THE CENTER FOR PUBLIC INTEGRITY

he Center for Public Integrity does investigative reporting and research on public policy issues in the United States and around the world. The Center, which is a nonpartisan, nonprofit organization, was founded in 1989 by investigative reporter and former 60 Minutes producer Charles Lewis. Lewis' idea behind establishing the Center was quite simple: What needs to be investigated? What hasn't been reported? What is significant to our society?

The Center's work is based on the conviction that the public has a right to know what its government, public officials and corporate leaders are doing. Its mission includes providing the American people with information—often not available elsewhere—about how these entities are performing their duties. By providing thorough, thoughtful and objective analyses, the Center serves as an honest broker of information, which in turn helps citizens demand a higher level of accountability from their government and elected leaders.

Virtually all of our findings are posted online at www.publicintegrity.org; many of our investigations are later published as books or reports.

During 2004 the Center published two books (one was a New York Times best seller) and over 100 reports, doubled its Web site visits, won five major awards and was cited in thousands of newspaper and broadcast stories around the world.

The Center also built a number of unique databases, including the Media Tracker, the only non-commercial database anywhere that allows users to see who owns which media outlets. Another database listed all Defense Department contracts from fiscal year 1997 through 2003 with profiles of the top 737 contractors who won contracts worth \$100 million or more. The Center also created the only database in existence that details activity by political committees known as 527s.

But it was also a bittersweet year: in July our executive director and founder Charles Lewis announced his intention to resign at the end of the year. After an intensive nation-wide search, in December the Center's Board of Directors chose investigative journalist Roberta Baskin to succeed Lewis. We expect that she will lead the Center to a new and exciting future.



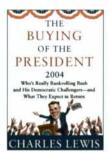
"SOME OF THE BEST INVESTIGATIVE REPORTING TODAY IS BEING DONE BY...THE CENTER FOR PUBLIC INTEGRITY."

- Columbia Journalism Review

CENTER PROJECTS IN 2004

Below are highlights of the Center for Public Integrity's activities this year:

■ THE PRESIDENTIAL CAMPAIGN PROJECT



Providing the only investigative profiles of the major presidential candidates prior to the first caucuses and political primaries in the country, the Center's book, *The Buying of the President 2004*, is the centerpiece of our quadrennial Presidential Campaign Project. The book was the Center's first *New York Times* best seller.

STATE PROJECTS

In 2004, State Projects continued its pioneering work on socalled 527 committees, which can engage in election-related activities while remaining almost totally free from fundraising restrictions. In addition to adding new features to the project's Web site and updating our tally of 527 contributions and expenditures every week, the Center held a post-election news conference, in collaboration with David Magleby of Brigham Young University's Center for the Study of Elections and Democracy, summarizing 527s' role following the passage of the Bipartisan Campaign Reform Act.

POLITICS OF NATIONAL SECURITY



Outsourcing the Pentagon is perhaps the most ambitious and wide-ranging investigative report into Department of Defense contracting ever attempted. Researchers created a 2.2 million-record, searchable data-

base of 737 companies that received \$100 million or more in government contracts since 1998 and found that the Pentagon has awarded some \$362 billion to companies without competitive bidding. Profiles of each company reveal the specifics of their Pentagon business, including breakdowns of the competition they faced (or did not face).



Abu Ghraib and Prison Documents

In October the Center posted thousands of pages of classified documents related to the abuse of military prisoners in Iraq. The documents detail interrogation procedures and eyewitness depositions and reveal that the military's mission at the prison was inadequately planned almost from conception. As a result of posting these documents, along with coverage of campaign finance in the 2004 election, October 2004 had the highest number of monthly visitors in the history of the Center's Web site.

THE POLITICS OF OIL



This project identified and examined the world's 1,500 most powerful oil and gas companies and compiled an extensive database on these giant—and usually secretive—firms. The report looked at how much money the industry has lavished on politicians to advance its interests, identified the

800-plus subsidiaries that operate in tax havens, reported on the Federal Energy Regulatory Commission's cozy relationship with the industry it regulates, and much more. Subsequent stories, including perspectives from members of the Center's International Consortium of Investigative Journalists, were released from September through December.

THE POLITICS AND INFLUENCE OF THE TELECOMMUNICATIONS INDUSTRY

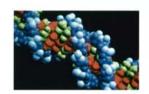
In 2004 the Center's three-year investigation of the telecommunications industry, "Well Connected," launched a comprehensive redesign of its Web site and revised its Media Tracker, a more than 50,000-record, searchable database containing ownership information on virtually every radio station, television station, cable television system and telephone company in America. The project's Influence Tracker—a search engine that scours five separate databases with information on lobbying, campaign contributions and junkets and identifies which former FCC and congressional staff are now industry lobbyists—debuted this year.

GLOBAL INTEGRITY

In April the Center's Global Access team released Global Integrity, a 750,000-word report on government corruption in 25 countries from seven regions of the world. Over a three-year period, Center researchers compiled an exhaustive database of anti-corruption experts, social scientists and investigative journalists in countries around the world. This project also yielded the groundbreaking Public Integrity Index, which assesses by country the existence, effectiveness and accessibility to citizens of anti-corruption mechanisms (both laws and institutions).

LIFE FOR SALE: CLONING

Beginning in March, the Center released a total of nine reports throughout the year on human cloning. Among them: a story on federally funded cloning research in primates, which is advancing the scientific frontiers that could be used in human cloning, despite a ban on federal funding of human cloning research. The project also examined international efforts to regulate human cloning, stalled because of



differences among countries over religious views and economic interests, and also in part due to heavy-handedness. Nongovernmental organizations and activists around the world have circulated

the reports, which stimulated other key media organizations to further pursue the subject.

CHANGES AT THE TOP

harles Lewis, founder and executive director of the Center for Public Integrity for 15 years, stepped down in late December. Lewis will continue to serve the Center as a consultant on strategic, institutional and development issues.

Roberta Baskin, a nationally-recognized investigative television journalist, will take over on January 31, 2005. She was selected following a six-month, nationwide search.

Under Lewis' leadership at the Center, the organization received 28 journalistic awards and published 14



Charles Lewis

books, nearly all of them written or co-written by Lewis. In 1998 Lewis was awarded a MacArthur Fellowship by the John D. and Catherine T. MacArthur Foundation.

The Village Voice called Lewis "the Paul Revere of our time" in early 2003 after he obtained a copy of the Justice Department's draft legislation "sequel" to the U.S.A. Patriot Act, and posted it

on the Center's Web site.

Lewis has written extensively about corruption in government and about freedom of the press. He has lectured on these issues in this country as well as many countries abroad, including Belarus, Belgium, China, Denmark, England, France, Hungary, Ireland, Russia, Sweden and South Africa. In early 1997, he traveled to the troubled Ferghana Valley region of Uzbekistan and Kyrgyzstan in Central Asia as part of a Council on Foreign Relations conflict-prevention fact-finding mission.



Roberta Baskin

For eleven years, from 1977 through 1988, Lewis did investigative reporting at ABC News and at CBS News as a producer for senior correspondent Mike Wallace at 60 Minutes. His stories twice received Emmy nominations in the "Outstanding Investigative Reporting" category by the National Academy of Television Arts and Sciences.

Roberta Baskin has won more than 75 journalism awards, including two duPont-Columbia University Awards and two George Foster Peabody Awards for her investigative reporting.

Most recently she was senior Washington correspondent for *Now with Bill Moyers*, where she reported primarily on money and influence peddling in the federal government. Previously, as senior producer for the ABC news magazine *20/20* Baskin directed all of the program's consumer investigative reports. She also managed the Washington Bureau staff of *20/20* and *Primetime*, supervising producers, correspondents, editors and photographers.

Baskin joined ABC from CBS News where she was chief investigative correspondent for the news magazine 48 Hours and contributed special reports to the CBS Evening News. She began her journalism career as an investigative reporter on local news in Chicago and Washington, D.C. where her investigations led to changes in state and federal laws, business practices and public policy. She was awarded a Nieman Fellowship at Harvard University in 2001.

Date

Headline

4/29/2004 Public Integrity Index Measures

2004 REPORTS

		4/25/2004	Anti-corruption Environment
Date	Headline	4/29/2004	Flawed Democracies:
1/8/2004	Who Bankrolls Bush and his		Center unveils new tool to track political accountability around the world
	Democratic Rivals?	5/5/2004	Early Warning:
	A look at the presidential race	5/5/2004	The U.S. Army can hardly be surprised by its
1/8/2004	"Full and Open Debate"		problems with contractors in Iraq
	Was Halliburton chief Dick Cheney being ironic	5/6/2004	Lobbyists Bankrolling Politics:
	when he wrote to Vice President Al Gore?		Bush gets nearly four times as much as Kerry
2/13/2004	Who Gives the Most Money:	5/19/2004	Under Pressure:
	Financial corporations and law firms dominate		Hot-button issues spur lobby spending as some
	Career Patrons list		states weaken disclosure
2/23/2004	Junkets End for Top FCC Officials:	6/2/2004	Globalizing Research:
	How one federal agency changed a controversial policy		Across Asia, biotechnology sector thrives
2/24/2004	Kerry's Fundraising Shows Large Corporate	6/2/2004	Dim Chance for Global Cloning Ban:
2/24/2004	Donations:		Diplomats cite U.S. overreach for stalemate on
	Excerpt of The Buying of The President 2004		banning reproductive cloning
	details Kerry's contribution record	6/2/2004	In Congress, a Cloning Stalemate:
3/2/2004	Regulating Cloning:		Efforts to ban cloning falter over scope of
	The biotech industry pushes its agenda in the	C/0/0004	proposed prohibition
	states	6/2/2004	Where Scientists Call the Shots: Advanced capabilities and lax regulation put
3/4/2004	Political Mugging in America:		Israel on the leading edge of cloning
	Anatomy of an "independent" smear campaign	6/2/2004	Favorable Logistics:
3/11/2004	Bush Has a New Top Career Patron:	0/2/2004	In Brazil, infrastructure and human resources for
	MBNA surpasses Enron as the president's top		cloning are available
	lifetime contributor	6/2/2004	A Human Rights Issue:
3/25/2004	The State Money Race: Dems outraised GOP in the states, but have little		In Europe, nations ban reproductive cloning, but
	to show for it		allow research to continue
3/25/2004	Party of One:	6/13/2004	Private Contractors:
3/23/2004	Special committees allow prominent lawmakers		As early as December 2000 the Army was aware
	to parcel out campaign cash		of the risks of calling on the private sector for
3/25/2004		0.000,000,000	intelligence work
	State parties spend hundreds of millions on	6/23/2004	Baby Bells Paying to Play:
	consulting		Bells paid two-thirds of fines and settlements since Jan. 2000
4/6/2004	FCC Managers Still Flying Free	6/23/2004	Tracking Enforcement:
4/9/2004	Indecency on the Air:	0/23/2004	Getting enforcement information from agency a
	Shock-radio jock Howard Stern remains 'King		maddening process
	of All Fines'	6/28/2004	Foreign Lobbyist Database Could Vanish:
4/13/2004	Group Wants Truth in Cell Phone Billing:	O/LO/LOV4	Justice Department claims merely copying its
	Wireless firms bill clients \$937 million for 'federal		foreign agents database could destroy it
	recovery fees'	6/30/2004	Contractors Write the Rules:
4/19/2004	Closing in on Human Cloning:		Army policy governing use of contractors omits
	The federal government is funding research in		intelligence
	primate cloning technology. Why?	7/1/2004	Voter Turnout Group Focuses on Ohio:
4/20/2004	The Money Pours In:		America Coming Together puts hundreds of
	Political non-profits rake in millions of dollars from rich donors		employees into Buckeye State
	HOTH HOTH GOHOTS		

Date	Headline	Date	Headline
7/7/2004	Winning Contractors – An Update: As the number of contracts rises, problems continue to plague the contracting process	8/20/2004	The Republican Convention: The party begins in New York City, paid for by special interests
7/8/2004	The Party's Parties: Lavish parties lead to access at nominating convention	8/20/2004	Grand Old Parties: Special interests shower Republicans with perks and parties in the Big Apple
7/12/2004	It's Their Party: DNC demands boost cost of convention, paid for by special interests	8/20/2004	Counting the Costs: Convention boosters promise a windfall that rarely materializes
7/12/2004	Spending Spree: Where Does the Convention Money Go?	8/26/2004	State Parties Adjust to McCain-Feingold: Fundraising ahead of 2001 pace as new law
7/12/2004	Wining and Dining the DNC: When cities vie to host a convention, it's the Party insiders who win	9/2/2004	media Tracker Gets Facelift: Ownership search expanded, improved
7/12/2004	A Study in Excess: Los Angeles rolled out red carpet for winning bid in 2000	9/7/2004	Millionaires Raising Millions: Bush and Kerry have new major donors in common
7/15/2004	Big Oil Protects its Interests: Industry spends hundreds of millions on lobbying, elections	9/14/2004	States with Senate Races Fuel Money Pipeline: National parties ship millions to Alaska, Florida
7/15/2004	Gimme Shelter (From Taxes): U.S. oil and gas companies have 882 subsidiaries in tax haven count	9/17/2004	and California GOP 527s Gaining Ground: Political groups on the right raise at least
7/15/2004	Koch's Low Profile Belies Political Power: Private oil company does both business and politics with the shades drawn	9/22/2004	\$26 million since June Venezuela Head Polishes Image With Oil Dollars:
7/15/2004	Big Oil Spends \$400,000 on Government Junkets:		President Hugo Chavez takes his case to America's streets
	Legislators taken to NASCAR races, "Wildcatters Ball"	9/22/2004	Saudis Drop Big Bucks for Washington Influence:
7/15/2004	A Pipeline of Influence: Even before he became VP, Dick Cheney and		Saudi Arabia the most active OPEC member on K Street
7/27/2004	Bush fundraisers were crafting national energy policy Incomplete Disclosure:	9/22/2004	Bob Dole: Indonesia's Man in Washington: Former Republican presidential candidate is paid to lobby for the country's oil interests
7/21/2004	IRS filings show few penalties for political committees that fail to meet requirements	9/22/2004	K Street Lobbyists Carry Water for OPEC: Disclosure filings indicate massive spending on
7/28/2004	Contracting Intelligence: Department of Interior releases Abu Ghraib contract	9/23/2004	lobbying by oil-rich countries 527 Ad Spending Heavy in Midwestern States: Wisconsin and lowa see millions in advertising
7/29/2004	Outsourcing the Defense Budget: Defense contractors are writing the president's	9/24/2004	Personal Politics:
8/12/2004	527s Attract New Donors as Others Abandon	0/24/2004	All too often, legislators' private interests are hidden from public view
8/18/2004	System in Wake of BCRA Halliburton Contracts Balloon:	9/24/2004	Balancing Act: Without financial disclosure, Idaho legislators tackle conflicts on their own
	Despite being under an investigative cloud, company gets \$4.3 billion in 2003	9/24/2004	Who's the Boss? Legislators with other government jobs

Date	Headline	Date	Headline
9/29/2004	Outsourcing the Pentagon: Who benefits from the politics and economics of		Broadcast Lobbying Tops \$222 Million: One story you won't hear on the news
	national security?	10/28/2004	Industry Battles Re-regulation:
9/29/2004	The Pentagon's Stealth Rainmaker:		Cable lobbying climbs by 50 percent
	How revolving doors and large donations allow a defense lobbying firm to dominate	10/28/2004	Sinclair Flap Proves Exception to the Rule: Broadcasters split the ticket when it comes to
9/29/2004	The Pentagon's \$200 Million Shingle: Defense data show billions in mistakes and mis-	10/00/0004	contributions
	labeled contracts		Electioneering Communications: Outside groups spend millions on ad buys
9/29/2004	The Shadow Pentagon:	10/29/2004	2004 Election Tip Sheet
	Private contractors play a huge role in basic government work—mostly out of public view	10/31/2004	The Abu Ghraib Supplementary Documents: New installment of classified documents shows
9/29/2004	The Big Business of Small Business:		abuses at other prison camps
	Top defense contracting companies reap the benefits meant for small businesses	11/1/2004	Kerry Almost Doubles Bush's Recount Funds:
10/8/2004	The Abu Ghraib Supplementary Documents:		Primary campaign funds give Kerry the edge
	The Center for Public Integrity posts classified	11/3/2004	Documents Reveal Concern Regarding
	documents that form the basis of the Taguba		Halliburton Contracts:
10/8/2004	Anotomy of a Labbuing Blits		A top Army contracting officer asks for an
10/8/2004	Anatomy of a Lobbying Blitz: Cable industry enlists diverse crowd in high-level	44/0/0004	independent investigation
	influence campaign	11/3/2004	GOP 527s Outspend Dems in Late Ad Blitz: Progress for America and Swift Boats dominated
10/14/2004	A Little-Used Campaign Finance Rule:		airwaves in Swing States
	State and local parties not warming up to Levin	11/15/2004	527 Reports Win Two Journalism Awards:
	funds		Center is a Finalist for General Excellence
10/18/2004	527 Fundraising Nets a Record Haul:	11/18/2004	Investing in War:
	Independent political groups have raised \$391		The Carlyle Group profits from government and
10/05/0004	million for the 2004 election		conflict
10/25/2004	The Limits of Charity: Gov. Bill Richardson is taking advantage of a	11/22/2004	Clamping Down on Freedom of the Press:
	regulatory gray area to get out the vote		What lessons does Watergate offer for today's beleaguered media?
10/27/2004	K Street's Investment in the Status Quo: Incumbent senators bank on lobbyists with	11/29/2004	Ukraine in the News
		12/7/2004	Appealing to a Higher Authority:
	agendas before them	12772004	Federal energy regulators smooth the way for
10/27/2004	Three Quarters of Incumbent Legislators Are		liquefied natural gas terminals
	Running Again	12/7/2004	Can a Free Market Help Clear the Air?
10/27/2004	Cautious About Hard Money:		World Bank buys pollution rights from tiny Indian
	County party organizations shying away from federal activities		village for \$645
10/28/2004	From Government Service to Private Practice:	12/16/2004	527s in 2004 Shatter Previous Records for
10/20/2004	Writers of telecom law move to K Street		Political Fundraising
10/28/2004	Bells vs. AT&T:		Big Oil Wields Ultra Deep Influence: Legislators push for energy industry tax breaks,
	Telephone lobbying surpasses half-billion		regulatory changes to hunt for oil at the bottom
10/28/2004	Networks of Influence:		of the sea
	The political power of the communications	12/20/2004	U.S. Pushed to Ratify Deep Sea Treaty:
	industry		U.N. Law of the Sea will divvy up deep ocean
			bottom for oil and gas drilling

Awards 2004

In 2004 the Center was honored by the journalistic community nine times for its investigative reporting, including winning the first George Polk Award ever given to a Web-based organization.

PEN USA

Winner

First Amendment Award: Charles Lewis and The Center for Public Integrity

ONLINE JOURNALISM AWARDS, USC ANNENBERG SCHOOL FOR COMMUNICATION

Winner

Enterprise Journalism (small sites): "Silent Partners: How political non-profits work the system," Derek Willis & Aron Pilhofer

Finalist

General Excellence (small sites)

INFORMATION TODAY

Winner

2004 Buddie Award for Best Unknown Database: The Center for Public Integrity

2004 INTERN REPORT

F or 10 weeks during the summer of 2004 the Center hired 13 interns from around the country and introduced them to the nuts and bolts of investigative reporting. Although they failed to improve the Center's softball record despite enthusiastic participation, they made invaluable contributions to our most important investigations.

While working closely with Center staff, they assisted in the research, writing, and database development that embody the Center's style of reporting. Their efforts helped make the Center the premier online investigative reporting organization in the country.

As part of the summer program, interns have the opportunity to meet and question outstanding members of the media, the federal government and corporations. In 2004, they met with Sen. John McCain (R-Ariz.), Sen. Hillary Clinton (D-N.Y.), *Nightline* anchor Ted Koppel, *NewsHour* senior correspondent Gwen Ifill, Pulitzer Prize

LONG ISLAND UNIVERSITY

Winner

The George Polk Award in Journalism (Internet Reporting): "Windfalls of War: U.S. Contractors in Iraq and Afghanistan," Maud S. Beelman, Andre Verloy, Bill Allison, Teo Furtado, Kevin Baron, Neil Gordon, Laura Peterson, Daniel Politi, André Verlöy, Bob Williams, Brooke Williams, Aron Pilhofer and Han Nguyen

SOCIETY OF PROFESSIONAL JOURNALISTS

Winner

Public Service in Online Journalism (Independent): "Silent Partners: How political nonprofits work the system," Derek Willis and Aron Pilhofer

INVESTIGATIVE REPORTERS AND EDITORS

Winner

Investigative Reporting (Online): "The Water Barons," William Marsden, Maud S. Beelman, Bill Allison, Samiya Edwards, Erika Hobbs, Aron Pilhofer, Daniel Politi and Andre Verloy

Other Media (Online): "Well Connected," John Dunbar, Bob Williams, Morgan Jindrich and Scott Singleton

ASSOCIATION OF CAPITAL REPORTERS AND EDITORS

Winner

In-Depth Reporting (Online): "Silent Partners: How political nonprofits work the system," Derek Willis and Aron Pilhofer

winners Seymour Hersh,
Bob Woodward and
Anthony Shadid, and
Doug Bennett, executive
vice president of Timmons
& Company. In one meeting with three foreign journalists, interns listened to
first-hand stories of
reporting in countries



where censorship, intimidation, and even murder are the usual obstacles faced by investigative reporters.

The Center's summer internship programs have become a point of pride for the entire organization. The infusion of excitement they bring to our newsroom adds an extra layer of satisfaction among the staff; knowing they have a hand in helping the next generation of investigative reporters begin their careers.

FUNDERS

The Center for Public Integrity, which does not accept contributions from anonymous donors or from corporations, labor unions or governments, gratefully acknowledges the generous support of the following individuals and foundations that contributed \$500 or more in 2004:

Reza Abbaszadeh

Amrou I. Almanaseer

The Annenberg Foundation

James Bagley II

Morton K. and Jane Blaustein Foundation

Professor Jack Block

Peter and Alice Broner

Stimson Bullitt

Carnegie Corporation of New York

Peter and Lucia Gill Case

Columbia Foundation - Christine H. Russell Fund

Jonathan Coopersmith

Harriet Crosby

The Nathan Cummings Foundation

Russell and Teruko Daniel

Estate of Robert DeBolt

The Dudley Foundation

Robert Duke

Victor Elmaleh Foundation

Ford Foundation

James Gleick and Cynthia Crossen

The David B. Gold Foundation

The Lucy Gonda Foundation

Mr. and Mrs. Arthur Greenberg

Gunzenhauser - Chapin Fund

The William and Flora Hewlett Foundation

John Hirschi Donor Advised Fund

Jimmy W. Janacek

The Joyce Foundation

John S. and James L. Knight Foundation

Jerry Knoll

Eleanor W. Lawing

Liberty Hill Foundation - Wolk Fund

Raymond and Susana Limon

Arthur D. Lipson and Rochelle Kaplan

Donna Mae Litowitz

Susan Loewenberg

John D. Logan

The Los Angeles Times Foundation*

Jon and Lillian Lovelace

The John D. and Catherine T. MacArthur Foundation

Paula Madison

Robert and Nicole Maloney

Nita Manitzas

Debra Mattina

Janet Maughan and Steven Klimczak

Amy McCombs

Stewart R. Mott Charitable Trust

The John and Florence Newman Foundation

The New York Community Trust:

T. Roland Berner Fund

Everett Philanthropic Fund

World-Wide Holdings, Inc. Fund

Frances C. Nyce

Omidyar Network Fund

Open Society Institute Development Foundation

John Pasquin and JoBeth Williams

Park Foundation, Inc.

Chris and Karen Payne

Dr. Sarah Pender

The Pew Charitable Trusts

Charles Piller

Popplestone Foundation

Lynn R. and Karl E. Prickett Fund

Mark Purcell

Donovan E. Rasmussen

Grace Jones Richardson Trust

Richard Robb

Rockefeller Brothers Fund

Christopher Ryan

Vincent Ryan

Sandler Family Supporting Foundation

The Scherman Foundation, Inc.

Bruce Sievers and Cynthia Perry

Peter Sills

Norman M. Spieler

K. Martin Stevenson

Marianne Szegedy-Maszak

Mark Thompson

Michael Tiemann

Town Creek Foundation

Vanguard Public Foundation:

Domitila Barrios de Chungara Fund

The Whitehead Foundation

John H.T. and Sandra Wilson

^{*} Matching gift