

from time to time caught workers sleeping on the job or absent from their work assignments; they might run a brief story and the workers would face discipline, such as a suspension for a few days. Reporters in the newspaper city room joked that the occasional suspensions were with full pay, but no one ever checked.

One afternoon, Miller was crossing the Main Street bridge, which had decorative light poles spaced along the railings. He noticed a city work crew and stopped to watch. He found five workers with one task: to replace a light bulb. One worker was at the top of a ladder and had unfastened the globe that contained the bulb. A second worker was halfway down the ladder; he received the bulb that was handed to him. Two workers were holding the ladder at the base, and the fifth was seated in the driver's seat of a city truck, reading a horse-racing publication.

Miller told an editor about what he had seen.

"That's pretty funny," said the editor. "Five men to change a light. Too bad we don't have pictures."

Miller suggested an investigative project that would show the extent of the waste in dollars instead of with a one-shot picture caption.

"But that's an old story. We've done a lot of stories about the city wasting money. And everybody knows city workers loaf on the job," the editor said.



***Should the newspaper spend any time and give any space to a story about city workers loafing?***

**Yes:** If the newspaper backs off on stories critical of city hall, who else can inform people? An opposition mayoral candidate might use citizen complaints during an election campaign, but people distrust such rhetoric even if a candidate has the facts. This investigation is basic to local government and could be more meaningful than any other investigation of government operations.

**No:** People will recognize that this is an old story, and everyone in the Middleton area already knows it. Wrapping it in fancy graphics and cute pictures is not going to improve the content.

Miller had not lived in Middleton for as long as the editor or most of the other reporters. He could not as easily accept the status quo that they seemed to accommodate. He began to observe other incidents of city workers going about their municipal chores. Soon after the scene on the bridge, he saw a single worker on a short ladder that was propped against a stop sign. The man held a spray bottle of soap and a rag and was cleaning the face of the sign while another man was sitting in the driver's seat of a city truck nearby. The worker moved slowly, but he was not loafing, and after he cleaned

the first sign, he took the ladder to a one-way-street sign and cleaned it as well.

Miller approached the man and told him he was a reporter for the *Daily News* and that he was curious about the purpose of the city worker's job and about why the other city employee sat nearby and offered no help.

"We have to keep the signs clean or people would have accidents," the sign washer said. "We're specialists. I don't drive the truck, and the driver doesn't wash signs. It's the union, I think."

Miller made a point to go to the municipal garage in the early mornings to follow city trucks as the crews left on their work assignments. Many were street-sign washers, and their duties included washing no-parking signs.

When he was walking to the county court building one day after a heavy rainfall, Miller was splashed with water from a taxi that was driven through standing water in the street. At first, he was outraged at the taxi driver, but then he realized it was unavoidable. The water was standing at the curb where the traffic had to pass. He wondered whom he could blame for this unpleasant experience, which he was confident he shared with many readers of the *Daily News*. He knew also that someone had to be responsible for allowing the water to flood the streets instead of running down the sewers. He called the department of streets and sanitation and asked.

He was transferred to the division of sewers.

"Do you want to make a complaint?" a clerk there asked.

"Maybe. I want to know whether the sewers are regularly cleaned so that water doesn't stand in the streets."

"It sounds like a complaint to me. You will have to come down to the sewer division and fill out a request form. Then an inspector will come out and report back. We always respond to complaints, but we have a heavy caseload and it may take some time."

It seemed to Miller that city hall was creating work: there was a question of whether it was necessary to wash traffic signs, and the idea of an inspector coming out to write up a report and file it with the sewer division seemed like an extra layer of bureaucracy. Miller sought answers from a former member of the city council who was voted out of office after opposing some of the mayor's programs. The former member had also complained that the city was overstaffed with unnecessary politically active workers.

"You would think the people in my district would have supported me when I went after waste in city government," the ousted council member told Miller. "But as soon as I went on the attack, the mayor started withholding services from my district. The streets were not cleaned, the streetlight bulbs were not replaced, the potholes were not repaired, and even the garbage collection was cut back and

garbage was overflowing before it was hauled away. There was nothing I could do about it, and the voters blamed me."

"But why does the mayor want to run an inefficient, wasteful government?" Miller asked.

"Come on, now. You ought to be able to figure that out. The bottom line is jobs. That's how a political machine works. The mayor creates jobs, and the workers are indebted to the mayor. It's called patronage. Every election they turn out the vote for the mayor, and the mayor's political machine gets stronger and stronger. They take control of the state government and have influence in Washington."



***Do you rate highly the quality of the comments of the defeated council member?***

**Yes:** The former member of the council is relating a personal experience. The former member is a responsible, professional person whom Miller consulted. The former council member did not contact the newspaper to vent anger over political losses.

**No:** It is sour grapes from a loser. There is little in the way of facts; instead it is conjecture and opinion. The former council member has offered no proof that the mayor was behind the withholding of municipal services in the district.

Miller did some quick research. He got a copy of the city budget and its annual financial reports. The operations of government were separated into categories, and aspects of the department's performance were detailed. It showed how many tons of garbage were picked up and the total cost of garbage pickup. Different activities of the city, like maintaining the streets, putting up traffic signs, reading water meters, and cleaning the sewers, were listed along with the results. Miller then checked these figures against data from other major cities and found that Middleton's costs were higher than the rest; in fact, Middleton sometimes spent twice as much for the services than other cities did.

While he was checking other cities' budgets online, he called administrators in those cities to ask about details of their operations and to make sure he was reading their reports correctly. He did not want to give away his story, but he had to keep up their interest by mentioning the five men on a light bulb.

"Ha, ha! That really didn't happen did it?" an assistant superintendent of streets in a major coastal city asked. "People like to make up stories like that. It really takes two men—a driver of a crane truck and one man in a high-lift bucket—to go down the street and change all the bulbs."

"Change them all? You wait until all the street lights on a street are burned out before you change them?" Miller questioned.

"No, we couldn't get away with that. The bulbs have a life expectancy of about two years. When the time is up, we go through a neighborhood and change them all at once. Why, we would go crazy racing around the city changing a bulb every time one burned out. We would never catch up. The cost would be outrageous compared with the few days or weeks more we might get out of a light bulb."

Miller knew, though, that Middleton was doing exactly that—it was changing bulbs one by one when each burned out!

Each time Miller talked with administrators of operations in other cities, he asked about the cost of washing street signs. He wanted to put a price on the job he saw the city worker doing. None could find a breakout of such a cost. Finally, one department head in a large Midwestern city told him: "Nobody washes street signs. They are laminated and we just let the good old prairie wind and rain blow in and wash them off."

Miller then surveyed all the major cities in the country and found none that washed street signs.

***Is it okay to accept everything as true when talking with out-of-town officials?***



**Yes:** They have no reason to falsify their information. Besides, Miller has their city financial reports, and they are merely explaining or confirming the numbers.

**No:** All government officials should be treated with equal skepticism. They are as likely as the Middleton department heads to misrepresent or exaggerate. If they have provided erroneous information, Middleton officials will use it to discredit the story.

Miller decided to lay it all out in a pitch to his editors. He had devised an outline—he liked to call it a "prospectus"—that argued the merits of the newspaper doing a complete investigation. This is what he submitted to the metropolitan editor:

**TO:** Metropolitan Editor

**FROM:** Charles Miller

**RE:** Story Outline: City Waste

**Subject:** The waste of taxpayer money caused by over-staffing of city departments with workers who provide unnecessary functions.

**Need:** The city has created so many unnecessary jobs that residents often pay twice as much as other cities of the same size for the same services. Residents have

been accepting this practice as standard, and they need to be told that it is costly to them.

**Scope:** This would not be another routine newspaper story about workers loafing on the job. Many of the workers believe they are serving a purpose when actually they are not needed. The investigation would probe into the reasons for this waste: it would learn whether these jobs are going to relatives of elected officials, their campaign contributors or political workers. I will limit the project to street and sanitation functions, which have large payrolls.

**Methods:** I will try to put an actual dollar amount on each function and make comparisons with other cities around the country. I will carefully examine the geographical differences among cities and eliminate any disparities. It is obvious, for example, that snow removal costs are higher in Minneapolis than in Dallas.

**Sources:** I will obtain copies of the city budget, annual report and payroll, and also obtain the budgets and annual reports of other major cities that post them online. The payroll will require a state FOIA request, but it has been well-established that it is public record. Campaign contributions are online or available immediately in the county clerk's office.

**Presentation:** This investigation would result in a series of stories that could have as many as five parts. It would be a natural for pictures and graphics. We could get pictures of the light-bulb crew and the sign washers. Graphics such as bar charts would compare the cost of operations in each city.

When the metropolitan editor read the memo, he was impressed with the idea and proposed it to the managing editor. It was difficult to sell the managing editor on any idea that took up a lot of space in the paper as well as reporting time, but Miller's memo provided a clear and concise plan. It showed the editors that he was proposing a definite idea that was doable, and, most of all, it showed that Miller knew how to do it. Miller got the go-ahead but with some reservations.

"We don't want some long stories with a whole lot of dollar figures in them. Readers are turned off by numbers in the millions," his editor said.

Miller had the solution: he would use the small number instead of the large one. He started with the Middleton budget (Figure 3.1) where he found the expenditures of one fund—for streets and traffic.

Figure 3.1 Middleton, budget and actual schedules

<b>Budget and Actual Schedules</b>						
<b>H-10 TRANSPORTATION FUND</b>						
<b>SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES</b>						
<b>ON A BUDGETARY BASIS (NON-GAAP) COMPARED TO BUDGET</b>						
<b>For the Year Ended December 31, 2004</b>						
<b>(In Thousands)</b>						
	2004 Budget		Actual Expenditures	Unexpended Balances		
	Original	Final		Outstanding Encumbrances	Appropriations	
				Continuing	Lapsed	
<b>EXPENDITURES</b>						
Street Maintenance	\$ 19,993	\$ 19,993	\$ 17,878	\$ 22	\$ 480	\$ 1,614
Structure Management	8,787	9,224	4,783	43	4,272	126
Traffic Management	23,565	23,911	20,313	196	1,420	1,982
Traffic and Street Use Management	8,201	8,201	6,673	-	-	1,528
Neighborhood Traffic Services	1,071	1,046	573	-	336	137
Capital Projects Management	55,412	55,734	23,514	49	32,111	59
Policy, Planning, and Major Development	20,897	21,502	8,175	110	13,064	153
Urban Forestry	2,296	2,257	2,091	-	-	166
Resource Management	7,293	7,647	7,140	-	414	93
Department Management	3,304	3,281	2,486	2	-	792
General Expenses	13,318	11,939	8,848	-	3,000	91
Total Expenditures	164,137	164,734	102,474	423	55,096	6,741
<b>OTHER FINANCING USES</b>						
Transfers Out	-	840	840	-	-	-
Fund Totals	\$ 164,137	\$ 165,574	\$ 103,314	\$ 423	\$ 55,096	\$ 6,741

The budgeted amount of each listed operation is in the first column to the left. The first line shows that street maintenance was allocated \$19,993,000 (he noted the figures in the chart are in thousands, so he added three zeros) when the budget was first proposed, and the second column shows that it was unchanged when the budget was approved by the city council. In the third column, he saw that only \$17,878,000 was spent. From the statistical section of the same

document (not shown here), he learned that the Middleton street division maintains 3,938 miles (5,280 feet per mile) of streets. He quickly calculated that it costs Middleton an average of 90 cents to maintain 100 feet of street.

He also learned, from data posted by Central City, that during the same year Central City spent \$10,229,254 to maintain approximately 3,250 miles of streets. This works out to 59 cents to maintain 100 feet.

But Miller had to be careful. The cities had to be similar in climate and geography before his comparisons would work. Would Baltimore, with older pavement and hilly terrain, be comparable with flatter, newer Kansas City? The statistics from other cities were merely an indication that something was amiss. But when Miller learned that comparable cities had two-member work teams while Middleton had four-member teams producing the same amount of work, his concerns vanished.

Miller found that Middleton employed so many sewer workers that extra seats had to be installed on their trucks. They were observed cleaning sewers with hand shovels when other cities used high-pressure flushing equipment installed on trucks.

In addition, two other reporters who were assigned to Miller's project uncovered at least \$100 million in wasted tax dollars.

Miller and another reporter called on the street commissioner, Mel Roberts. His office was surprisingly ornate. A huge picture of the mayor hung on the wall behind his desk, and city and U.S. flags flanked the desk. The conversation was relaxed, and the two reporters took turns asking questions and writing down the answers.

Miller asked why there were so many workers in the sewer division that he needed to add seats to the trucks.

"If we didn't add seats, then we'd have to get more trucks. It was economically wise," Roberts replied.

"But are the workers necessary?"

"The mayor wants the city to have the best public services possible. He is in favor of a heavy concentration of workforce assigned to the streets and sewers," Roberts countered.

"In other cities, vacuum trucks are used to flush out the sewers instead of using individual workers to shovel," Miller suggested. "It costs more than twice as much to clean one mile of sewers here than in any other major city. In Philadelphia—"

"Philadelphia? What do you know about the sewers in Philadelphia? They might be smaller than our sewers," Roberts interrupted.

"Well, in Atlanta—"

"Atlanta? Have you ever been to Atlanta in the summer?" Roberts shot back. "They can't have workers out in the heat and are

forced to use other equipment. I am afraid you have been getting bad information."

"We got copies of the city budgets from these cities and compared the cost of operations," Miller said. At that moment Roberts leaned back in his chair and folded his arms across his chest. Miller knew body language and read the gesture as a defensive move. Roberts was digging in for a difficult defense.

"I can tell you, the mayor demands a day's work for a day's pay," Roberts said. The reporters listed their facts, and Roberts offered an explanation for each, often calling in an assistant to explain the operations that he was not sure about. Roberts was relatively young for a department head, and he had moved up in rank after the mayor was elected for his first term. Few people in city hall knew that he was the son of the mayor's law partner.

Miller drafted a lead for the first day's story:

"Flanked by flags of our city and our nation, Mel Roberts sits beneath a picture of the mayor and presides over a multimillion-dollar empire of city workers."

Miller was rather proud of his lead and was shocked when his editor sent the lead back with an e-mail message, "SO WHAT!" The editor wrote that the story needed a factual lead rather than a lead that backed into the story.

Miller responded with: "Taxpayers in Middleton often spend twice as much or more than other cities for the same municipal services, a study by the *Daily News* shows."

When the stories ran day after day on the front page of the newspaper, people started watching in their neighborhoods for over-staffed city crews. Television news picked up the stories, and the city officials who were interviewed scoffed at the numbers published by the *Daily News*. "People need jobs," the mayor said in a television interview. "What's wrong with giving people jobs?"

Chesterfield Smith III, the highly respected publisher of the *Daily News*, was always called "Old Man" in the newsroom although he was not even near retirement age. His stature was unquestioned, and newsroom staff referred to him with respect and awe.

The Old Man kept a close watch over his newspaper and sometimes even wrote an editorial. For Miller's story, he responded to the mayor in an editorial. He said that he agreed that people should have jobs, but those jobs should be productive. While eight men were being driven around in city trucks, the parks and alleys were unclean and the sewers clogged, he wrote. These workers should be properly trained to use modern and efficient equipment. He suggested that the mayor was better at running a political organization than a modern city.

Still, the city took no action and would admit no wrongdoing. But a year later, when the new budget was drafted, the jobs of the sign

washers and light-bulb changers were eliminated, and they were transferred to more productive jobs. Also, the sewer crews got modern equipment.

Miller had a feeling that his story was incomplete. He had shown the waste but not the underlying cause. His opportunity came from a tipster who was a clerk inside city hall. The clerk called and told him that the special jobs program of the federal government that subsidized the cities to create new jobs for the unemployed was being misused. Only those with political connections were hired. The tipster knew that every job recipient had a letter from a district alderman inside the application folder in the special city office that administered the federal jobs program.

Miller remembered that the mayor had gone on TV and announced the program. He had invited any person whose employment benefits had expired to call a special phone number to request a job application. Miller's source said at least 1,000 applications were received but were never opened. They were still in three mailbags in a back storage room at city hall.

The clerk provided Miller with the names of the persons who were placed in the jobs but did not have access to the files that were said to contain letters declaring political sponsorship from the employees' neighborhood councilman. Miller ran the names through the city payroll and found that the new workers were all city pothole fillers whose work was seasonal. At the end of their work season, they had to be laid off and rehired again when they were next needed. Payroll records indicated that the federal jobs money permitted them to be paid year-round although they did not qualify for the program. Their political loyalties qualified them.

Miller was in a quandary. He could

1. submit a FOIA request for the files,
2. go ahead with the story on the word of his reliable source,
3. reveal his information to federal investigators with whom he might cooperate or
4. forget about the files and contact the new employees and ask them how they got their jobs.



***Which of Miller's choices is best?***

1. Some personnel files in city hall would be covered by an FOIA request, but the city administrators would be able to remove any information from a file that was of a personal nature. The political patronage letters would no doubt be removed because they do not belong there and officially do not exist.

2. On the basis of his absolute confidence in the source, it would be possible to write a story telling of the letters. As with the FOIA request, however, when the story appeared the letters would be yanked.
3. It is always dangerous to work with a government investigative agency because such agencies must also be monitored by the press. Newspapers are reluctant to do so because they then feel like an arm of the establishment even though they merely share information.
4. If he goes to the workers, chances are they will immediately contact their superiors and the letters will be pulled. Even if the workers tell Miller about the letters, a newspaper story will cause the city to pull the rug out from under him by snatching the letters from the files and claiming there were none.

Miller decided that the federal investigator was his best refuge. The funding for the jobs program was supervised by the U.S. Department of Labor. A Labor Department officer was assigned to answer questions from the cities that were using the special funds. Miller told the federal officer what he knew and asked that the department look at the files in city hall and tell him whether the letters from the aldermen were there. The federal officer informed Miller that he could not reveal any information from the investigation even if it was a follow-up to a complaint such as this.

Surprised and disappointed, Miller slumped back in his chair. He had been reading the competing local newspaper and scanning all the local media Web sites with trepidation for fear that he would be scooped. (Although a reporter's ego is seriously wounded by becoming the victim of a competing scoop, perhaps a worse scenario is that the city would continue to get away with its improper hiring practices.) Now that he had reported the facts to the federal agent, he thought, most likely an investigation would be carried out and the news would be released on the Internet. He and the *Daily News* would not be credited.

But, then, the federal agent proposed an alternative: "I can't tell you if the letters are there, but I can tell you if there is no basis for your complaint. So, after I go over tomorrow and take a look at the files, you will get a call from me."

"You mean, if you tell me you can't talk about it, then the letters are there?"

"That's right. If I have nothing to report, then what you have told me is true," the Labor Department officer said. "If the letters are not there, I will tell you there is no basis for your complaint."

Miller had to sprint halfway across the newsroom the next afternoon when his phone rang. He breathlessly picked it up.

"Mr. Miller, I have nothing to report to you."

"What? Nothing to report?"

"That's right, Nothing to report."

The federal investigator's word that there was "nothing" meant something to Miller: a confirmation. Although the story was ready to go, everyone was a bit uneasy. If only they had a picture of the unopened letters in the mailbags in the back room. Miller recontacted his source, the clerk, and asked exactly where the bags were located. They met, and the clerk drew a floor plan of the city hall office: "Take two right turns from the front desk, and it's the door by the Pepsi machine." The clerk also told Miller precisely when people in that room would be gone for lunch.

At noon the next day, Miller and a photographer watched the lady who worked in the mailroom leave for lunch. Then they showed up at the front desk and Miller asked for her. "She's left. She won't be back for an hour."

"There was someone else I was supposed to see if she wasn't here," Miller said, dropping his briefcase on the desk and pulling out papers and rifling through them. The receptionist, witnessing such a disorganized person, watched in disgust.

Meanwhile, the photographer had drifted away. Minutes passed, and he came out from the back of the office and nodded in the affirmative. "Let's go, Tony, I think we're probably on the wrong floor," Miller said loudly.

Although most readers were accustomed to stories of arrogance from city hall, when the story and the color photo of the job applications overflowing the mailbags appeared on the front page of the *Daily News*, readers were properly shocked, as were high federal officials. The federal government took away the administration of the jobs program from the city and gave it to the state, and deserving and needy people were hired for the jobs intended for them.



***Was it wise to seek help from a government agency?***

**Yes:** In a story of this importance, a reporter should seek help wherever it can be found. Miller's decision worked out perfectly. He got the story, and the wrong was corrected. After all, who can you trust if not federal investigators?

**No:** A reporter should not work with a government agent because the reporter might have to testify in court as an arm of the government. Also, the government agency might be covering up for the target of the reporter's investigation. Did someone say we can trust all federal investigators? Have they heard about the FBI and Watergate?

## Memorandum

- Reporters have written and unwritten ethics.
- Private individuals leave a trail of public records.
- Elected officials may waste tax dollars by rewarding political workers with unnecessary jobs.
- Government budgets and annual reports may produce a wide range of investigative stories.
- Failure of a federal program may first be detected on the local level.
- Editors may not always be delighted with a writer's cherished prose.

## Chapter Recap

Knowledge of the documents in this chapter will equip the investigative reporter with the ability to start an investigation or to learn enough to decide no investigation is warranted. But there is more. In recent years, investigative reporters have been joined at their desks by a friendly giant: the Internet. The Internet provides assistance in more ways than one, or two, or three. In the next chapter, we will explore the depth of the resources of the Internet.

## Class Assignments

1. Can you improve on Miller's lead for the city waste story? It seems like the editor's decision was a matter of personal choice.
2. Get the budget and annual financial report from your city. Copies might be kept by the public library or might have been placed on the Internet. Find cities of comparable size and get their online budget information. Compare selected operations. Reduce the big numbers to smaller numbers (per piece and per job), as explained in this chapter.

## Notes

1. Ann Marie Lipinski, William Gaines and Dean Baquet, "An Alderman Who Earned While He Learned," *Chicago Tribune*, October 7, 1987.