

20  14

ANNUAL REPORT

FRANKLIN CENTER FOR GOVERNMENT AND PUBLIC INTEGRITY





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Studies

*"Half a truth is
often a great lie."*

Benjamin Franklin

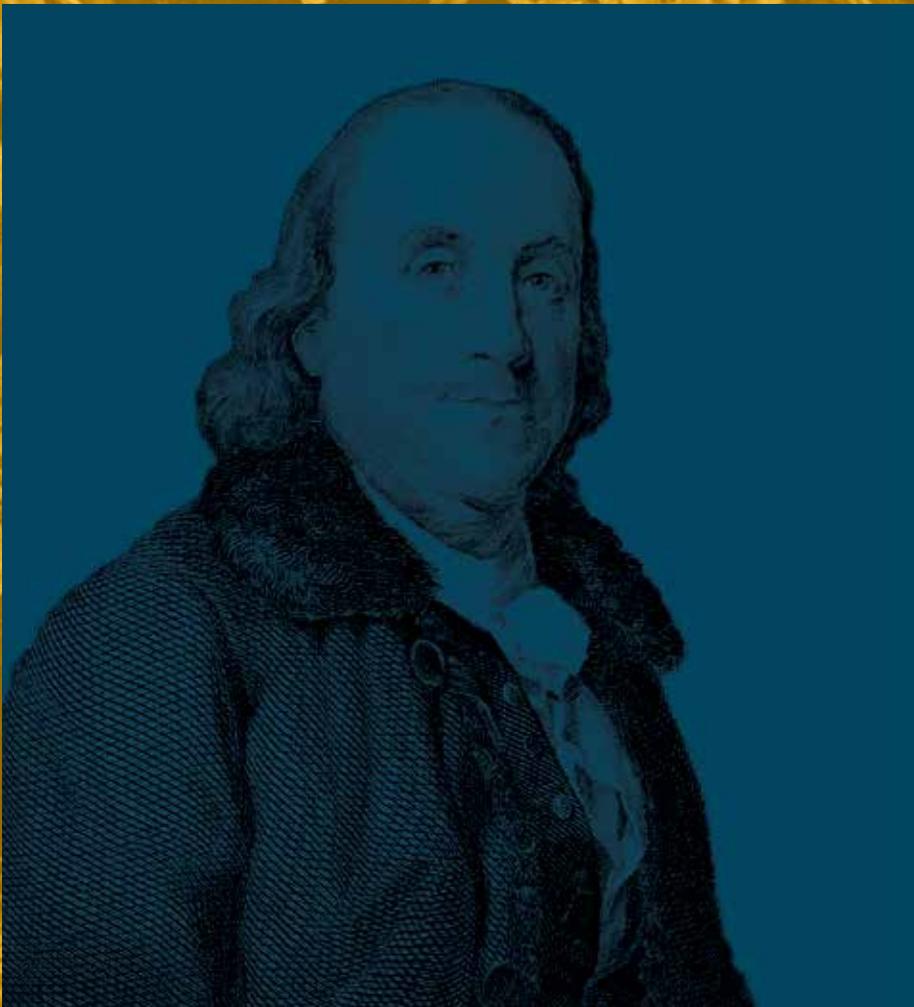


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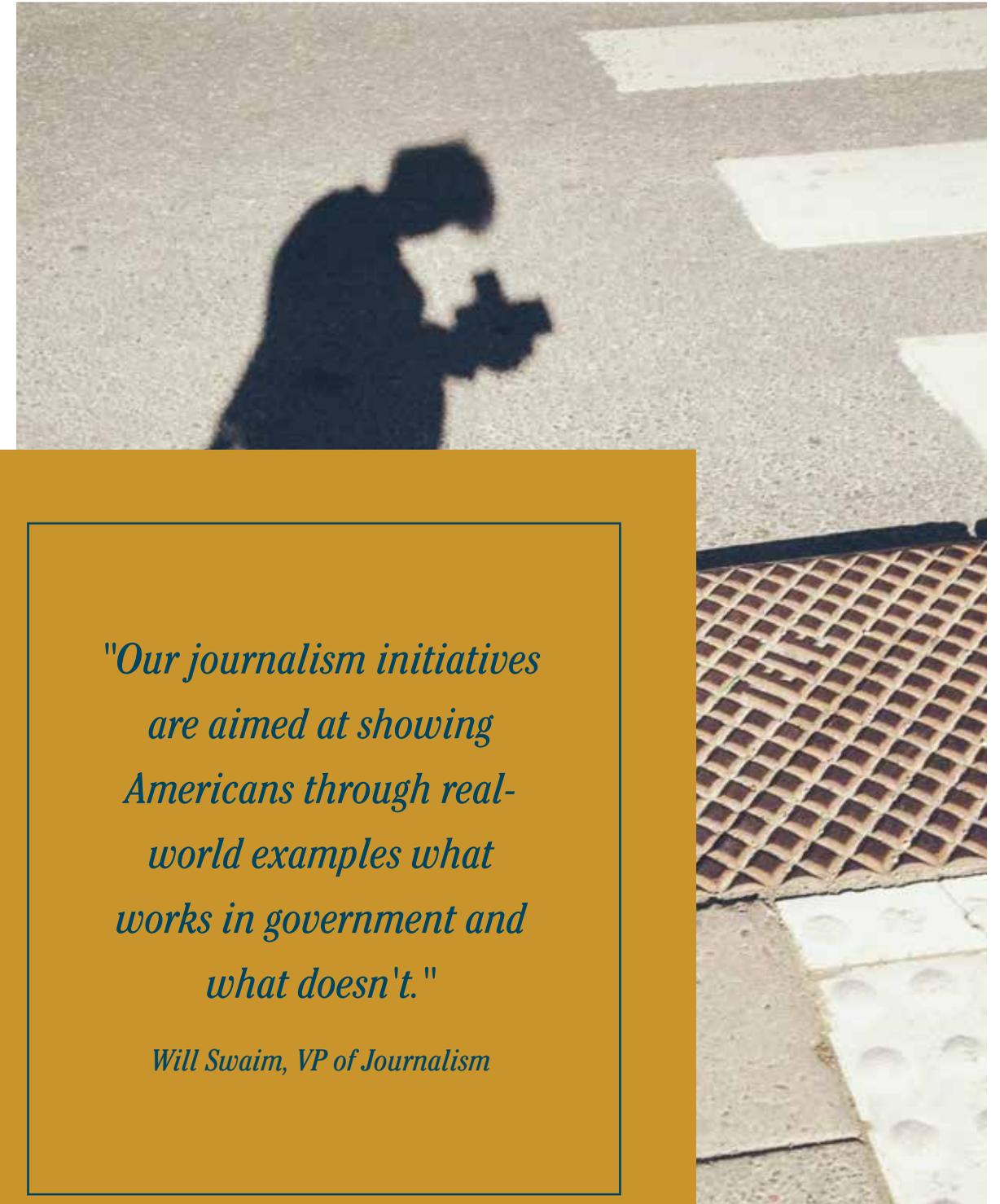
*Financial Support
Plan*

Mission and Vision

The Franklin Center supports and trains investigative journalists to advance transparency, accountability, and fiscal responsibility in local government, and to spotlight free-market, pro-liberty solutions to difficult public policy challenges.

We operate by shining the bright light of transparency into government's darkest corners. We expose the truth about government mismanagement and overreach. Then we offer a megaphone to those with the best free-market, pro-liberty solutions.

Our competitive advantage in moving the needle is our position in the states as a media outlet trusted by all sides of the debate. We're able to communicate directly to the persuadable middle, reaching audiences not normally receptive to the case for these ideas. Our reporting shapes narratives, drives conversations, and lays the foundation for long-term change. We translate theoretical policy into layman's terms and put a human face on the issues.



*"Our journalism initiatives
are aimed at showing
Americans through real-
world examples what
works in government and
what doesn't."*

Will Swaim, VP of Journalism

No 1

Mission and Vision

The Franklin Center
advance transparency in
government, and
public policy change.

We operate by shining
light on the darkest corners.
We challenge government
and overreach. We
market, pro-liberalism.

Our competitive
states as a medium
to communicate
not normally recorded
narratives, drives
change. We transform
human face on the



Board of Directors

John J. Miller, Chairman

Jack Fowler, Treasurer

Edward McFadden, Secretary

Mary Beth Weiss

Erik Telford, President (ex officio)



Letter from the President

Dear friends,

In 2014, we celebrated our fifth year – and the construction of a solid foundation, including staff talent, growing readership, an engaged board of directors, and an expanding base of generous donors.

One of the most important things we've learned over the past five years is that the impact of work like ours sometimes takes a long time to develop. As we've demonstrated in this past year from Virginia, to Wisconsin, to Texas, and beyond, we're building an infrastructure for long-term, foundational change. We are so grateful to you for sharing that vision and for standing with us.

This year, I've been honored to take the reins as president of the Franklin Center. I've been part of the organization since 2011, and in that time, with your help, we've built an all-star team of aggressive, independent-minded reporters and editors.

Now, armed with all we've learned, we're excited to move on to a new phase of growth. As we look forward, we're anticipating new opportunities to grow not just in breadth but in depth. We're deepening our media footprint in key states, adding more issue-focused reporting, and strengthening our news



partnerships and marketing capacity to ensure that our stories reach an ever-increasing audience.

In the years I've spent with Franklin, I've seen first-hand how a lack of accountability in state and local government can have disastrous results. People shouldn't read about policy outcomes after they occur – or, worse, after those decisions have had devastating impact on their families and livelihoods.

With your support, we're ensuring that people have the information they need to get involved and to influence the course of events. On behalf of the staff and board of the Franklin Center, thank you for being part of this essential effort.

Warm regards,

Erik M. Telford
PRESIDENT



Case Studies

A Texas-Sized Scandal

When this story started, Wallace Hall, a Gov. Rick Perry appointee to the University of Texas Board of Regents, was about to be impeached for ethics violations, charges driven by University of Texas-Austin President Bill Powers. Eighteen months later, Bill Powers is resigning in disgrace and Wallace Hall is a hero in Texas. The catalyst for that turnabout was Wallace Hall's personal courage and the investigative reporting of Texas bureau chief Jon Cassidy.

When Jon started covering this story, Wallace Hall was being railroaded by the media, the university, and the legislature. As Hall blew the whistle on influence peddling at the university's law school, he was accused of requesting documents frivolously, of making wild accusations, and even of trying to destroy the university. In fact, as Jon Cassidy proved, Hall was right: a bipartisan group of legislators had for years been using the UT admissions process as their own spoils system. Wallace Hall threatened that privilege.

Jon went to work developing sources in the legislature and the university. He began with a hypothesis that was simple but difficult to prove: if he could identify students who didn't qualify academically for admission into the university's prestigious law school but who were admitted

anyway, he could locate how each one was connected to the influence-peddling scandal. He built a database that tracked over a decade's worth of academic data from students admitted to UT and then traced the individual students who later performed poorly on the Texas Bar exam. Then he found the smoking gun: documents that linked each under-qualified student to a powerful lawmaker or state official.

They've [other media in Texas] called Jon's work a "tour de force" and have said that without him none of this would have ever come out.

In another Texas investigation, Jon proved allegations of corruption and graft in the Beaumont, Texas school district – for example, the district's use of an electrician who had cheated them out of hundreds of thousands of dollars. A group of concerned citizens in the district had sounded the alarm, but neither local media nor state officials would investigate. Jon chased down the evidence to support their claims, generating a series of stories that caught the attention of The New York Times, which featured the scandal on their front page. Our coverage spurred both the state education agency and the FBI to action, and two officials in the district were indicted for stealing millions from taxpayers.

Jon's work became the evidence that other media – and eventually an official state investigation – relied on. He also proved that ex-President Bill Powers had been complicit with all this and that he was part of a well-established system of admissions corruption. Other media in Texas, forced to confront the truth, have called this one of the biggest admissions scandals in U.S. history. They've called Jon's work a "tour de force" and have said that without him none of this would have ever come out.

And the best proof that Jon's work has made a difference? One of the state lawmakers implicated in this investigation is fighting against legislation that would offer some legal protection to reporters who work with whistleblowers – reporters like Jon Cassidy. If an elected official hopes to silence him, we take it as proof of a job well done.



Top Image: University of Texas Admissions Building | Photo Credit: Larry D. Moore CC BY-SA 3.0



Joe and the Giant Peach



In Ruston, Louisiana, Joe Mitcham's hands were tied. He couldn't do anything to save his 68 year-old peach orchard - his livelihood, his family legacy, and a local landmark. He couldn't hire more workers or expand his acreage, couldn't sell the property, couldn't contribute to the peach tourism market, and he certainly couldn't deal with kill the fungus killing his trees. The EPA's regulations banning the chemical that treats the fungus had almost forced Mitcham out of business - and the agency wouldn't even respond to Mitcham's desperate phone calls seeking help. That was before Watchdog's Chris Butler found out what was happening and drove out to Ruston to tell the story and demand answers from the EPA.

His story went viral, with thousands of readers on Watchdog's web pages and other media picking up Chris's original story. Within a few days, we had good news for Joe Mitcham, his employees, and the people of Ruston: an EPA administrator made a personal telephone call to explore alternatives for saving Mitcham's orchards. Chris has continued to keep tabs on the EPA to ensure that they keep their promises and give Joe Mitcham the help he needs. Meanwhile, residents of the area have written in to tell us how much Mitcham Farms has meant to their families over the decades.

Who's Watching Me?

Last spring, Kathryn Watson, an investigative reporter in our Virginia bureau, dug up an alarming tale - local police departments randomly scanning license plates, tagging those images with dates, times, and locations, and then storing that data for years. She filed a request for her own record. What she found stunned her: In all, police captured 16 photos of her car, mostly at night, and

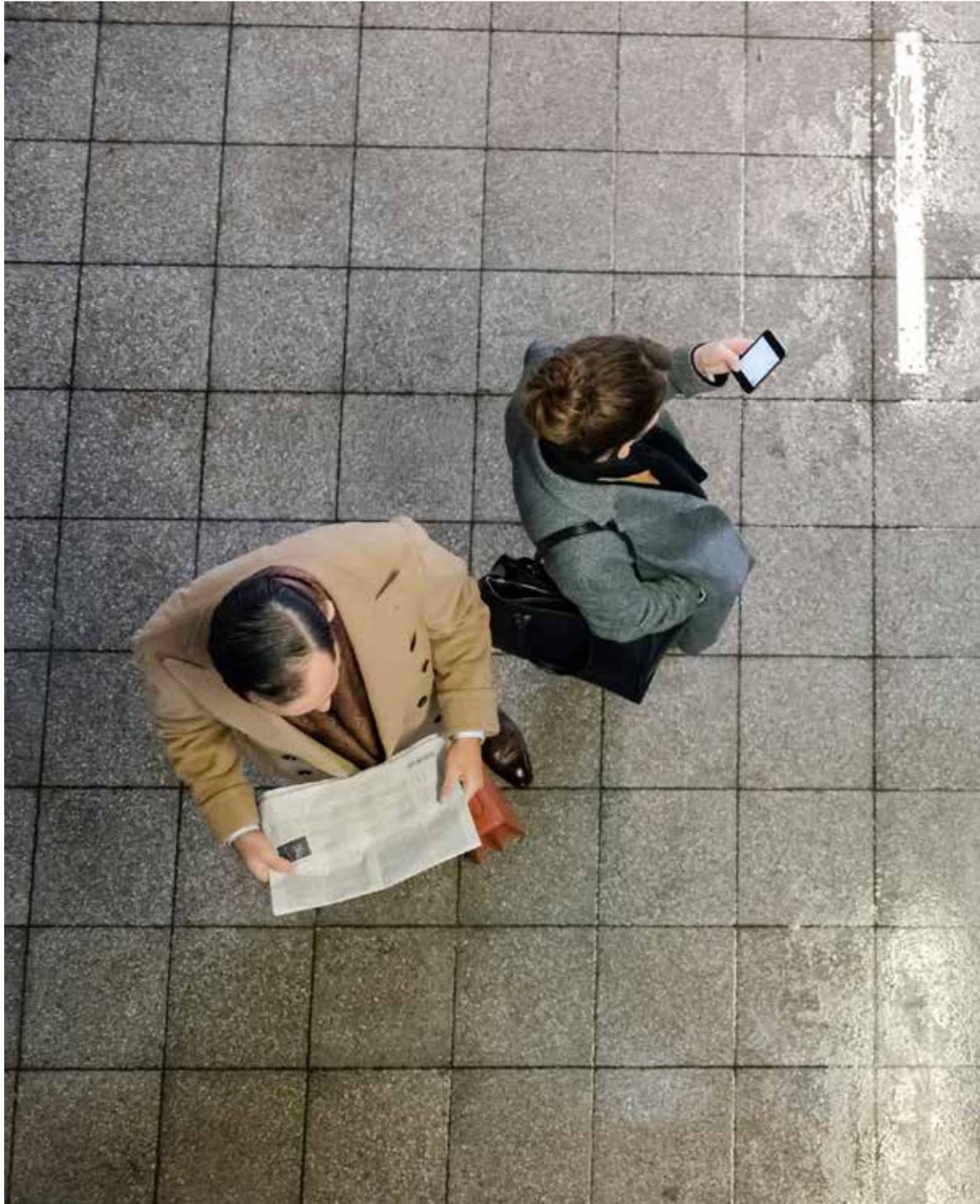
The file included not just photos of her license plate and car, but a detailed tracking of her whereabouts as she traveled around the city, going to work, running errands, and going to Bible study.

recorded her license plate eight times on five dates from October 2013 to as recently as April 1. The file included not just photos of her license plate and car, but a detailed tracking of her whereabouts as she traveled around the city, going to work, running errands, and going to Bible study. There were even photos taken as her car sat parked at home in a private lot belonging to her apartment building.

The data discovery was all the more shocking since the state of Virginia, through the office of former Attorney General Ken Cuccinelli, told police departments last year that storing randomly collected license plate data is illegal.

News outlets across Virginia featured Katie's work, she appeared on Fox News to tell her story, and she was flooded with emails from all over the country, with readers asking how they can request their own records and how they can fight back. One came from a teacher in Washington State, who told her that he plans to use her story to show his students

that they have "the right to challenge their school or government when they feel their rights have been unfairly infringed upon and violated." Lawmakers, meanwhile, have vowed to address the issues that Katie's work highlights and to take action to curtail these programs.



No 4

Programs

Watchdog.org

Our work is published to Watchdog.org - our national news aggregation site that also features state-specific portals, multimedia reporting, special issue, and breaking news event pages. Journalists in every state maintain content-sharing relationships with local print, radio, broadcast, and digital media. We operate under a “steal our stuff” policy, offering regional and local newspapers as well as business and trade journals the liberty to reprint any of our work (with attribution), effectively pushing our reporting to far larger and more diverse audiences than web publishing alone.

With 75 national and local media partnerships, we’ve demonstrated the ability to reach a range of mainstream and niche audiences with our reporting, shaping and driving media and grassroots conversations. Our work has been used by Reuters, The New York Times, The Philadelphia Inquirer, The Atlantic, The Wall Street Journal, Forbes, The Economist, Huffington Post, Talking Points Memo, PBS NewsHour, ABC News, CBS News, and CNN en Español. Each week, our work is also carried by dozens of regional and local newspapers, radio and television stations, and high-impact news aggregators each week.

An editorial team with nearly a hundred years of combined journalism experience directs our journalism efforts and ensures that our reporting meets



the highest standards for quality. Members of our editing team have held staff positions at major papers across the country, and have launched and published alternative news sources even before arriving at the Franklin Center.

Issue Reporters



Over the past two years, the Franklin Center has committed to building a bench of policy reporters who work to draw national narratives on priority issues. We currently house issue desks for energy, technology policy, and education, all with dedicated support from a diverse array of funders.

Our most aggressive effort has been our national education reporting initiative. This initiative began in 2012 with only one national reporter, Mary

Our most aggressive effort has been our national education reporting initiative.

Tillotson. This year, the project has expanded to include three additional “hyperlocal” reporters in Milwaukee, Washington, D.C., and Philadelphia, with Mary rising to serve as education editor. In this role Mary oversees strategy and mentoring for the education reporters and our Watchdog.org reporters across the network as they tackle this complex set of issues.

Our vision for continuing to develop this capacity is to recruit talented issue reporters who can bring a deep policy knowledge as well as sources and contacts in these fields. Because of their expertise, they serve not just as investigators and content creators, but as issue editors for these topics across our network, supporting the work of our state-based reporters and drawing together national narratives.

Model Bureau Plan

The Franklin Center seeks to build a permanent infrastructure capable of rivaling any legacy media outlet, print or broadcast, in terms of quality and impact. Over the past six years, we've learned that requires a long-term, established media presence - not air-dropping in for a quick drive-by report. What works is for our reporters to be on the ground for the long haul, embedded in their communities, building relationships, nurturing sources, establishing credibility.

To that end, we've developed a blueprint for a model state news bureau - a full-fledged news operation capable of challenging the legacy media. In 2015, we're seeking support to launch model bureaus in up to five states.



Investigative reporting: Reporting that produces projects that break news and upend the dominant narrative. This effort will leverage our expertise in data-driven reporting. An investigative reporter is expected to produce two to three stories per week, in addition to longer, more-in-depth investigations.



Capitol reporting: The daily coverage of state government affairs that local newspapers can no longer afford is essential: it fills a market need for information; develops the Watchdog brand; and brings web traffic and other media to our sites. A capitol reporting capacity in each bureau comprises daily coverage of legislative activity, the governor's mansion, and state agencies and bureaucracies.



Political reporting: Dedicated elections coverage will allow us to set the terms of the debate from the beginning. Our reporters ask candidates the questions that raise issues of liberty. They require candidates to declare and defend a position. We don't seek to cover the "horserace" or the elections process, but to vet candidates thoroughly and to cover the substantive policy questions that should be at the heart of an election.



Policy reporting: Over the past two years, we've been testing issue-specific reporters who work to draw statewide and national narratives on priority issues. We've developed expertise in covering First Amendment issues, cronyism and corruption, labor unions and right-to-work, education and school choice, alternative energy and the damage done by the EPA. We've deployed these issue-specific reporters in strategic states where they have a chance to make a difference in the debate. Our model bureau plan includes a policy reporter in each state.



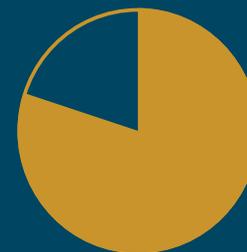
Hyperlocal reporting: A great deal of governing, taxing, and spending occurs at the local level of government and that activity quite often finds its way into the national conversation. The model bureau plan provides support for regular freelancers who can offer us flexibility, mobility, and local expertise, with their work supplemented by our growing network of bloggers and citizen journalists.

Financial Support

The Franklin Center for Government & Public Integrity welcomes your support.

The Franklin Center is a 501(c)(3) nonprofit organization. We neither solicit nor accept any government or taxpayer financed grants. Our groundbreaking, game-changing investigative journalism is made possible only through the generous support of our donors.

Your gift to the Franklin Center is tax deductible to the fullest extent of the law and helps expose waste, fraud, and abuse of power, holding government accountable to its citizens.



80% of our dollars go directly to program activities.

We published 6,189 stories in 2014. Our stories have been placed in or cited by other media 10,739 times, nearly doubling last year's total of 5,463.

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Financial Support

The Franklin
welcomes yo

The Franklin Cent
nor accept any go
game-changing in
generous support

Your gift to the Fr
law and helps exp
accountable to its



**196 Television
Appearances**



**584 Radio
Appearances**



80% of our dollars go directly to program activities.

<i>Revenue</i>	<i>2014</i>	<i>2013</i>
Individuals	\$8,271,200	\$7,165,690
Foundation	\$1,286,000	\$699,120
Corporate	\$320,350	\$153,250
Total	\$9,877,550	\$8,020,073

<i>Expenses</i>	<i>2014</i>	<i>2013</i>
Programs	\$7,886,165	\$6,238,909
Fundraising	\$1,255,189	\$1,443,474
Gen. & Admin.	\$670,016	\$971,980
Total	\$9,811,370	\$8,656,376

"As the mainstream media has abandoned journalism in America's state capitals, the Franklin Center has stepped forward to make sure citizens remain informed about what their governments are doing. It's an indispensable asset."

John J. Miller
Chairman, Board of Directors

"Well done is better than well said."

Benjamin Franklin

*"As the mainstream media
has abandoned journalism in
America's state capitals, the
Franklin Center for Government & Public
Integrity is moving forward
and remains committed to
their goals. It's a
mission that's as important as ever."*

The Franklin Center for Government & Public Integrity is classified as a 501(c)(3) charitable organization. Contributions to the Franklin Center are fully tax-deductible.

The Franklin Center is supported by contributions from generous individuals, foundations and business entities in support of our mission. We neither solicit nor accept contributions or grants from any government entity or organization.





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