at reporting on the government’s cover-up of SARS in 2003. Caijing, one of China’s leading business and current affairs magazines, rebuffed by officials in its quest to cover the story, divided its reporting staff into three groups and sent each out on a mission. One group went from hospital to hospital, the second focused on the scientists investigating the origins of SARS, and the third examined legal questions, such as those surrounding China’s Quarantine Law.

Caijing published four special issues about SARS. In one of them, writers and scholars suggested

that SARS, as the book states, “presented a historic opportunity for China to learn from its experience and move more confidently toward reform.” Yet hopes that the nation’s leaders would do so were dashed when the Central Propaganda Department decided—just as Caijing was preparing the last of its special issues on SARS—to clamp down on the media. In many ways, the book continues, the SARS case “signaled the beginning of the present-day debate over access to information in China,” with party leaders forced to come to grips with the “extraordinary costs of secrecy.”

# **IV. Press Danger and Freedom: Presidents, Drug Traffickers, and Sheriffs**

# Exposing Corruption When Illegal Activity Is Business as Usual

*‘Unveiling corruption throughout Latin America awakens dreadful instincts in powerful politicians while judicial systems ... have repeatedly turned their backs on journalists or, in some cases, even helped to suppress them.’*

**By Fernando Berguido**

La Prensa was able to publish a series of articles on casino licenses granted in 1999 by Panamanian government officials, but only after its investigation took a decade to complete. Still, when we broke this story in 2009, the initial installment cast only a blurry picture of what ended up becoming an exposé about an intricate network of payments that benefited an intimate circle of one, if not two, former Panamanian presidents.

On October 8, 2010, District Attorney Jose Ayu Prado’s criminal investigations—inquiries that only started after stories appeared in La Prensa (“The Press”)—concluded that there was enough evidence to press money-laundering charges against former President Ernesto Pérez Balladares, who served from 1994 to 1999. If the trial does take place, it will be the first time that a Panamanian head of state will face justice for money laundering, corruption or similar crimes.

Pérez Balladares is a clever, Wharton-educated politician who modernized Panama’s economy by privatizing public utilities and obsolete state-owned enterprises. From the outset, his administration was plagued with rumors about dishonesty. He wasted no time in co-opting the Supreme Court of Justice by filling it with obedient appointees and blazing a shameful path imitated by other presidents who followed. By the time his term was coming to an end, casinos were privatized. The fact that the Constitution mandated that gambling and games of chance could only be run by the state was no impediment for securing a law allowing licenses “for the management” of casinos and gaming houses through a Congress controlled by his party. A provision was enacted, however, requiring that ownership of the private companies licensed to operate casinos be fully disclosed to the Gaming Control Board (Junta de Control de Juegos, JCJ).

More than a decade ago, the first tips reached reporters in our newsroom. They indicated that behind Pérez Balladares’s efforts to modernize gambling, there was a hidden and more personal interest that should be investigated. Flashy, Las Vegas-inspired casinos mushroomed in Panama City and other metropolises. Even though a few tourists might be spotted inside, the usual gambling crowd consisted of middle- and low-income Panamanians. Gambling revenues burgeoned from less than \$200 million in 1999 to \$1.25 billion in 2010.

Opposition candidate Mireya Moscoso succeeded Pérez Balladares as president from 1999 to 2004. Her administration’s initial investigation revealed that the JCJ had requested Spanish gambling conglomerate Cirsa, one of the licensees, to disclose the ownership of an obscure 24 percent belonging to some anonymous corporations. But this kind of regulatory pressure did not last long. The Moscoso administration ended up granting Cirsa additional licenses to operate gambling facilities, mainly more modest slot machine houses to be set up close to transportation hubs and shopping centers in low-income neighborhoods on the margins of the capital city and in rural towns.

Until 2002, Panama had no Freedom of Information Act (FOIA), as remains the case throughout most of Latin America. [See "[Freedom of Information Laws in Latin America.](#)"] Unless they received leaked information, journalists had virtually no way to gain access to relevant documents. For two years prior to the law's enactment, a coalition of civil rights and international organizations demanded transparency and free access to government records. By the end of 2001, they had succeeded in getting a FOIA passed by the Congress, in large part because the opposition party controlled the legislature.

Moscoso was reluctant to sign the FOIA bill until a major corruption scandal erupted in Panama. Then she had no recourse but to sign Law 6 of 2002—known as the “Transparency Law”—as a way to diffuse the public outcry over serious accusations of bribery by several politicians on both sides of the aisle.

This new legislation—intended to be the first in Latin America to regulate full access to public documents with provisions on how to petition for access and stipulating penalties for refusing to deliver information requested—proved to be too much for those who held political power at the time. In the middle of her term, Moscoso introduced an executive order—upheld by the Supreme Court—that added an inscrutable barrier to petitioners seeking access to public documents: Now the petitioner needed “to prove a legitimate interest,” and only someone “related” to the matter in question was regarded as having this right. This legal tactic prohibited Panamanians—with journalists being a main target of this executive order—from requesting public information because it was determined that they lack a legitimate interest regarding affairs of the government.

When Martin Torrijos became Panama's president in 2004, he followed through on an electoral promise: He would eliminate Moscoso's executive order and the Transparency Law would become a genuine tool of public scrutiny. Even then, however, the news media were denied access to some of the most important public documents—those showing who were the real owners of casino licenses.

Five full years elapsed. Torrijos's election slogan of “Zero Corruption” became a national joke while thousands of dollars from Cirsa's profits were being diverted every month to a close group of friends, and even family members, of Pérez Balladares and Moscoso.

In 2009, a formal petition by La Prensa's investigative unit was finally addressed. This meant the newspaper gained access to some of the JCJ's files. At last we would be able to cast Walter Lippmann's “beam of a searchlight” into the darkness of the casino license situation in Panama.

From the start, the documents made it evident that ownership checks and due diligence requirements were not met and that a clear interest existed for covering up official oversights. Reporters started to do what an array of authorities was meant to do—they began to go after the paper trail. Each of the casino companies was investigated. Public records gave us enough leads to follow as we traced what transpired with former officials, lawyers and businessmen. We published stories and because of those stories, additional sources emerged. By this time, even JCJ officials—feeling the heat of public scrutiny—were pressuring casino operators to fill in gaps in licensees' files.

On August 3, 2009 La Prensa's lead story unveiled a key link: Pérez Balladares's son-in-law, Enrique Pretelt, and one of his closest friends and former cabinet members, Roosevelt Thayer, were shown to be on the payroll of companies previously unknown to the public. To follow the money trail (or a fraction of it) proved harder. At the end of our investigation, we assembled enough information to certify a connection with the final beneficiary of the casino profits: Dividends paid by Cirsa, after a circuitous route, ended up paying for the yacht, plane and credit cards of none other than Pérez

Balladares.

It took two months for the attorney general's office to launch a full investigation. Threats and attacks from members of Pérez Balladares's and Moscoso's political parties against La Prensa and defamatory charges against its reporters started earlier—and have not ended. Pérez Balladares once wrote to a journalist who was not involved in this investigation: “Thanks for not taking part in disgracing me. But believe me, no matter how long it takes, once I am done with legal matters, it will be payback time,” referring to those uncovering this case.

## **TEMPTING DANGER**

As philosopher Louis O. Mink once wrote, “Stories are not lived but told ... There are hopes, plans, battles and ideas; but only in retrospective stories are hopes unfilled, plans miscarried, battles decisive, and ideas seminal.”

The casino case is just one of several high-profile, retrospective investigations La Prensa has taken on in recent years. In the process of working on them, reporters have faced many threats made against their lives—and not once have government officials or security agencies stepped forward to guarantee their safety. Groundless legal actions initiated against independent media have accrued and are left hanging for years.

Unveiling corruption throughout Latin America awakens dreadful instincts in powerful politicians while judicial systems—meant to protect liberty, promote accountability, and make possible a free press—have repeatedly turned their backs on journalists or, in some cases, even helped to suppress them.

Investigative reporters throughout Latin America travel paths that are always delicate and dangerous. Politicians visit our newsrooms and promise to defend freedom of the press and information, total openness, and transparency. Once in power, their promises turn to silence. We remain convinced that exposing acts of corruption is a duty from which we cannot waver—a daunting obligation in underdeveloped countries, yet a responsibility that is paired with unceasing recognition that journalists will end up in jail, and that circumstance might prove mild compared to other possibilities.

*Fernando Berguido, a 2011 Nieman Fellow, is a lawyer and the publisher and editor of La Prensa, Panama's leading newspaper. He was a Fulbright scholar at the University of California, Los Angeles School of Law, where he earned a Master of Law degree. He also is a former president of the Panama chapter of Transparency International.*



# Freedom of Information Laws in Latin America

Freedom of Information Laws in Latin America	
	Year approved
Mexico	2002
Panama	2002
Peru	2002
Ecuador	2004
Honduras	2006
Nicaragua	2007
Uruguay	2008
Chile	2008
Guatemala	2008
El Salvador *	
Brazil *	
* Legislation is pending.	

Source: Rightzinfo.org

## By Fernando Berguido

Aristotle insisted that “by doing just acts we come to be just; by doing self-controlled acts, we come to be self-controlled; and by doing brave acts, we come to be brave.” Transparency in the actions of powerful officials can only be attained when citizens become zealous protectors of the public’s interests. Access to information that is held too tightly by government officials must be opened to citizens; this is paramount to accountability, and transparency is the most effective tool to prevent corruption.

In 2000 I became president of Panama’s chapter of Transparency International. Aware that my country lacked effective legislation to secure public access, I contacted several press and law organizations throughout the continent as I searched for a model law from which to draft ours. I could find not one comprehensive legislation authorizing freedom of information. A few regulations here and there hinted at rights that permitted citizens to be informed about certain activities. I was shocked. Given the uphill battle many Western journalists in developed nations faced in investigating government corruption—when they had the backing of freedom of information acts—for reporters and editors in Panama, trying to do these stories was an impossible proposition.

While we were pushing our initiative through a lengthy and difficult process before a reluctant Congress and an adverse executive, the interim government of Valentin Paniagua of Peru—in place after the fall of President Alberto Fujimori—issued in 2001 an executive order that for the first time in our region set forth comprehensive freedom of information norms. A law was passed the following year.

Since then we’ve seen important progress in the push for accountability. It’s about time. After all,

Sweden adopted the first Freedom of Information Law in 1766.

# Intimidation, Exile and the Exhilaration of an Investigative Story Being Published

*'Panama's La Prensa and [Enrique] Zileri's Caretas [in Peru] were exceptional places where investigative journalism was encouraged and defended, though both had to pay a price for doing it.'*

**By Gustavo Gorriti**

I wrote my first investigative story on a sturdy Olivetti typewriter, thoughts pounding into the paper with an irregular staccato that would slow down as night approached dawn. That was back in early 1982. I was a reporter at Peru's Caretas ("Masks"), a weekly newsmagazine, already grasping the fundamental dynamics of much of Latin American investigative reporting: Publish, try not to perish.

I was fortunate to work with a great editor—the talented and brave Enrique Zileri. He was the magazine's hard driving director (or executive editor), who could inspire or terrify Caretas's eclectic group of journalists with a simple, binary alternative: Produce a scoop or suffer temporal but stinging disgrace.

In later years I would learn through personal experiences and those of my colleagues that the greatest hazard a Latin American investigative journalist faces is an internal one. It is the censorship and sabotage that emanates from the top of the enterprise—the owners and managers—trickling down through pliable editors until it settles into frequently corrupted newsrooms.

As editor at Caretas, Zileri stood out as a valuable exception. In this case, he was also the publisher of Caretas. There is no telling what an experienced, relentless editor can accomplish by pushing, spurring, cajoling, and sometimes even praising reporters into bringing back the best possible information. Of course, this ought to be what every editor does, and yet it is a rare newsroom in Latin America lucky enough to have such an editor.

## **HAZARDS OF REPORTING**

In covering the Shining Path's bloody insurgency during the 1980's, for instance, my weekly task was straightforward—to find out and report what was happening in the fast growing scenarios of violence. With the surreal expressions of the Shining Path's Cultural Revolution kind of Maoism and the lethal schizophrenia of the Peruvian government's repression in play, reporting was admittedly arduous, though within the expected hazards of journalism. I found the obstacles and perils in the field were nicely counterweighted by fear of failure were I ever to return empty-handed to the newsroom.

Reporting was defined differently at other news organizations in Peru. Journalists there were expected to gather allegations that would support their publication's ideology or to concoct reports that were more exorcism than information. For a long time, Peru's newspaper of record almost didn't report on the raging internal war, as if disdainful silence would dissipate it into oblivion.

Reporting on high-level corruption was close to impossible in most of Peru's publications. Early in my journalism career I found out why; corruption was not aberrant but systemic, with networked nodes interlinked in sometimes surprising ways. In late 1983 I wrote my first exposé on Vladimiro

Montesinos, who fled the country because of the story's publication. But then he came back and piggybacked his way into power by being a secret adviser to people in power with much greater ambitions than capabilities. The fact that he was a natural as a spy didn't hurt either. His path to influence was fraught with crimes but eventually he found himself as the adviser in the shadows to the insecure newly elected President Alberto Fujimori.

This was in 1990. In slightly over a year, Montesinos purged and secured control over the military, police and, chiefly, the intelligence services. He also developed a close relationship with the U.S. Central Intelligence Agency (CIA) that was to last through the decade, even as he assumed informal control of the primary activity of organized crime in Peru—drug trafficking. (This was not the only such case in Latin America of these overlapping connections—Panama's Manuel Antonio Noriega comes to mind—but Montesinos was by far the smarter crook.) In less than two years he and Fujimori carried out an internal president-led coup d'état that when the dust settled left them with undisputed control over all branches of government.

In the process, I was seized and “disappeared” by the Army's intelligence service, and then I reappeared thanks to their poor operational planning. Eventually I found myself unemployable; even some longtime friends were afraid of being seen with me at the time. Facing these pressures, I had to leave Peru some months later.

Soon I would find out that using journalism to expose the actions of Montesinos abroad, especially in the U.S., was almost as difficult as it was in Peru, though for different reasons. Editors were fine with publishing a story or an op-ed I wrote on many Latin American subjects, but they refused to even consider publishing investigative stories on Montesinos or Fujimori, no matter how meticulously I had researched them. (In the 1990's, coverage of them was usually quite complimentary.)

What was solid, well-documented investigative journalism—which would have been seen as such under normal circumstances—was dismissed as crusading journalism or even conspiracy-theory journalism when the subject was Montesinos. But that is not the point of this story. It is that as a good spy Montesinos documented almost everything that could be of use to him later on—dirty deals, transactions, betrayals. Before his time, East Germany's Ministry for State Security, known as the Stasi, had pioneered overdocumentation of both surveillance and espionage. Mostly through videotape, Montesinos did the same, clearly with the thought that the information would be perpetually under his control. In that presumption, he was wrong.

## **WHAT THE TAPES REVEALED**

When the Fujimori regime crumbled in 2000, a significant though incomplete set of Montesinos's tapes was seized by the new regime. This prompted investigations by a number of official anticorruption entities whose zeal would soon ebb. But the dozens of videotapes remained a valuable contribution of Montesinos to the field of corruption studies. They were minimalist theater at its best: same room, furnished with a Third World bureaucrat's notion of official opulence; same interlocutor—a usually silky Montesinos (perhaps more intimidating because of that)—buying, bribing and conniving with a long parade of captains of industry and finance, politicians, judges, prosecutors and, last but not least, media owners.

The owners of almost all of the nation's TV companies, its most important radio station, and many of Peru's newspapers received editorial instructions from Montesinos. Here he is, on the tapes,

telling them what and how to report—a lesson in disinformation. There are videos of owners being handed piles of cash, money they took at times with a greed bordering on lust. Today, a few of the less powerful ones are in prison; one is a fugitive, living comfortably in Switzerland with his son now in control of his TV station. Most are even better off than they were then. They retain control of their media companies, banks and businesses, and have increased their large leverage over economic activity, political discourse, and, to a large extent, media output.

## **PRESIDENTIAL CORRUPTION IN PANAMA**

I also lived through those sorts of dynamics at work in another latitude. In 1996, I was hired to be the deputy director of Panama's La Prensa ("The Press"). My task was straightforward—to strengthen the paper's investigative journalism. La Prensa's founder Roberto Eisenmann and I were Nieman Fellows together in 1985-86 and through the years we encouraged each other as we confronted autocrats in our respective countries, he with Noriega, me with Fujimori and Montesinos.

In structuring the ownership of La Prensa, Eisenmann was visionary. Given the dictatorship in place and knowing that any major investor would have his arm twisted in no time by government officials, La Prensa spread its ownership widely. No person could own more than one-half of 1 percent of the newspaper's shares. That way, its board and its editors were able to do independent journalism. Confronting first Omar Torrijos and then the far more vicious Noriega, La Prensa held strongly to its values, paid a painful price in that struggle, and after Noriega's downfall reopened with great prestige, soon becoming profitable and the newspaper of record in Panama.

This was a newspaper that any reporter would be proud to work for, as I was. I put myself energetically to the task of doing investigative reporting—with no better place to start than with the country's financial sector. The first investigation I led was on the fraudulent collapse of a bank. As long as those brought into the limelight were foreigners or relative unknowns, there wasn't a problem. But in time (as would be the case in all other major investigations) the corrupt bankers led to an important Colombian drug trafficker, then to people with high influence in Panama's regime, then to the president's son-in-law.

President Ernesto Pérez Balladares decided to expel me from Panama. I decided to resist and a standoff ensued for several months. The paper's board, especially its president, Juan Arias, firmly supported me, which made a huge difference. But support for me was far from unanimous at the newspaper. One of La Prensa's founders, Ricardo Alberto Arias, was at the time Panama's foreign minister, and he sided strongly with the president. At one point in the midst of swiftly aborted direct talks, he told me that he believed that only a person with at least three generations of ancestors buried in Panama's soil should be allowed to do investigative reporting in the country.

In the end I was able to stay. I continued my work there for five years, exposing many more cases of corruption. A number of them implicated President Pérez Balladares. As a result of one story, he was stripped of his U.S. visa, a major embarrassment for any member of that country's elite. After this story was published, Panama's attorney general made a point by indicting and suing me and the other members of the investigative team, just as he had after the publication of other significant exposés.

The support I received from Juan Arias was crucial in enabling me to do these investigations. But after nearly five years he decided to step down. At that point, Ricardo Alberto Arias, now no longer foreign minister, led a laborious drive to win enough shareholders' votes to take control of the paper.

He took over La Prensa in 2001. I had left Panama a few months before and returned to Peru, but excellent journalists who had worked with me were exiled to minor positions at the paper as Ricardo Alberto Arias tried and for a time succeeded in neutralizing its investigative power.

What the crooks couldn't do from outside, they were now able to do from within.

The situation had a positive turn of events, which to this day holds. Fernando Berguido, a 2011 Nieman Fellow, became La Prensa's publisher in 2004 and put it back on track. [See [story by Berguido](#) publisher and editor of La Prensa.] A top Panamanian investigative journalist, Rolando Rodríguez, was appointed associate director, and he steered La Prensa into uncovering cases of corruption, old and new. He eventually reported on the house arrest, however brief, of Pérez Balladares as part of the prosecution for past, let's say, misdeeds.

## THE DIGITAL PATH

Panama's La Prensa and Zileri's Caretas were exceptional places where investigative journalism was encouraged and defended, though both had to pay a price for doing it. All over Latin America, the number of newspapers, magazines and electronic media that have an uncompromising approach to investigating high-level corruption is exceedingly small. It is noteworthy, therefore, how many important investigative stories have been published in Latin America since the 1980's. Yet these represent just a fraction of what is needed if journalists, as the public's watchdogs, are to have a substantial and sustainable impact on corruption.

Since this past February I have been at IDL-Reporteros, a small, Web-based, nonprofit investigative publication in Peru that I co-founded and direct. The equivalent to our publisher is Peru's foremost human rights organization Instituto de Defensa Legal (IDL). Our financial support is from the Open Society Institute, which is the principal funder for an expanding crop of Latin American nonprofit investigative journalism units. We are part of a Latin American and global effort to stem and reverse the decay of investigative journalism.

Ours is a pioneering approach striving to find a sustainable model while trying to do and publish the best possible investigative journalism. It is too early to know which of the trails we are blazing could become well-traveled roads and which might be abandoned. Digital media present us with exhilarating possibilities for ushering in a new era of significant investigative journalism. But whether a thoroughly investigated exposé that makes it harder for powerful crooks to steal, extort or intimidate comes from a typewriter or is produced on a digital tablet, its existence—then and now—represents success.

*Gustavo Gorriti, a 1986 Nieman Fellow, is the founder and director of IDL-Reporteros, a digital, nonprofit investigative publication in Peru. Last year the Ibero-American New Journalism Foundation (FNPI) honored him with its CEMEX+FNPI New Journalism Prize in recognition of his outstanding career as an investigative journalist.*

# The Mexican Press: At the Crossroads of Violence

*Last year 'we declared ourselves war correspondents in our own land.'*

**By Elia Baltazar and Daniela Pastrana**

Mexican journalism today is an extensive compilation of anecdotes about violence in a climate of corruption. For most journalists, the days pass in terms of simple math: One has to add up the sums of the murdered and the injured, the executed, the civilian casualties, the drug traffickers, the police officers and military soldiers killed in confrontations or ambushes, the forcibly disappeared. In this tally, however, the numbers of journalist victims are not particularly taken into account. Journalists in Mexico have been assassinated, kidnapped or held captive for a few hours, a few days, or even months. Some return, and we are still looking in vain for others.

Almost nothing is known about the journalists who have been murdered, forcibly disappeared, or kidnapped. Files about them accumulate in neglected government drawers, and their cases are slowly forgotten because journalists in Mexico have to take responsibility for their own fate and security.

Even now, in the worst violence that the Mexican press has ever faced, there are very few who maintain an interest and even fewer who make timid efforts to guarantee the free exercise of journalism, freedom of expression, and the right of citizens to be informed. Thus, reporters, photographers and even editors shoulder the responsibility for their own security. And the government moves at a snail's pace to develop a mechanism for the protection of journalists that does not even encompass representatives of organizations that defend freedom of expression, making the argument that these individuals are not part of the profession. Nor has any mechanism of doing so involved media companies, which up until now have set themselves apart from the daily risks that journalists face.

The national press has observed the attacks on the regional and local press with scorn, and its passivity has only been overcome in a few cases that involve it directly, such as the July 2010 kidnapping of three journalists from Televisa and Milenio TV. That event stirred up the collective indignation of a profession that up to this time had to mourn its dead victims by themselves and who faced a total lack of interest for its kidnap victims.

For the first time, journalists' social networks from all over the country spawned a movement still active on Facebook and Twitter. With a hashtag as a prefix, we baptized the movement *Los Queremos Vivos* ("We Want Them Alive") and we used this slogan to generate a protest with the participation in Mexico City—by our count—of some 2,000 marchers, including journalists, citizens, students and even some government officials. Other protests took place in 14 cities throughout the country. As of today, *Los Queremos Vivos* has become the trademark for the denunciation of attacks against the press. Journalists from civic organizations and every state share information in the spaces on social networks that have become a virtual wall of warnings and debates about the violence.

This movement—propelled by social media—has come to fill a vacuum in professional organizations. But it is not a formal representation of the profession nor does it pretend to be; it is merely a symbol of unity demonstrating our own integrity, dignity and rights as journalists.

## PENDING TASKS

The first steps taken by Mexican journalists in their own self-defense have aroused other concerns and needs. Today the priority is life: To survive in those parts of Mexico where violence is escalating, some journalists have bowed to pressure from the cartels and stayed silent about the drug trade and corruption it spawns. The locals call this “narcojournalism.”

However, it is not fair to talk about self-censorship. Journalists keep quiet in many regions because organized crime obliges them to do so or an investigation could cost them their lives. And they do so because journalists vary in their abilities and level of professional development. In spite of this, there are individual and collective efforts by the media, with reporters and photographers determined to break the imposed silence and continue their work, training themselves in both self-protection and the use of investigative tools.

Since last year when we declared ourselves war correspondents in our own land, we have captured the attention of international organizations that have supported our training efforts. But it has not been easy. Journalistic investigation finds its path blocked by organized crime and even worse, by the government itself, which has invoked its ability to keep information secret and to mark it as classified, limiting the reach of federal and local laws that guarantee transparency. Information is increasingly classified as confidential as a matter of national security.

Appeals to force the government to open up their files are also increasingly common. These procedures can take weeks, but time is at a premium to Mexican journalists, many of whom work long hours and with extensive multimedia duties that keep them on an endless rolling deadline filing for the newspaper, Internet, television and radio. Moreover, many of them have no job security; in Mexico, we lack even basic information about the labor conditions of journalists. And the media are not particularly inclined to sponsor professional training programs nor are there journalists’ organizations that promote it. Everyone does what he or she can with the support of offerings at some universities and nonprofit organizations such as Journalists on Foot (Periodistas de a Pie), the Press and Democracy Foundation (Prensa y Democracia, Prende), and the Inter American Press Association (IAPA). Others look for training outside the country if their newspaper’s resources permit.

Given the lack of support and professional capacity to undertake investigative journalism, which only a few reporters manage to do and often it is done outside of office hours, narrative journalism is the vehicle that many bet on. But it is not enough. Until now, cases of corruption exposed by journalists have been very few and have taken limited advantage of technological resources. Let it be stressed that there are exceptions to this rule. If we wish to guarantee the quality of democracy in the future, the problems of Mexican society demand a type of journalism that reveals and pulls information out of the structures of illegal power and corruption.

*Elia Baltazar is co-editor of Excelsior, a newspaper, and Daniela Pastrana is a correspondent within Mexico for the Inter Press Service. They co-founded Journalists on Foot (Periodistas de a Pie), which promotes the professionalism of journalists, and Los Queremos Vivos (“We Want Them Alive”), which gives journalists a platform to speak out about freedom of expression and to denounce attacks against journalists. They were involved in organizing the protest demonstration of journalists in Mexico City on August 7, 2010. June Carolyn Erlick, editor in chief of ReVista: Harvard Review of Latin America, translated this article.*



# Statistics on Impunity

**By Elia Baltazar and Daniela Pastrana**

2010 has been a violent year for journalists in Mexico in terms of murders and attacks.

A report by the Center for Journalism and Public Ethics (Centro de Periodismo y Ética Pública) recorded attacks against 139 journalists and 21 media organizations—13 of which involved guns or explosives—in 25 states throughout Mexico. In addition, that report, “State of Freedom of Expression in Mexico 2010” (Situación de la Libertad de Expresión en México 2010), affirmed that two journalists were forced to flee the country after receiving death threats.

According to the Committee to Protect Journalists (CPJ), “Ten [Mexican] journalists were killed, at least three in direct relation to their work.” Arrests have been made in only one case.

Although the lack of legal investigations makes it hard to find accurate figures, the National Human Rights Commission (Comisión Nacional de los Derechos Humanos) reports that 36 journalists have been murdered in the course of their work since President Felipe Calderón took office on December 1, 2006.

While it is difficult to track the disappearances of journalists, a continuing and painful expression of the violence is that nine journalists remain missing. The earliest case dates to 2005; three journalists disappeared in 2010, according to CPJ.

# Asking Questions in Small-Town America Can Be Dangerous

*'I knew we'd get a backlash for our reporting, which was far more aggressive than most small-town papers are willing to stomach. But the news media's role as watchdog is vital in communities with a long-standing culture of corruption.'*

**By Samantha Swindler**

I went to Bud's Gun Shop to pick out a pistol because, quite frankly, I thought my reporting might get me killed. It was January 2010, and for the past month, the newspaper I worked for, the Times-Tribune in Corbin, Kentucky, had been running an investigative series on evidence and money missing from and a lack of prosecutions by the Whitley County Sheriff's Department.

Anyone who knew then-Sheriff Lawrence Hodge and the recent history of Whitley County would know this purchase wasn't an overreaction. Since I had moved to Corbin to edit the paper in August 2006, I had seen cops and elected officials arrested on charges related to drugs, vote buying, the theft of public funds, and violent retaliation. It is not unexpected that a political term ends in an arrest.

When I bought the gun, I was thinking about the 2007 murder of the recently fired road supervisor in adjoining Laurel County. In the days before his death, he told me things were "not right" in the department, and several sources said he was ready to start talking. But before I got a chance to interview him, he was shot through a window at his house and killed.

No one was ever charged.

That sort of thing happens around there. And for a while after we started reporting on Hodge, I wouldn't sleep near a window.

## **DISCOVERING DANGER**

Our investigation into the sheriff started with a joke—literally. I heard our sportswriter joke about people buying guns out of the back of the sheriff's barbershop. (It's a county of about 38,000, and the sheriff worked as a barber.) On a whim, I sent an open records request to view the sheriff's evidence logs. He refused to show them to me but after an appeal to the state attorney general, I got them. I found there were months when nothing—guns, drugs or money—was recorded. That was quite unusual, considering we had a drug-related arrest story in nearly every edition of our 6,000-circulation daily.

At best, this was shoddy record-keeping. At worst, perhaps he really was selling guns from the back of his barbershop.

But I was running an understaffed newsroom of two reporters and accusing the sheriff of stealing guns and drugs was not something to print lightly. We needed deep research and multiple sources. I went through three reporters before I found one with a nose both skilled and hard.

Adam Sulfridge, a Whitley County native, was a 20-year-old college student when he started as a part-time writer in the summer of 2009. Over several months, he dug through thousands of handwritten arrest citations to determine what evidence should have been in the sheriff's custody. Since he was a

local boy, people trusted him. As word spread about what we were doing, courthouse workers began discreetly slipping him scraps of paper listing case numbers worth investigating.

We found that guns that should have been in the sheriff's custody weren't. Our big break came after we sent a records request about the whereabouts of 18 particular guns. Days later, before we received a reply, the sheriff's office was "broken into" and Hodge claimed 78 guns (including the ones we asked about), drug evidence, and paperwork were stolen.

It certainly seemed convenient.

The next day the Bureau of Alcohol, Tobacco, Firearms and Explosives contacted Adam and me as it began an investigation into the department. We kept digging, fueled by tips from citizens and readers. We found that drug evidence wasn't being submitted to the crime lab for testing and was nowhere to be found. State audits revealed that hundreds of thousands of dollars were missing from the department.

The sheriff's department retaliated by refusing to give the Times-Tribune information on even basic traffic accidents. Instead, the department fed stories to a competing weekly newspaper—a tactic that backfired. The community was in an uproar after we reported that charges were dismissed against a man arrested for operating a methamphetamine lab near an elementary school because deputies failed three times to present evidence before the grand jury. We might have missed that case if the sheriff hadn't bragged about the arrest in the other paper and posed for a photo with the evidence.

I wasn't totally surprised when federal investigators told Adam that the sheriff had made comments about "taking care of" him. He was known to have a temper and had told Adam to "go fuck himself" after the break-in. The sheriff wasn't charged for his alleged threats, but we were advised by investigators to stay within the city limits where deputies had jurisdiction but rarely patrolled and not to let a deputy pull us over.

Everywhere I went friends, attorneys and even my optometrist warned me to be careful, but I didn't get spooked until a State Police trooper came to my office one day just to say I was doing a "brave thing." City cops started telling me the same thing. And that's about the time I went out to buy a pistol.

Only once did either Adam or I use a gun in any way. A man we suspected as part of a group of drug dealers associated with the sheriff drove up to Adam's house on a dead-end street when Adam was standing outside. His passenger walked silently toward Adam. When Adam flashed a pistol, the men claimed to be looking for scrap metal and drove away. That driver was arrested a week later on a 10-count federal indictment for distributing cocaine and painkillers.

## **THE ARREST AND ITS AFTERMATH**

On May 20, 2010, days after Hodge lost a hotly contested primary election, a petition was filed to impanel a special grand jury to investigate his department. The Times-Tribune's reporting and "numerous citizen complaints" were cited as the reasons. On November 8, 2010, the sheriff was indicted and arrested on 21 counts of abuse of public trust and evidence tampering. Additional federal charges are pending.

By the time of his arrest, I had already left Kentucky for a community newspaper job in a town along the coast of Oregon. Adam stayed in the area, but he had quit the Times-Tribune and lived in an out-of-town hotel during the weeks the grand jury was meeting. He said he couldn't continue to report and avoid the sheriff and his deputies.

While I never doubted the accuracy of our sources, I was relieved when that arrest finally came. I wanted vindication in the community. Most readers appreciated our coverage, but we weren't without critics. The weekly paper and several anonymous bloggers accused me of trying to influence an election, harboring a personal vendetta, and tampering with a police investigation.

I knew we'd get a backlash for our reporting, which was far more aggressive than most small-town papers are willing to stomach. But the news media's role as watchdog is vital in communities with a long-standing culture of corruption. Everyone seemed to know something wasn't right. But nobody—not even the federal authorities until we started pushing the issue—was willing to do anything about it. Allen Trimble, who is the commonwealth's attorney for the state's 34th Judicial Circuit (which oversees Whitley County), told The Rural Blog, published by the Institute for Rural Journalism and Community Issues, that our “very persistent” reporting “was a very significant influence on me.”

Hearing him say this was both amazing and a little bit sad. It tells me that there is a great need for good investigative journalism in rural America. Young reporters tend to think they need a byline from The New York Times to make a difference in the world. If they really want to have an impact, get a job with a community paper, and start asking the tough questions that no one ever asked before.

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