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By 60
Minutes

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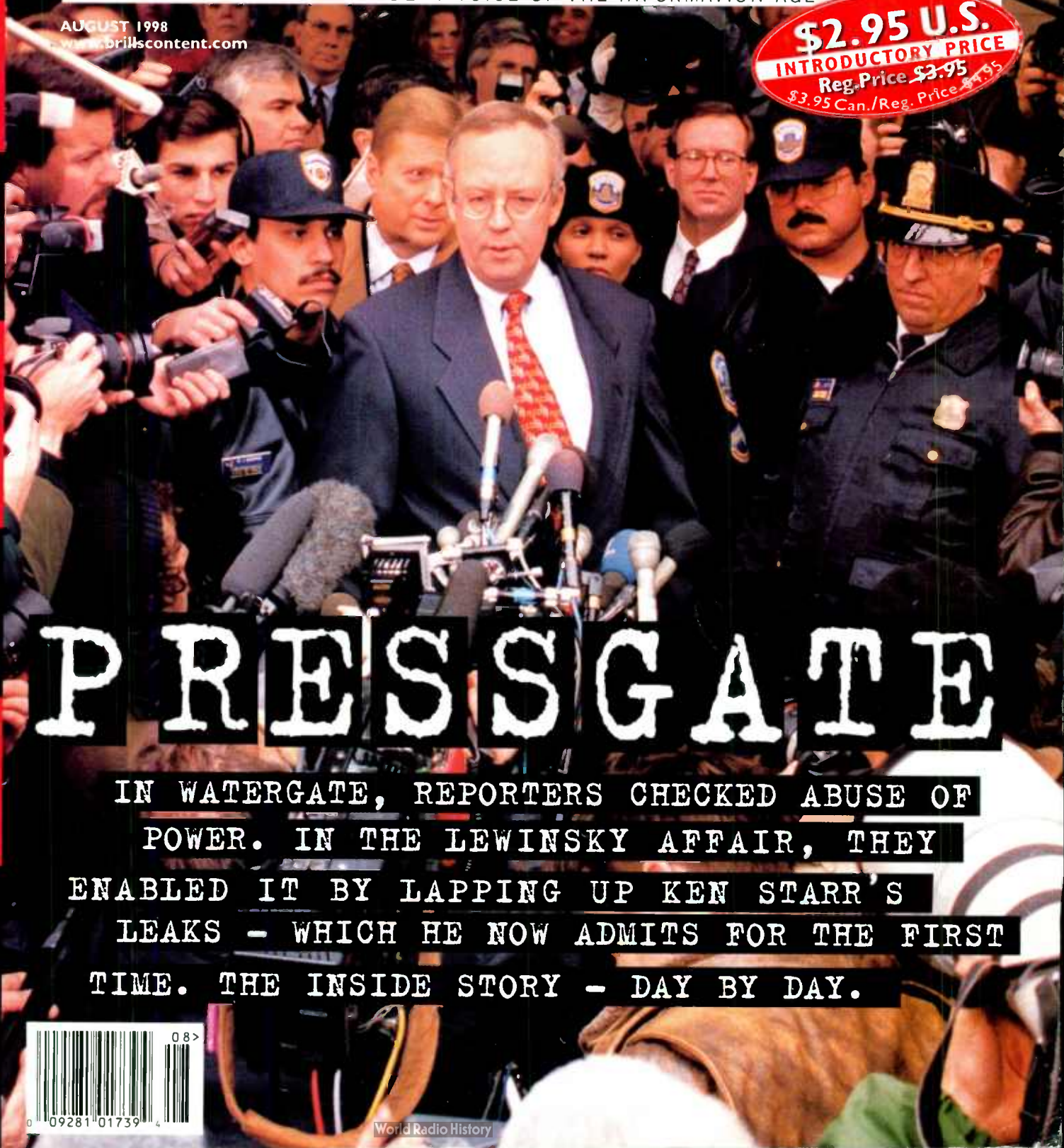
CONTENT

THE INDEPENDENT VOICE OF THE INFORMATION AGE

AUGUST 1998
www.brillcontent.com

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PREMIERE ISSUE



PRESSGATE

IN WATERGATE, REPORTERS CHECKED ABUSE OF
POWER. IN THE LEWINSKY AFFAIR, THEY
ENABLED IT BY LAPPING UP KEN STARR'S
LEAKS - WHICH HE NOW ADMITS FOR THE FIRST
TIME. THE INSIDE STORY - DAY BY DAY.



BRILL'S CONTENT PREMIERE ISSUE AUGUST 1998

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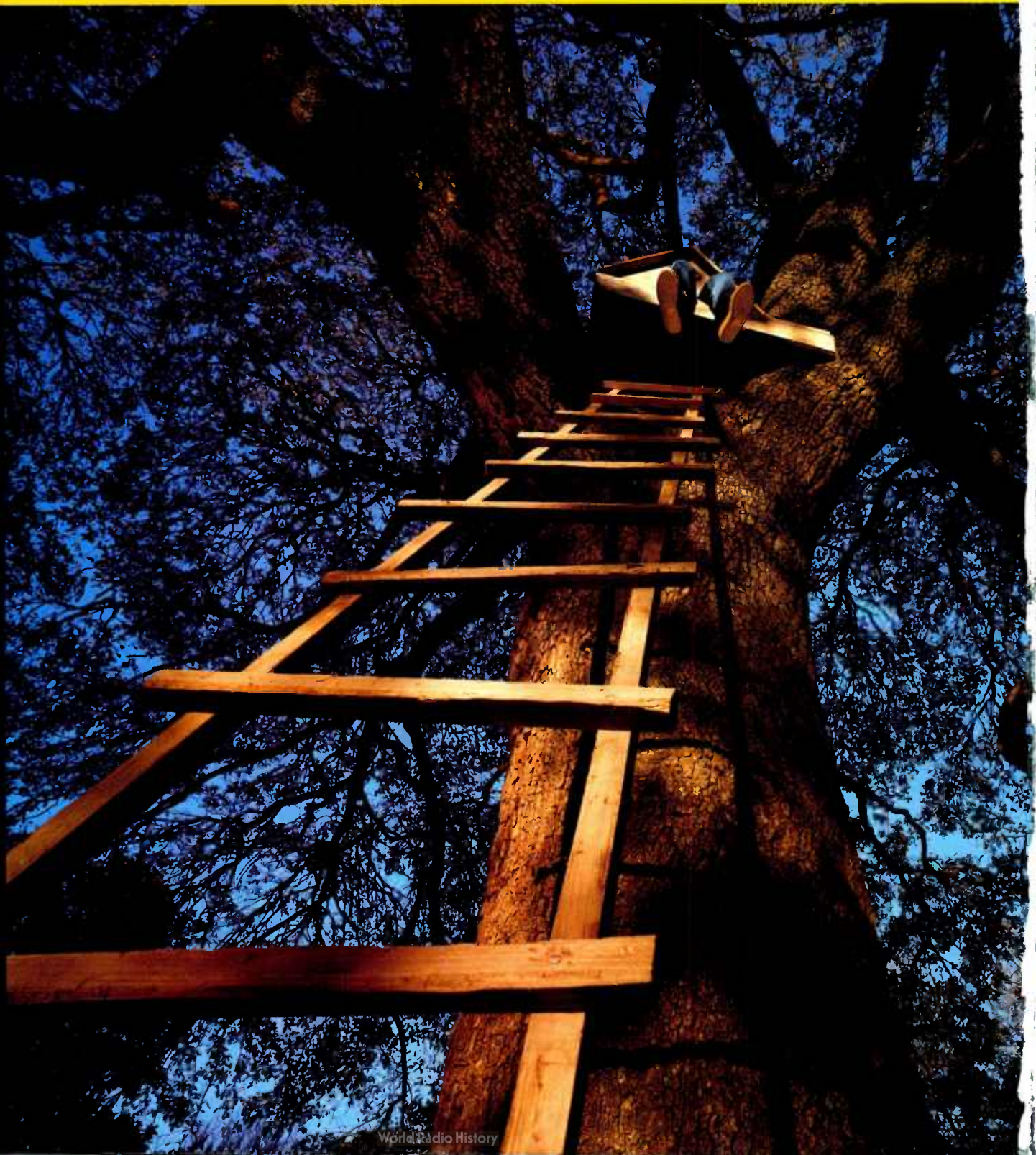
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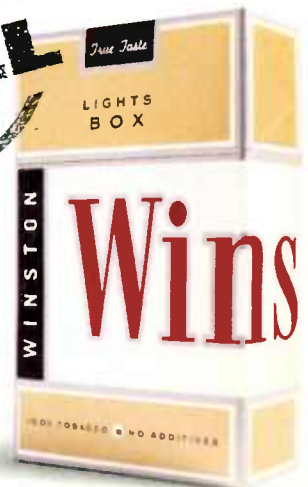
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GIORGIO ARMANI
LE COLLEZIONI

Dear Reader:

Welcome to our first issue.

Because this is a new magazine based on a new idea—that consumers of news and information in this Information Age should know how what they watch, read, or log on to is produced, and how much they can rely on it—I think I owe you an opening explanation of the perspective from which we approach our job. You deserve to know the value system, indeed the “bias,” that will be behind everything we do.

1. Nonfiction Should Be True

This magazine is about all that purports to be nonfiction. So it should be no surprise that our first principle is that anything selling itself to you as nonfiction should be true.

Which means it should be accurate in fact and in context. After all, when you buy a nonfiction media product—be it a cable news channel or a teen magazine for your kids—you are being promised that it is the publisher’s honest attempt at telling the truth about something.

We see this as the one black line in everything we are going to write about: Is it true?

But this does not mean that inaccuracies are necessarily the work of dishonest people, nor does it mean that the purpose of this magazine is to play “gotcha” with journalists. Sometimes mistakes are just mistakes. We are determined to approach the bedrock question of accuracy with a sense of perspective and proportion—and without a holier-than-thou attitude. That’s why you won’t see us, I hope, dwelling on honest, relatively unimportant mistakes. And it’s why you *will* see us writing a lot about people who are doing really good journalism.

You also won’t see us approaching any of this in ideological terms, or even in institutional terms. Readers who expect us to favor victims of inaccuracy on the left or on the right, or who expect that we’ll always find that large media companies are doing something “good” or something “bad,” will be sorely disappointed. We intend to be reporters, which means we’ll approach every story on a fact-by-fact basis.

2. Truth In Labeling and Sourcing

If a publisher is not certain that something is accurate, the publisher should either not publish it, or should make that uncertainty clear by stating the source of the information and its possible limits and pitfalls. Thus, if a source for an allegation has an ax to grind, that should be spelled out. It’s a basic truth-in-labeling principle that we think all nonfiction media should live up to.

3. No Hidden Motives

We believe that the content of anything that sells itself as nonfiction media should be free of hidden motives. It should not be motivated, for example, by the desire to curry favor with an advertiser, or to advance a particular political interest—unless those motives are clearly disclosed. Again, our approach is to look at nonfiction media as a consumer product; when a magazine or newspaper tries to sell you a subscription, it doesn’t promise that “we’ll give you the truth as long as it doesn’t offend one of our advertisers or one of our editor’s friends.”

4. Full Accountability

We believe that journalists should hold themselves as accountable as they hold those they report about. They should be eager to receive complaints about their work, to investigate complaints diligently, and to correct mistakes of fact, context, and fairness promptly and clearly. On page 14 we have spelled out our own policy on making corrections and our use of veteran journalist Bill Kovach as our outside, independent ombudsman.

I hope you will agree that the range of articles in this premiere issue—from Roger Parloff’s account of *The New York Times*’s deft, dogged investigation of Columbia/HCA, to the story about letters to teen magazines, to our evaluation of websites that allow stock trading—is a good first attempt at putting these principles to work. I’d welcome your feedback (at the address below) and your ideas on how we can improve on this first effort.

Meantime, thanks for being with us at the beginning.

Sincerely,



STEVEN BRILL, EDITOR AND PUBLISHER

P.S. Our name change: You may have noticed that we have changed our name to *Brill’s Content* from *Content*. No, it’s not an ego thing, or something our marketing people wanted to do. Rather, because “content” is such a generic word that others have used and still others might want to use, it’s a simple matter of securing our trademark and avoiding litigation in a litigious world.



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World Radio History

LETTER FROM THE OMBUDSMAN

BY BILL KOVACH

THIS IS A NOTE TO THE READERS OF *BRILL'S CONTENT* about the role of ombudsman and how I intend to fill that role.

The idea of the ombudsman as a people's representative is nearly 200 years old. The notion came to the United States from Sweden, where it was born in 1809 as a sort of independent counsel meant to receive citizens' complaints about government abuse, investigate those complaints, and issue reports.

The Pulitzer family thought the idea might be used as a tool to elevate the standards of journalism, and as early as 1913, created what they called the "Bureau of Accuracy and Fair Play" at their newspaper, the *New York World*. In a 1984 article in the *Columbia Journalism Review*, Cassandra Tate described how the *World's* first ombudsman noticed a pattern in the newspaper's reporting on shipwrecks: each such story featured a cat that had survived. When he asked the reporter about this curious coincidence, the ombudsman was told:

"One of those wrecked ships had a cat, and the crew went back to save it. I made the cat a feature of my story, while the other reporters failed to mention the cat, and were called down by their city editors for being beaten. The next time there was a shipwreck, there was no cat but the other ship news reporters did not wish to take chances, and put the cat in. I wrote the report, leaving out the cat, and then I was severely chided for being beaten. Now when there is a shipwreck, all of us always put in a cat."

Obviously, this sort of nit-picking could get in the way of the kind of tale of scandal and celebrity that was demanded by editors in the days of Ben Hecht and Charles MacArthur's *Front Page*. As the era of tabloid journalism flourished with flappers and speakeasies, Pulitzer's idea of accuracy and fair play withered. The late A.H. Raskin, of *The New York Times* and Ben Bagdikian of *The Washington Post*, two of the most aggressive and independent reporters of their time, are generally credited with resurrecting the idea of a press ombudsman in 1967. The *Times* was unimpressed with the concept. Bagdikian's *Post*, however, adopted it. And it is the work of such *Post* ombudsmen as Richard Harwood, Joann Byrd, and Geneva Overholser that has shaped my thinking about this new job of monitoring a magazine that chooses to monitor the work of other journalists and media workers.

Here's how I intend to begin the job. It will, I am sure, change as you call on my services. But for now, let me tell you

Bill Kovach is the curator of the Nieman Foundation for Journalism at Harvard University. He was formerly editor of the Atlanta Journal and Constitution and chief of the Washington, D.C., bureau of The New York Times.

three things I will do, and three things that I do not believe are my job.

I am primarily here to receive and investigate specific complaints about the work of *Brill's Content*, and to make a judgment about how such complaints should be handled. This may mean that I will recommend corrective action to the editors, or that I may reply directly to the complainant in a formal letter, outlining my conclusions after investigation. In cases where neither of these seem to be the right solution, I will write a column examining the issue raised.

But there may be cases where I believe a problem needs addressing without a complaint. I intend to examine each issue of the magazine independent of any complaints, and to make suggestions or recommendations to the editors. In some cases, I may write columns on what I see as a reader of *Brill's Content*. I have my own personally paid subscription to the magazine, and I will come to the magazine just as you do, innocent of the decision-making or judgment that goes into its content.

Finally, I will keep a record of complaints and share that information with the management of the magazine on a regular basis, in order to keep them informed of trends in readers' judgments about the magazine's tone and standards.

Now let me tell you what my job is not.

Most important, it is not dependent upon the good will of the owners or managers of the magazine. *Brill's Content* gives me complete independence (in sports, it's called a guaranteed contract) and Steven Brill has given me the

research support I need for the job, as well as the promise that I get the last word in print if my judgment should conflict with that of the magazine's editors, writers, or owners.

And you should know that the job is not considered a substitute for other forms of complaint from you as a reader, such as letters to the editor or demands for corrections.

Finally, my job is not that of a censor. I am not here to try to keep things out of the magazine, but to encourage the highest journalistic standards in the publication.

I take this job, as it was offered, very seriously. In a society dependent for its good health on argument and debate, it is important that all of us who engage in the process do so in a way that guarantees that the process is fair as well as open. *Brill's Content* intends to hold the media to a high standard of performance in this regard. *Brill's Content* must therefore match or top in its own performance the standard it applies to others.

It will be my job to challenge the editors, writers, and owners of *Brill's Content* by calling on them to account for the way in which that standard is set and applied. ■

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BRILL'S CONTENT

THE INDEPENDENT VOICE OF THE INFORMATION AGE

PREMIERE ISSUE • JULY/AUGUST 1998 • VOLUME ONE • NUMBER ONE

FEATURES

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BY TED ROSE

They're coming to get you: The life of the television "booker" is arduous, fast-paced, and crucial to the ratings and reputations of the news networks and TV magazines. Invisible to the viewer at home, bookers are the key link in the "get"—the live interviews of a story's most important subjects. Here's how they do their work. Plus: HOWARD KURTZ examines the *60 Minutes* exclusive interview of Kathleen Willey, a "get" that was gotten too fast and loose.



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Kathleen Willey on 60 Minutes last March: She was the "get" every news show wanted. But some of the facts about her got away from the producers.

100 How The New York Times Nailed a Health-Care Giant

BY ROGER PARLOFF

Over a decade, Columbia/HCA Healthcare Corp. was built from scratch into the country's largest hospital chain, judged the most admired by investors and industry peers. Then, in an example of journalism at its best, a team of determined reporters from *The New York Times* (armed with millions of database records) spent 17 months uncovering just how Columbia had achieved its growth. What they found was an unhealthy corporate culture, one that their 1997 series helped expose and ultimately change.

Biggest Hospital Operator Attracts Federal Inquiries

This article was written and reported by Martin Gottlieb and Kurt Eichenwald. The computer analysis was by Josh Barbanell, who also contributed additional reporting.

Law enforcement officials and government agencies are using an array of business intelligence tools to track the biggest hospital operators.

In addition, Federal civil and criminal investigators are examining whether it is illegal for Co-Insiders with a financial interest in the company to provide medical services to the company's home care patients.



100

The New York Times invested more than \$600,000 in the work of Martin Gottlieb (l), Kurt Eichenwald, and others. The payoff was a groundbreaking series on the country's biggest hospital chain.

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Though Barnes & Noble's Robert Wietrak is lowkey, his book buying decisions have high impact.

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The Monica Lewinsky allegations have been called the worst national scandal since Watergate, but the real scandal may be the way the news media has covered the story—or, in too many cases, created it. This is the first day-by-day, story-by-story deconstruction of how the year's biggest news event spun out of control, to the point where facts were lost in the flurry to be first, and reporters abandoned the rules and the truth.



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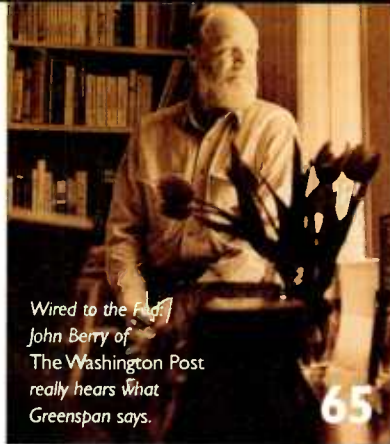
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CORRECTIONS POLICY

1. We always publish corrections at least as prominently as the original mistake was published.
2. We are eager to make corrections quickly and candidly.
3. Although we welcome letters to the editor that are critical of our work, an aggrieved party need not have a letter to the editor published for us to correct a mistake. We will publish corrections on our own and in our own voice as soon as we are told about a mistake by anyone—our staff, an uninvolved reader, or an aggrieved reader—and can confirm the correct information.
4. Our corrections policy should not be mistaken for a policy of accommodating readers who are simply unhappy about a story that has been published.
5. Information about corrections or complaints should be directed to editor Steven Brill. We may be reached by mail at 521 Fifth Avenue, New York, NY, 10175; by fax at 212-824-1950; or by e-mail at comments@brillcontent.com.
6. Separately or in addition, readers are invited to contact our outside ombudsman, Bill Kovach, who will investigate and report on specific complaints about the work of the magazine. He may be reached by voice mail at 212-824-1981; by fax at 212-824-1940; by e-mail at bkovach@brillcontent.com; or by mail at 1 Francis Avenue, Cambridge, MA 02138. See page 9 for a further explanation of Kovach's role.



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[INSIDE BRILL'S CONTENT]

WHEN HE OWNED AND EDITED *THE AMERICAN Lawyer*, Steven Brill published an article on the Paula Jones case written by Stuart Taylor, Jr. That piece transformed the media's mind-set. The woman who had been routinely derided as trailer-trash was thereafter seen as having a claim against Bill Clinton that should be taken at least as seriously as the charges made by Anita Hill against Clarence Thomas. It seems only fitting, then, that in our first issue, Brill himself visits the controversy surrounding the president's private life. Others have ruminated on the media's role in the Lewinsky affair. What's different about Brill's take in "Pressgate" (page 122), is that he actually pored over weeks of relevant articles and TV news transcripts, and then interviewed the writers, reporters, editors, and executives responsible for the coverage. Their explanations—and their often-tortured defenses—provide a riveting tale. And along the way, Brill got Ken Starr to admit (on the record and for the first time) that he and his office have been anonymously "briefing" reporters for the stories that have threatened Bill Clinton's tenure.

As Brill kept inquiring about confidential sources, some journalists asked why he would pry into such a sensitive subject. The answer involves allegiance and obligation. At this magazine, our allegiance is not to some amorphous professional club—the producers of nonfiction content—but to those who consume what the media produce. Our obligation, we believe, is to help those consumers better understand how the product they rely on is made—a task that often requires asking uncomfortable questions. We know as well as anyone that the production of important journalism sometimes demands the use of anonymous sources, and that reporters who promise confidentiality should keep that promise. But just as every journalist tries to unmask the secrets that others have promised to keep, when it comes to some of journalism's secrets, we believe that we should pry, too.

While "Pressgate" reveals the media's shortcomings, Roger Parloff highlights one of its triumphs—*The New York Times's* exposé of Columbia/HCA, the giant health care company (page 100). The stories of four other hero journalists begin at page 57; and at page 65, James Cramer praises *The Washington Post's* John Berry for understanding Fed Chairman Alan Greenspan better than anyone else.

Three other articles explain how media are made, how they are controlled, and how they are used. "The Hunters" (page 90) explores the pressured world of "bookers," the behind-the-scenes folks who cajole guests to appear on television. The "Gatekeepers" department (page 116) profiles

the Barnes & Noble honcho who chooses the books we buy—and explains why some are displayed prominently, while others can't be found on a bet. (The answer—who'd have thunk it—involves money.) Speaking of money, at page 108, David McClintick spends a week with two money managers for whom the astute or clumsy use of information can mean the difference between making and losing millions.

In "ClickThrough," our section about matters high-tech that begins at page 40, you'll learn which on-line brokers provide big-guy research for us small-fry investors. You'll also learn how some Internet operators steer your eyes to *their* websites first. Surprise: that's all about money, too.

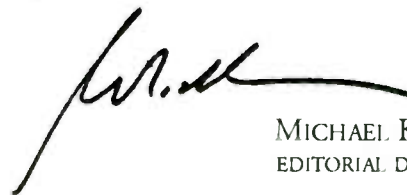
If you'd like a good read you may not know about because it hasn't been promoted, you'll find some suggestions in "Unhyped Books" at page 83. And if those letters in the teen magazines your kids inhale seem improbable, you'll find out why at page 71.

Even if you were appalled by TV's coverage of the deranged man who killed himself on a Los Angeles freeway on April 30, you'll want to know why some stations broadcast the gory scene while others pulled away. D.M. Osborne deconstructs the decisions at page 67.

We've chosen our columnists for their range of mind and interest. Reed Hundt and Blair Levin, who ran the FCC for four years, analyze the stakes involved in the Great Switch to Digital TV (page 76). Esther Dyson, the on-line world's guru, explains how the Internet is hobbling corporate and governmental efforts to stonewall the public (page 50). Calvin Trillin (at page 62) gently puts journalists in their place, while George Clooney, a journalist's son, offers his take on how press standards have fallen (page 80).

If you're curious about the qualifications of science and medical reporters, see page 86. If you've wondered what hot-shot journalists earn on the lecture circuit, the numbers at page 89 may startle you. And if you've thought that some cover models might not be wearing the makeup some magazines say they're wearing, you're right—as you'll learn in "The Notebook," which starts at page 22.

That's just some of what's inside. I think you'll find it an eclectic mix and a good read. More, I hope you'll conclude that we're fulfilling our mission: to help us all become smarter about the media that influence our lives every day.



MICHAEL KRAMER
EDITORIAL DIRECTOR



The Range Rover: 1 part croquet player, 1 part rugby thug.



SCORE one for the Brits. For creating a most unique vehicle by combining refined elegance and brute strength. THE Range Rover's permanent four-wheel drive and electronic air suspension make obstacles like a storm front as surmountable as a Sunday in the park. And its 14-gauge steel chassis helps make a defiant road obey. SCORE another for the Range Rover's interior. Its 12-speaker audio system encompasses you in wondrous sound. And its leather upholstery and dual climate controls transcend SUV standards, leading you to believe you might actually be in your drawing room instead of a far corner of the earth. AT \$56,925,* you should expect such splendor. AND by calling 1-800-FINE 4WD and coming in for a test drive, you can experience it. CREATING an extraordinary 4x4 like the Range Rover wasn't an easy task. BUT who's keeping score?

RANGE ROVER



Quality Control

A U.S. Senator writes a letter to *The Washington Post* claiming that an eye-catching story about him is completely wrong. What happens? Nothing.

LAST DECEMBER, I NOTICED A CURIOUS LETTER TO *The Washington Post* from Senator Robert Byrd, of West Virginia. The subject was an article that had run in the *Post* detailing the senator's supposed role in getting a National Park Service project funded in his state—a role the *Post* cited as an example of lawmakers turning the service “into their personal pork barrel.”

Here are the highlights of Byrd's letter:

“The very first paragraph of the article speaks of a renovated train depot...asking ‘Why did the National Park Service spend \$2.5 million turning a railroad station into a visitor center for a town with a population of eight? The compelling reason—Senator Robert C. Byrd...who glides past on Amtrak's Cardinal Limited from time to time, heading to and from his home in Sophia, a few miles south.’

“Funny thing, I do not ride the...train to and from Sophia and I have never done so. In fact, in the long existence of that train—which does not go to Sophia—I doubt that I have ridden it more than three times, and the last time was probably a decade ago.

“Not so funny is the suggestion that the historic preservation of that building and the town of Thurmond...would be undertaken as a result of such whimsy. Equally ridiculous is the falsehood that I ‘slipped’ the New River Gorge National River park unit into federal legislation ‘unwanted.’ The recommendation to have the New River Gorge managed by the National Park Service was made by the Interior Department....[B]ecause of my concern for the costs associated with this plan...I have not supported the Park Service proposal for complete restoration of the town of Thurmond. And in the case of the depot, I forced the Park Service to complete the project at a cost considerably less than its original estimate.”

In short, Byrd claimed that the entire story was totally, even comically, wrong. To which the *Post* replied...well, it didn't. Byrd's letter ran without comment. So, who was right?

Brill's Content staff writer Rachel Taylor reached Martha McAteer, an editor of the *Post's* letters page. No comment from the paper was added, said McAteer, because “letters to

the editor allow readers to voice differences of opinion.”

Could it really be a matter of opinion whether the senator had actually ridden the train or “slipped” the project in “unwanted” by the federal agencies involved?

A discussion with the article's author, Frank Greve, the respected national correspondent for Knight-Ridder Newspapers, whose wire service had supplied the story to the *Post*, was stranger still. “So what's the problem,” Greve began, after having read Byrd's letter, which he told me he had not seen before my inquiry to him. “He's entitled to his opinion.”

“Is it a matter of opinion that he rode the train to and from his home and that that's why the depot got funded?”

“Well, I heard he did,” said Greve. “And I know he lives near there.”

“Is it a matter of opinion that he slipped the bill in unwanted?”

“I was told that,” Greve answered.

“Did you call him and ask?”

“Sure, I called his office,” Greve continued.

“What did you ask them?”

“I told them I was calling because I was interested in the history of the project, so they suggested I call a former [congressional] staff guy because the project was so long ago. He was one of my sources.”

Greve also pointed out that his original wire service article had included a paragraph saying that Byrd had cut the budget for the depot, but that the *Post* had cut that section from the version it had published.

But for Greve to call Byrd to say he was interested in the history of the project, rather than to ask specifically about the train rides or about slipping the project into the



Sen. Robert Byrd and the train station that *The Washington Post* called his pet project.



budget unwanted, is like calling someone and saying you are doing a story about the history of his family when you're about to write that he has been accused of incest.

Greve finally urged me to call two of his sources for the story—a former congressional staffer and a former Park Service official—on the condition that I not name them.

The first “source” said he had talked to Greve “generally about the Park Service pork-barrel abuses” and had “heard that either Byrd or a West Virginia congressman had wanted to slip the River Gorge project in.” But he was “not sure about who it was or even if it was either of them....It was an old story every-one sort of liked to tell....You know, an apocryphal story.”

What's important here is that at two of the most respected (and deservedly so) news organizations in the world, the senator's letter was a non-event.

The second “source,” the former Park Service official, said he told Greve that Byrd's involvement “sounded right,” but that he had “no way of” really knowing because the park project “was way before my time.”

When told of the accounts provided by his “sources,” Greve sighed, and then said, in near-disgust, “Look everyone knows that this is the way the world works in Washington. What's the big deal?”

Actually, it is a big deal. Most of us think this indeed is the way Washington works, and I know I always thought of Byrd as the embodiment of all that. So a story like this piles on to our preconceived notions and makes us all the more cynical and ready to believe the next story. Conversely, when a story about how the world probably does work, written by a respected reporter, turns out to depend on an anecdote that doesn't seem to hold up, otherwise good journalism is discredited.

But what may be more important than whether Greve's story is correct, is what happened after Byrd wrote his letter. Which is that nothing happened.

Greve freely conceded that no one at Knight-Ridder ever asked him about the Byrd letter. Knight-Ridder Washington bureau chief Gary Blonston confirms that “I never heard anything about a letter.” (Blonston also notes that he was hospitalized at the time the letter was published.)

As for the *Post*, when shown Byrd's letter two months after he published it, executive editor Leonard Downie said, “I've never seen it....In fact, I must admit I don't read letters to the editor.” (As the *Post*'s executive editor, Downie is the editor to whom an aggrieved reader presumably writes; it is he who is responsible for all news coverage.)

Wouldn't Downie likely see a letter like this from a senator? “If it were directed to me personally, I think I would,” he said. “But if it is just sent to the paper I don't know who would see it on the news side [as opposed to the editorial page editors like McAteer, who oversee the letters page]. I suppose we should systematize that.”

It is impossible to imagine that the producer of any other consumer product, such as a car or an appliance, could or would ignore this kind of complaint about a defective product, let alone one from someone important. If only because most other enterprises would fear embarrassment in the marketplace or a lawsuit, this absence of basic quality control would be unfathomable. (Greve would win any libel suit as long as he could show he really believed the Byrd story might be true—but that defense for a defective car or toaster would be laughed out of court.)

So what's important here is that at two of the most respected (and deservedly so) news organizations in the world, the senator's letter was a non-event.

A footnote: The original *Washington Post* story generated lots of editorials across the country attacking pork-barrel politics. And, two weeks after the Byrd letter appeared, one of my heroes in journalism—Charles Peters, the editor of *The Washington Monthly*—cited

the Greve article as an example of tax dollars misspent because “the money was slipped into the budget” by Sen. Byrd. Asked how he had checked the article, or if he had called Byrd for comment, Peters, who is from West Virginia and knows Byrd, said, “It would be unheard of that this would happen without somebody's intervention. I'd be incredulous if Byrd wasn't behind it....I guess it could have been a congressman, but I doubt it. But I did no checking because something like this just has the ring of truth.”

“Sources Say”

Let's have a contest.

I'll extend a subscription for an additional year to the reader who, by July 15, sends us the news article or transcript of a television or on-line newscast that has the most uses per 100 words of the specific phrase “sources say.” The winner and the offending author will be announced next issue.

We want to stamp out the common use of a phrase that is never defensible. At the least, a reporter can always tell us if there are two sources or 20. Surely he knows. Similarly, he can almost always provide some kind of description of the unnamed source that suggests the source's knowledge or possible bias, even if he cannot be identified.

The principle is simple and, again, it has to do with quality control for this particular consumer product: providing clear information is an achievable goal, especially when journalists ask us to trust them—and their unnamed sources.

This reminds me of one of the laziest, most duplicitous things that nonfiction authors do in their acknowledgements at the beginning of a book. Here's an example: “More than 300 people were interviewed for this book....” Doesn't this author know how many? Was it 301 or 33,001? Why can't he tell us? Is 300 a figure of speech? Why trust him with anything else in the rest of the book if he's this lazy with that kind of easy fact?

That's a quote from the acknowledgements page of a book I wrote in 1978. ■



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the notebook

CREDITS

Making Up The Truth

Using the small print to attract
and keep big advertisers

WHAT WOMAN WOULD not want to look like Amber Valletta and Kate Moss on the cover of the March *Vogue*? Those readers who find couture clothing beyond their reach *can* more easily afford the \$79 for “Custom Color Foundation, Cheekcolor in Petal, and Exceptional Lipstick in Myth. All by Elizabeth Arden.” According to *Vogue*’s “Cover Look” credit on page 8, those were the products that makeup artist Pat McGrath used to make the super-models on that cover look so super.

Or were they? When asked if she had, in fact, used Arden products, McGrath hedges: “I use such a mixture of products, I cannot even remember.” Jessica Barlow, a spokeswoman for Aveda, the cosmetics company for which McGrath is a paid consultant, says the models were aglow with products by Aveda and possibly Arden.

Susan Santora, Arden’s senior public relations associate, says *Vogue* notified her that the company’s products would get the cover credit. Whether Moss and Valletta were actually wearing Arden products, “We can’t be 100 percent certain,” Santora says. “We never can be.” On behalf of the editors, *Vogue*’s communications chief, Anne Buford, declined comment. But Steven Florio, president of

Vogue parent Condé Nast, says, “To the best of my knowledge, any editorial credit accurately portrays the clothes, makeup, or fragrance used on the model.”

It’s an open secret within the fashion industry that magazines use cover credits as thank-yous to regular advertisers and come-ons to potential ones. Six beauty staffers from *Elle*, *New Woman*, *Mirabella*, *Harper’s Bazaar*, and *Seventeen* agree that the cosmetics cited are rarely those actually used. Calls to Bob Teufel, president of Rodale Corporation, which owns *New Woman*, were referred to Barb Newton, a vice president and publishing director, who did not respond to three calls. Cathleen Black, president of Hearst Magazines, which owns *Harper’s Bazaar*, did not return four phone calls.

At *Elle*, interns count the number of mentions each cosmetics company is getting in the newest issue. Based on this tally, editors decide who will receive the coveted cover credit, says Daniel Cole, a former *Elle* beauty assistant who helped compile the cover credits from May through September of 1996. David Pecker, president and CEO of Hachette

Filipacchi Magazines (which also owns *Mirabella*) referred calls to Carl Portale, *Elle*’s publisher. Portale denies that the advertising and editorial departments



Vogue’s March cover, featuring models Kate Moss and Amber Valletta.

discuss the cover credit and says, “It’s never, ever been used as an enticement” to potential advertisers.

At *New Woman*, according to Cecilia Cabello, a former assistant in the fashion and beauty department, “The beauty editor, the editor in chief, and the advertising people sit down at the end of the year and plan” for the following year’s credits. “May would be Revlon, June would be Chanel. It was planned out way in advance with the ad side.” Not every credit is meted out according to ad-side directives, though, says current *New Woman* beauty editor Vanessa Penna. “I obviously collaborate with the ad side to determine which advertisers need credit,” says Penna. “But I’m not going to ignore the others”—meaning the other makeup lines.

These credits are vital to cosmetics companies, says one advertising media



buyer, because they amount to endorsements. “[The products] are all the same so [sales are] all based on perception,” she says, noting that magazine ad sales representatives looking for more business are not above reminding her that “We’ve given you the cover credit twice in the past year.”

There are rules governing creative crediting. Some magazines—*Glamour*, *New Woman*, and *Seventeen* among them—stop short of outright fabrications by using delicate phrases like, “To achieve this look, try...” (A call to William Reilly, chairman and chief executive officer of PRIMEDIA, which owns *Seventeen*, was not returned. David Adler, PRIMEDIA’s vice president for corporate communications, says that the company stands by *Seventeen*’s use of imprecise crediting.)

According to Aveda’s Barlow, editors observe a hierarchy in doling out credits. “There’s pressure on magazines to credit really large makeup companies,” she says, noting that Aveda is relatively small and rarely gets cover credits. “If I’m a major makeup company and spend oodles of money on advertisements and [the magazine’s editors] credit everyone but me, that could cause major problems.”

Some editors say concocting credits helps consumers. “The way makeup artists work is they blend products; the way readers work, they want lipstick they can go buy,” says Jean Godfrey-June, *Elle*’s beauty and fitness director. Charla Krupp, *Glamour*’s beauty editor, says, “Readers look to *Glamour* for what to buy,” so she rarely credits hard-to-find lines that trendy makeup artists favor. “Our readers know [the credit is] a suggestion,” she says. Annemarie Iverson, *Bazaar*’s beauty and fashion news director, explains that the magazine has no real choice. “If we simplify, it’s because we can’t run four pages of credits,” she says. “It’s not a makeup conspiracy.”

Cecilia Cabello, who was involved in creative crediting at *New Woman*, doesn’t buy it: “I don’t believe anything I read where beauty is concerned,” she says. “It’s all lies.” —*Katherine Rosman*

EXPOSURE

Money’s Morning TV Moves

PRINT MAGAZINES HAVE ALWAYS PRIZED STAFFERS with strong reporting, writing, and editing skills. Now, in the Era of Branding, there’s a new factor in the mix: regular television exposure.

Enter Jean Sherman Chatzky. She earned her journalism credentials as a senior writer at *SmartMoney*, and then built a name for herself and her magazine on NBC’s *Today*, where she has appeared every other Friday since 1995. In February, she jumped from *SmartMoney* (published by Dow Jones and Hearst) to *Money* (published by Time Inc.), and she took her *Today* spot with her.

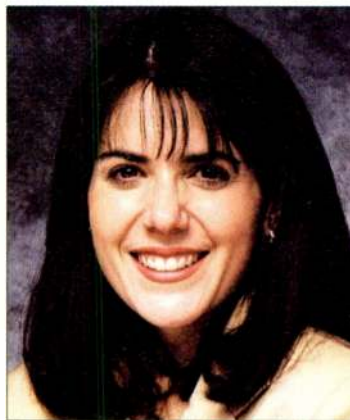
Money lost a regular morning show appearance last October when executive editor Tyler Mathisen quit the magazine—and his gig on ABC’s *Good Morning America*—to cohost CNBC’s *Business Center*. Drew Kerr, who, as *SmartMoney*’s public relations consultant, brokered Chatzky’s *Today* deal, contends that “*Money* magazine essentially bought her *Today* show spot.”

“I don’t know if you could say they wanted our *Today* show spot per se,” says *SmartMoney* editor in chief and president Steven Swartz, “but they wanted a public spokesperson.”

Chatzky, who wrote feature stories and shorter pieces at *SmartMoney*, says she made the move after *Money* managing editor Robert Safian promised her the magazine’s back-page column. Safian, who worked with Chatzky for three years before he moved to *Money* in January, makes no apologies for going after a “brand name.”

“Obviously I’m happy that she’s on the *Today* show,” he says, “but my primary interest was bringing over an excellent personal finance journalist.”

With a lighter print workload, Chatzky now devotes more time to TV. She has been moonlighting as MSNBC’s money editor since February and in March she added an every-other-Saturday appearance to her *Today* schedule. —*Ted Rose*



Money editor and Today contributor Jean Sherman Chatzky

NEWS MEDIA AND COVERAGE

WHAT YOU KNOW depends heavily on your source

of news. So says the Project for Excellence in Journalism and the Medill News Service Washington Bureau, which analyzed the media’s news coverage by story type during the fall of 1997. As this table shows, TV newsmagazines carried the lowest percentage of government and foreign affairs news; newspapers carried the highest.

	TV NEWS MAGAZINES	NETWORK NEWS	PRINT NEWS MAGAZINES	NEWSPAPERS
CONSUMER NEWS	12.2%	12.3%	14.2%	7.8%
HEALTH/MEDICINE	11.5	11.6	4.5	5.8
CELEBRITY ENTERTAINMENT	5.8	3.0	14.8	.8
LIFESTYLE/BEHAVIOR	12.8	3.2	5.2	3.5
GOVERNMENT	.6	13.3	16.1	27.7
FOREIGN AFFAIRS/MILITARY	2.5	16.1	7.7	17.8
EDUCATION/SOCIAL	5.1	4.1	8.4	9.7
ECONOMICS	0	3.6	5.2	5.1
CRIME/JUSTICE	23.1	15.1	9.1	13.3
PROFILE/PERSONALITY	12.8	2.6	5.2	2.8
SCIENCE/TECHNOLOGY	5.2	9.4	9.7	2.7
ACCIDENT/DISASTERS	4.5	4.9	1.3	1.8
HIGH ARTS	.6	.3	.6	.5

Source: Project for Excellence in Journalism and Medill News Service Washington Bureau

COPYCATS

Hot Exposé!

How local TV news recycles its sexiest stories.

ON FEBRUARY 24, VIEWERS OF A San Diego news broadcast were told to be prepared for a disturbing report. A website, the KGTV anchor said, was promoting illicit sex in public bathrooms on local college campuses. What followed were close-ups of a computer screen with listings of San Diego locations where men can find anonymous gay sex. Next came footage described by KGTV's reporter as depicting "a sex act involving several men"—only their legs were visible—shot with a hidden camera in a San Diego State University bathroom.

Over the next few months, viewers in at least ten other cities—including New York, Miami, and Houston—saw strikingly similar reports on their local broadcasts. Though some stations refrained from showing men engaged in sex, and some staked out parks instead of bathrooms, all of the stories told viewers about the website and mentioned local cruising venues. Where did the stations get the idea for their stories? Had it come from police? Citizen complaints? Not exactly. Most of the TV stations used a source they are turning to again and again: newscasts from other cities.

"I really feel it's a good thing to share story ideas," says reporter Chris Heinbaugh of Seattle's KOMO-TV,

which served as ground zero for this report. (The rash of copycats was first publicized by the Gay & Lesbian Alliance Against Defamation.) Heinbaugh chatted up the story with friends and former colleagues in four cities; word of mouth carried it the rest of the way. The story's built-in tip sheet, the website, supplied exact locations in each city—down to specific public bathroom stalls—and decoded the signals men use to set up encounters.

This story is just the latest to make the rounds of local stations. Others with high pass-along value include the on-line seduction exposé, in which reporters sign on to Internet chat rooms claiming to be minors to see if any men propose meeting for a sexual encounter. Some have—and have been caught on camera by stations in Miami, Phoenix, and Portland, Oregon. Another favorite is exposing emergency medical technicians with criminal histories; four stations—in Ohio, Arizona, and Washington—have done that story since May 1997.

"If it works in one place, it often works in another," says Detroit reporter Mike Wendland, whose TV station, WDIV, aired its own version of a report



A videotaped scene of three men in a public bathroom, as broadcast by KGTV in San Diego.

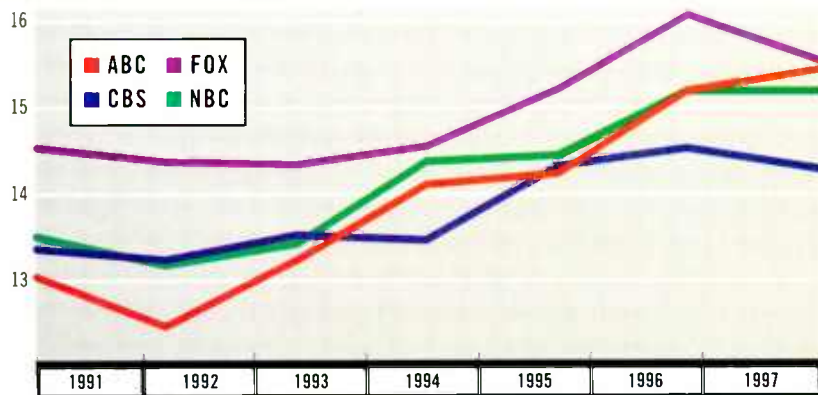
that's appeared in at least three other cities and on ABC's *PrimeTime Live*: testing hotel rooms to see if they were dirty (they were). Reporters often find ideas at the annual Investigative Reporters and Editors conference, where they show tapes of their stories to colleagues to be critiqued—and, inevitably, knocked off.

"As long as you don't have something that's incredibly exclusive, it's great to be able to share it with people, and then have them throw you a bone sometime," says Brian Collister, a reporter at KTBC-TV in Austin. This cooperation, he says, has "sprung up as a result of the pressure on us to put on stories. It helps us crank out stuff."

What viewers are rarely told is that an investigative report touted by their local station may be a knockoff. "People think, 'This is something that my local reporter thought up for me,'" says Phyllis Kaniss, who teaches at the University of Pennsylvania's Annenberg School for Communication. "They think their local news is the diner down the street. They're not expecting McDonald's." —Jennifer Greenstein

NETWORK CLUTTER IN PRIME TIME

Except on ABC, TV clutter—defined as non-programming content like commercials and network promotions—dipped slightly in prime time last year, according to the annual Television Commercial Monitoring Report of the American Association of Advertising Agencies and the Association of National Advertisers, Inc. This graph shows the number of non-programming minutes per prime-time hour on the four broadcast networks.



CONNECTIONS

FUN, FEARLESS FAMILY MEMBER

DON'T TELL *COSMOPOLITAN* IT'S not a family magazine. In the March installment of a monthly feature called "Fun, Fearless Females" that usually recognizes achievers like the Spice Girls and 1998's Miss America, *Cosmo* saluted Kim Myers Robertson for being one of only a handful of female photographers ever to shoot for *Sports Illustrated's* swimsuit issue. It also cooed that she is the mother of "a picture-perfect 1 1/2-year-old-daughter, Drue." The feature never mentions husbands, but this time the editors might have reconsidered: Kim Myers Robertson is married to Donald Robertson, *Cosmo's* creative director.

"I don't think that our readers could care less who she's married to," says editor in chief Bonnie Fuller. "It would never have occurred to me to make a point of saying that she's married to our creative director." (Frank Bennack, president of parent Hearst Corporation, did not return phone calls.) It apparently occurred to someone on her staff, though. "I think it was in there at one point," says Donald Robertson, who can't recall exactly what the story said about him or who changed it. "I guess it got cut."

While the story touted Kim Myers Robertson's success in the "highly competitive, male-dominated world of fashion photography," it left out something



else: she is one of *Cosmopolitan's* favorite freelance photographers (her work has appeared in at least 12 of the last 15 issues). "It doesn't say that?" asks Fuller. "If it doesn't say that, then that was definitely cut for space, because it did say that she shot for *Cosmo* frequently." —Jennifer Greenstein

Cosmopolitan's March item about "Fun, Fearless Female" Kim Myers Robertson

Bookmarks

Editors' Web Picks

We asked the editors of two leading music and entertainment magazines to tell us their favorite places on the Web. *VIBE's* Danyel Smith says she likes to "jump on for a quick ride" whenever she has a spare moment. *SPIN's* Michael Hirschorn logs on two or three times daily for "quick scans of my favorite webzines." —Michael Kadish

Danyel Smith Editor in chief, *VIBE*

- **Internet Travel Network** (www.itn.net), web travel agency and magazine.
- **gURL** (www.gurl.com), a humorous feminist webzine aimed at young women.
- **Fast Company** (www.fastcompany.com), the new, hip business monthly's website.

Michael Hirschorn Editor in chief, *SPIN*

- **The Hollywood Stock Exchange** (www.hsx.com), a fantasy stock exchange where you invest in movies and actors rather than corporations.
- **TheStreet.com** (www.thestreet.com), James Cramer's financial news and advice site.
- **Salon magazine** (www.salon1999.com), the literary and current events web magazine.

LOOKING BACK

FROM THE ARCHIVES OF FORTUNE MAGAZINE

ONE HIGHLY IMPORTANT FACTOR IN the Simon & Schuster success revolves around the personalities of the partners. Simon, the salesman, is nervous, high-strung, with a certain suggestion of perpetual adolescence; Schuster, the man who has the bulk of the ideas, was born old. Both are Jews; one comes from a family of extremely modest circumstances. Both possess an enormous urge for self-improvement

which is typically Jewish—and typical also of the heroes of all stories beginning with poor-but-honest parents. Still another racial trait that shines out strongly in both Simon and Schuster is a vast autistic emotionalism which can well up from within at a relatively weak stimulus from without. In 1926, with a black year behind them, these two qualities of the partners suddenly made them rich and, in their world, famous." —*Fortune*, January 1934

Lincoln Schuster (left) and Richard Simon, founders of Simon & Schuster.



RATINGS

Nielsen's Fallible System

DOREEN WADE, GENERAL manager of WRGB, the CBS affiliate in Albany, New York, suspected that something was wrong when she looked at the local ratings report for November 1997. "The numbers were inordinately high" for WXXA, Fox's Albany affiliate, she says. "We saw some [WXXA] programs that had not been doing well doing extremely well." She had reason to care: November is one of four "sweeps" months, and its ratings set advertising rates for the next quarter.

So Wade sent two WRGB staffers to Nielsen Media Research's Dunedin, Florida, processing center to examine the records. They found that one Albany household (out of the 851 surveyed) had submitted a viewing report stating that nine adults had each watched an average of 13.5 hours of TV a day—most of it on WXXA.

Because Nielsen estimates ratings based on a small but supposedly scientific sample, nine adults watching that much television can change projected ratings dramatically, especially if they concentrate their viewing on one station.

Despite 50 years of technological advances since Nielsen started rating TV shows, the company still compiles most of its local data using the diary method, in which a household records the shows it watches in a book.

Nielsen, which holds a virtual monopoly in the TV ratings business, hand-processes over one million diaries annually. That may explain how its tabulators missed two vital details in the offending diary: the high number of Fox-obsessed working adults and the unanswered question asking if any household member was employed by a TV station. One was, by WXXA—and that violates Nielsen's rule barring station employees from taking its surveys.

Nielsen tossed out the diary's data and reissued Albany's November ratings

in March, but that did not put the matter to rest. The revisions—halving, for example, WXXA's audience of men aged 18-34 during Saturday evening reruns of *The X-Files*—came too late to adjust that quarter's ad rates, say WXXA's three commercial competitors. They say the bogus ratings gave WXXA \$400,000 to \$500,000 in unearned ad revenue. WXXA general manager David D'Antuono referred questions to earlier press accounts in which he denied knowing about the diary until Nielsen contacted him.

"We're saying, 'You owe us money,'" says Alan Bell, president of Freedom Broadcasting, WRGB's parent. "If we're not satisfied," adds Bell, "we intend to sue [Nielsen]."

"They say, we should have caught it," says Jack Loftus, Nielsen's vice-president of communications. "We say, we weren't the ones that robbed the bank."
—*Jon Fine*



A Nielsen diary

SOURCES SAY

THE TERMS OF THE TRADE

THE MORNING AFTER PAULA JONES'S SUIT against President Clinton was dismissed, *Meet the Press* moderator Tim Russert appeared on Don Imus's radio show.

"The best comment I got from the White House last night was a guy who unfortunately took me off the record," Russert recalled. "So I can't use his name, but he said..."

Russert's statement took us by surprise. We define an off-the-record conversation as one in which a reporter promises a source not to use the information in any way. (When we

asked him about that, Russert declined to comment.) But what he said to Imus got us wondering: Do reporters agree on what "off the record" means? What about the terms "on background" and "not for attribution," which govern references to a source who doesn't want his or her name used?

We asked 16 reporters, editors, and executives at six news organizations, and four journalism school professors and directors to define these terms. Fifteen agree with our definition of "off the record," but five others wouldn't answer our question. "There are no fixed

definitions, and to make an assumption that there are will eventually get you in trouble," says Scott Kraft, national editor for the *Los Angeles Times*. Similarly, Tom Goldstein, dean of Columbia University's Graduate School of

Journalism, says, "I don't have precise definitions. I avoid defining them."

There is little agreement on the meaning of "not for attribution" and "on background." Both Bob Woodward and William Safire, two of journalism's heaviest hitters, say "on background" means a reporter can identify the source generally but not by name—"a senior Pentagon official," for example. Woodward equates "not for attribution" with "on background," and four journalists we talked to agreed. But look up "not for attribution" in *Safire's New Political Dictionary*, and it says, "The newsman must take responsibility for the statement without hinting where it came from."

Ten journalists say they try to avoid these terms. Instead, they negotiate exactly how information can be used and attributed. "Most of the problems occur when people think it's uncool to be explicit about what the ground rules are," says Jonathan Alter, a senior editor at *Newsweek*.
—*Jennifer Greenstein*





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World Radio History

SCORECHART

WHO'S ON FIRST?

As Major League Baseball's July 31 trading deadline approaches, general managers across the country are discussing the deals that will become tomorrow's sports news. America's top baseball reporters are supposed to keep the rest of us in the loop, but figuring out which are passing along solid information and which are taking a shot in the dark isn't easy. We decided to sort through

what the game's most respected journalists told readers and listeners about three of 1997's biggest trades: one involving then-Oakland slugger Mark McGwire that did happen; one involving Philadelphia pitcher Curt Schilling that didn't; and a third involving the Chicago White Sox that almost no one expected. See how your guru stacks up. —*Ted Rose and Michael Kadish*

THE BATTING ORDER	COLOR KEY			THE PITCHES		
	Accurate	Equivocal	Wrong	Will the Oakland A's trade first baseman Mark McGwire? If so, where?	Will the Philadelphia Phillies trade pitcher Curt Schilling?	Will the Chicago White Sox trade to compete in the playoffs or dump stars to save money?
TIM CROTHERS Senior writer, <i>Sports Illustrated</i> ; contributor, CNN/SI	No Trade. "Here's why McGwire will <i>not</i> be traded..." — June 30, 1997	No Trade. "Based on what I'm hearing from the [general managers]...No." — July 21, 1997	No Big Acquisitions. "While the [White] Sox have gamely fought their way back into the hunt for the AL Central Division title, team owner Jerry Reinsdorf warns that his indigent club simply can't afford to acquire a player to help out during the stretch run." — June 30, 1997			
PETER GAMMONS Major league baseball analyst, ESPN; contributor, <i>The Boston Globe</i>	Trade Unlikely. "The chances of [a trade]...are getting slimmer and slimmer." — July 21, 1997	No Prediction. "[Former Philadelphia general manager Lee] Thomas was telling other GMs that he wouldn't discuss a trade until Schilling told him he wanted a trade." — July 13, 1997	Trade Possible. "If [the White Sox] fall back in the next 10 days...they may move potential free agents such as Roberto Hernandez and Wilson Alvarez." — July 20, 1997			
TIM KURKJIAN Since March: senior writer, <i>ESPN the Magazine</i> ; reporter, ESPN Formerly: senior writer, <i>Sports Illustrated</i> ; contributor, CNN/SI	Trade to Angels Likely. "The Angels are still the leading candidate to get him...The Cardinals are still in this thing also, but I think in a real minor role." — July 19, 1997	Trade. "I think the Phillies are going to have to trade him." — July 19, 1997	No Mention. "I don't think anybody knew the trade was coming. I know it caught me—and most people—by surprise." — Interview with <i>Brill's Content</i>			
ROSS NEWHAN National baseball writer, <i>Los Angeles Times</i>	Trade to Cardinals. "[McGwire] yearns for southern California, but St. Louis might be a better bet." — July 10, 1997	No Prediction. "Why wouldn't the hapless Phillies...consider trading Schilling if they can get a prospect package in return?" — July 13, 1997	No Mention. "I'd rather not have something than be wrong. I know it's possible to flood the columns with names and speculation. I don't do a lot of that." — Interview with <i>Brill's Content</i>			
TRACY RINGOLSBY Staff reporter, <i>Rocky Mountain News</i>	Trade Unlikely. "For all the hype about Oakland dealing Mark McGwire, it now appears that Jose Canseco is more likely to go." — July 27, 1997	No Prediction. "If I made no prediction it was because I didn't think there was any issue. I didn't think he was going to be traded." — Interview with <i>Brill's Content</i>	Trade Possible. "With attendance down and the payroll more than \$50 million, the Chicago White Sox aren't planning to add players—and there's talk they might shop potential free agents Wilson Alvarez and Roberto Hernandez." — July 27, 1997			
WHAT ACTUALLY HAPPENED	On July 31, 1997, Oakland traded McGwire to the St. Louis Cardinals.	The Phillies did not trade Schilling last year. He remains, as of this writing, a Philadelphia Phillie.	The Chicago White Sox sent pitchers Wilson Alvarez, Roberto Hernandez, and Danny Darwin to the San Francisco Giants in exchange for six minor league players. The trade effectively ended Chicago's attempt to make the playoffs.			

BRILL'S CONTENT: JULY/AUGUST 1998

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FACT AND FICTION

Slipping Past The Fact Checkers

How magazines do and do not check their stories.

WHEN *THE NEW REPUBLIC* learned that an associate editor had fabricated an article about a teenage computer hacker and the software firm he supposedly had infiltrated, its response was to fire the writer. Stephen Glass, age 25, was portrayed as talented but pathological—deceptive enough to have outwitted the most scrupulous of magazines.

But Glass's articles in *TNR*, *Rolling Stone*, *George*, and *Harper's Magazine* are riddled with factual errors, untraceable sources, or too-good-to-be-true anecdotes that in hindsight seem easy to spot. Each magazine boasts a fact-checking department, but it seems the fact checkers often relied on Glass's notes and other evidence that turned out to be bogus.

At *TNR*, fact checkers are supposed to confirm each name and title, and usually a NEXIS search suffices, says editor Charles Lane. "What would happen with Glass is that you'd go to him if you couldn't find [it] on NEXIS, and ask [for sources on the person]. And Glass would present notes that would [seem to confirm the person's existence].... He'd open his notebook with the name spelled out with little dashes to show he'd carefully jotted down the spelling."

Asked why the fact checker doesn't call people directly if they can't be found in clips, Lane says, "Did we ever establish a protocol for that situation in a formal sense? Probably not. The interpersonal dynamic is what's crucial in that situation. People didn't distrust Stephen Glass enough to say, 'Fine, you gave me a voice mail, but I don't believe that's really who you say it is.'"

Glass's February 16 story about

the reaction of White House interns to the Monica Lewinsky saga quoted one "Isaac Tyo, a former University of Illinois researcher who has studied Washington internships." No one in the fact-checking department—down from two staffers to one plus an intern when Glass was fired in early May—seems to have called the university or Tyo. *Brill's Content* learned with one call that no Isaac Tyo has



Stephen Glass ("The Vernon Question," page 88) found Vernon Jordan's considerable power to be a source of frustration. "He is a very difficult character to write about because everyone relies on him so much that they're reluctant to discuss him," he says. "He is part of every Clinton story, but he is the part that no one talks about." Glass is a contributing editor at *George* and also writes often on political culture for *The New Republic*.

Stephen Glass, as he appears in the April issue of *George*, to which he contributed a story. He is known to have faked reporting for other magazines.

ever worked at the university.

Rolling Stone has a stricter fact-checking policy in place. The biweekly's three full-time fact checkers and occasional freelancers call each story's subjects, confirm the gist of quotes, and verify any facts, says managing editor Robert Love. But in Glass's October 16, 1997 story slamming the *U.S. News & World Report* college rankings, *Rolling Stone* seems to have printed a fanciful story about a conference of admissions officers without checking to see if the anecdote's anonymous sources even exist.

"Everyone is seated in distressed leather seats around a large, circular mahogany table," Glass writes. "There is a heavy cloud of cigarette smoke hovering overhead. The admissions officers are fully aware of their place in life. 'I don't want to sound too mighty,' says one. 'But, basically, we're

the gatekeepers to your happiness.'"

Admissions officers at three schools in the regions Glass cites—Northeastern University, George Washington University, and Loyola College in Maryland—say they've never heard of the conference. *Rolling Stone's* proof: Glass's notes from the conference. "We had no reason to doubt they weren't authentic," says Love.

Glass's feature about Vernon Jordan for the April issue of *George* begins with a portrayal of Jordan pacing his office, "vigorously wringing his hands" and "clenching his teeth and twirling his gold watch." The scene was supposedly described by several anonymous colleagues of Jordan's. According to a *George* spokeswoman, Glass instructed the magazine not to call the coworkers because doing so would jeopardize their jobs. After the *TNR* incident, *George* did call Jordan's office and found that Glass's sources did not exist.

Meanwhile, editors at *Harper's* wonder if parts of Glass's February feature on his phone-psychic experiences were fabricated. The critical piece of information that Glass uses to show that the industry preys on minorities and the poor—"that 70.2 percent of phone-psychic usage is by minorities and that 48.3 percent of callers are very poor"—is attributed to a traveling psychic named Tinsel. Those numbers were not verified independently or even corroborated by the source. The magazine's fact checker, one of two full-timers and four interns, never spoke to Tinsel. To prove the existence of the psychic, Glass produced a letter he claimed was from her.

"We had a long back-and-forth [with Glass] about how to get in touch with her," says Jennifer Bluestein, vice president of public relations for *Harper's*. "He seemed to have a good explanation—she moves around, I don't know why you can't reach her. What he did come up with is a letter.... Obviously, in retrospect we're not happy we accepted it."

Harper's editor Lewis Lapham, however, says an editor's note is not necessary because the magazine is still not sure the story is untrue: "The point is, in this business, you take chances all the time." —Paul Tullis and Lorne Manly



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PRICE TAG

What *did* Random House cost Bertelsmann?

WHEN EXECUTIVES FROM Bertelsmann A.G. and Random House, Inc., announced on March 23 that the German media conglomerate was acquiring the American publisher, neither party disclosed the sales price. They didn't have to—both companies are privately held. But that didn't stop reporters from putting a price tag on the deal. Immediate estimates varied by half-a-billion dollars. On March 23, the *Seattle Times* described "a transaction estimated to be worth at least \$1.6 billion"; a day later, *The Boston Globe* announced that "Bertelsmann's purchase of Random House, for an estimated \$1.1 billion, will make it the largest publisher of English language general books in the world."

Other accounts fell somewhere in between. On March 24, The Associated Press reported that "a purchase price was not disclosed, but published reports today valued the deal between \$1.2 billion and \$1.6 billion" and the AP stuck close to that formulation in the following weeks. *The Wall Street Journal* reported on March 24 that "Wall Street insiders estimated Bertelsmann is paying between

\$1.2 billion and \$1.4 billion." Over the next few weeks, journalists seemed to settle on that price range and the word "estimated" worked its way out of many reports.

Where were reporters getting their information? Doreen Carvajal, whose March 24 *New York Times* article said that Bertelsmann "struck an estimated \$1.4 billion agreement to buy the shiny crown jewel of American publishing," wrote that "analysts estimated that the publishing company's sales last year totaled about \$1.2 billion, and typically publishing companies are sold for 1.2 times sales." The *Los Angeles Times* and *The Wall Street Journal* printed similar formulas.

"No matter how intricate your formula, it's nothing more than a reasonably informed guess," says Robert Broadwater, a managing director at Veronis, Suhler & Associates, Inc., an investment bank specializing in media. Still, he says, Carvajal's formula is often used to get "a ballpark estimate" for publishing sales.

Some journalists simply plucked a price from earlier news reports. On April 1, *Providence Journal-Bulletin* columnist Philip Terzian wrote, "Bertelsmann A.G., the media conglomerate, announced it was purchasing

Random House for \$1.4 billion," says Terzian: "I relied on the news stories in *The New York Times* and *The Wall Street Journal*." *New York Times* editor Sam Tanenhaus, who inserted the dollar figure into a March 26 op-ed piece written by Mark Crispin Miller—"Titanic grossed almost as much (\$1.2 billion) as Random House is costing Bertelsmann (\$1.4 billion)"—says his number came either from another *Times* story, or perhaps *The Wall Street Journal*.

In five articles, the *New York Daily News's* Keith Kelly named four different prices. On March 24, he wrote that "industry estimates put the acquisition price at \$1 billion to \$1.2 billion." In another story on the same page, he wrote, "Publishing biz mavens don't like to be kept in the dark, and yesterday's super-secret deal by Si Newhouse, Jr., had them scrambling to figure out why he unloaded Random House and what he's going to do with his \$1.2 billion." On April 3, he wrote, "As Bertelsmann completes its \$1.4 billion buyout of Random House this summer..." On May 15, he referred to "the March 23 announcement that S.I. Newhouse Jr. was selling the glitzy book publishing giant to Bertelsmann in a \$1.2 billion deal." And on May 20, he mentioned "the proposed merger—worth between \$1.2 billion and \$1.5 billion." "It's all guesswork," he explains. "It's like Olympic judging: Throw out the highest and lowest and just hedge it a little bit." —Ari Voukydis

DOCUMENTARY RULES

BECAUSE IT'S THERE, SORT OF

WHEN IS A DOCUMENTARY NOT exactly cinema vérité? That depends on how you define the rules. *Everest*, the IMAX film that opened in March, documents one team's climb up that peak. But moviegoers leaving the theater may not notice one of the last lines to appear after several screens' worth of credits: "Some climbing scenes were recreated and filmed in the USA." Says Alec Lorimore, a producer of the film: "We wanted to be honest" about filming some of the scenes off Everest, "but we haven't gone out of our way to call attention to it."

Turns out that lugging a 42-pound

IMAX camera up a 29,028-foot slope makes it difficult to film everything as it happens. "All the money shots," including the climbers reaching the summit, were filmed on Everest, says Lorimore. But "a few close-ups and transitional shots," were filmed on Mt. Washington in New Hampshire or near Snowbird in Utah, he says.

The IMAX crew also put down its cameras to rescue climbers trapped during the storm that took eight lives in May 1996, a tragedy recorded in Jon Krakauer's 1997 best-seller *Into Thin Air*. Parts of the rescue effort were re-enacted and filmed later.



Mt. Everest

"We're filmmakers. There are certain licenses you have to take," says Lorimore. He cites the 1997 rule-book of the Academy of Motion Picture Arts and Sciences: "[A documentary film] may be photographed in actual occurrence or may employ partial re-enactment, stock footage, stills, animation, stop-motion or other techniques, as long as the emphasis is on factual content and not on fiction."

Lorimore says, "It happens in documentary films all the time." Freida Lee Mock, an Oscar-winning documentary filmmaker who served on the Academy's documentary committee, disagrees somewhat. "It is not common," she says. "But it does happen and it is accepted." —Rifka Rosenwein

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World Radio History

WHEN IT COMES TO THE BIGGEST STORY, LOOK WHO'S ON TOP.



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THE NUMBERS

THE DIFFERENCE IS RADIO

MORE AMERICANS GET their news from ABC News than from any other source." Or so say the network's on-air promotions, which have been running since 1988. But is the claim true?

In a prepared statement, ABC explains that "during the course of any given week, ABC News programs on the ABC News Television Network reach more than 100 million people." This figure covers all ABC news shows, including *World News Tonight with Peter Jennings*, *Nightline*, *Good Morning America*, and *20/20*.

But, according to Nielsen Media Research ratings, NBC beats ABC in every head-to-head competition among TV news shows. Plus, NBC has two cable networks, MSNBC and CNBC; ABC has none.

ABC's edge, it turns out, is in radio, where its network of 3,050 stations reaches an audience of over 50 million. NBC does not have a radio network. (CBS does, but it trails NBC in television.) Thus, "in any given week, 150 million people get their news from ABC News, far more than from any other source of news information," according to its statement.

Neither CBS nor NBC has ever formally challenged ABC's claim. But David Poltrack, executive vice president for planning and research at CBS, wonders whether ABC's cumulative number accounts for overlap among the 100 million TV viewers and the 50 million radio listeners.

Asked about the bona fides of the claim, Eileen Murphy, director of media relations for ABC News, says, "We would not be using that [promotional statement] if we couldn't back it up...But we're not going to take the time to do the numbers for [you]."

—Rifka Rosenwein



AUTHOR! AUTHOR!

Taking Dictation From A Dictator

IT MAY NOT QUALIFY AS A SCOOP, BUT you've got to hand it to *Men's Health* magazine for uncovering a sense of humor in Manuel Noriega. The former Panamanian dictator, who sat expressionless through most of his 1992 trial for drug trafficking, is apparently more than willing to indulge in a few laughs at his own expense. In the magazine's March issue, Noriega, scheduled to spend the next 34 years in a pair of adjoining 10 x 12 cells, dished out tips for working out in "a confined space." The story, titled "How to Become a Strongman," ran with Noriega's byline.

"For the past several years I've had a lot of time on my hands," the story began. "Whereas once I used to run a country, now mostly I just run in place. Whereas once I had the weight of the world on my shoulders, now I look around and I don't have *any* weights."

Drawings showed a Noriega-like prisoner doing "the chair dip" and "the pushup" in his cell. The text continued, "If you're suddenly pulled away from home, or even deposed, you can still become a strongman by relying on nothing but the bare essentials. So take some dictation from a friendly dictator."

A former Panamanian dictator is a departure from the usual run of sports figures and actors featured on the magazine's back page, which regularly presents a humorous how-to story with a celebrity byline: Joe Theismann on the comb-over, Tom Jones on selecting lingerie, William Shatner on how to answer nature's call while hiking. The magazine conceived of the Noriega piece after hearing that he was one of its regular readers and proposed it to him through his daughter. But did Noriega actually write the story? "These people aren't

writers. It's not exactly them sitting down at their word processors and two-fingering it through a piece," says David Zinzenko, who edits the feature and describes it as "collaborative." Editors posed questions to Noriega through his daughter, who visits him regularly. They then crafted the text from his answers (half the jokes were Noriega's, Zinzenko says) and sent the final story back for approval.

Noriega didn't reply to our request for an interview, but his editor says he loved the piece—so much so that he wanted to chat with Zinzenko by phone. "I thought, I don't want to say the wrong thing here," Zinzenko recalls. He and Noriega never managed to connect.

—Jennifer Greenstein

An illustration from Manuel Noriega's *Men's Health* story on how to keep fit in prison.



BRILL'S CONTENT JULY/AUGUST 1998

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What Was That All About?

Every reporter has a theory of why Yeltsin fired his Cabinet. But they don't know any more than you do.

AS A JOURNALIST WHO HAS OCCASIONALLY covered Russia, I once sought guidance from George Kennan, the dean of U.S. Kremlinologists. At the end of an enlightening tour de force, Kennan paused for a moment before dismissing his own tutorial. "Remember this," he said. "Anyone who claims to know what is *really* going on in Russia either hasn't been there or actually knows nothing."

I remembered that warning when Boris Yeltsin fired his entire cabinet on March 23. In the old days, a purge of such magnitude would have scrambled the jets, literally and figuratively. But this time, the spies and the soldiers and the politicians yawned. Yeltsin, they know, has a history of shuffling his aides, of dividing power lest any one potential successor struts a bit too haughtily. Yet one group of observers—the press—lurched into high gear. *They* know the mercurial Russian president is always good copy. ("Mercurial," by the way, is their adjective of choice when describing Yeltsin.) The result was confusion, a cacophony of disparate interpretations knowingly conveyed but supported by only shards of evidence. If a common denominator could be discerned, it was this: virtually every expert and every commentator dismissed the president's own explanation for his actions, that "new views and fresh approaches" are required to invigorate Russia's limp economy. So the rank speculation—which is what it was—ran on and on. Only a few brave souls had the temerity to say what they actually knew, which (as Kennan said) was that they really didn't know much of anything.

How exactly was the sacking reported? Broadly seen, the coverage fell into five categories (with most every sure pronouncement accompanied by "rent-a-quotes"; the even surer views of Russians identified as "experts").

Editorial director Michael Kramer was Time magazine's chief political correspondent.

1. Boris as Czar: Since the president himself was still standing, the initial U.S. television coverage treated the self-evident as epiphany. "Sick of government dithering and delays," said NBC's Bob Reynolds, Yeltsin "swept the board clean." The "suddenness of Yeltsin's move was, if nothing else, a demonstration that he's very much in charge," echoed ABC's Bill Blakemore. A slight wobble occurred on CNN. The purge was "classic Yeltsin," said James McIntyre, just four minutes after his colleague, Betsy Aaron, had declared the surprise move "hardly business as usual." In sum, the first American reports, breathless and tension-filled, were short on why exactly Yeltsin had done what he did and what his actions might mean for the country's future.

In the days that followed, Yeltsin's supposed need to show that he alone rules Russia (as an "elected but otherwise arbitrary czar," wrote Zbigniew Brzezinski, Jimmy Carter's national security adviser) became an interpretive staple. Right on, wrote *Washington Post* columnist Jim Hoagland: "It is by now a matter of habit....Yeltsin reaches out and fires someone to show that he is back and in charge."

2. Czar for Life: A favored interpretation was (and remains) that—despite the Russian Constitution's prohibitions—Yeltsin wants a third term and is scheming to get it. Which means that all pretenders must be vanquished before the presidential election of 2000. This seemingly coherent view allowed most everyone to cast Prime Minister Viktor Chernomyrdin's ouster as representing "the effective end of his political career" (in the words of a Dow Jones News Service report). Chernomyrdin was portrayed as having displayed his ambition too nakedly. Worse, according to *U.S. News & World Report*, he had foolishly declared his ambition even to foreigners. Chernomyrdin, said *U.S. News*, had let Vice President Al Gore know "that he, rather than Yeltsin, was really running the show in Moscow."



Two Bosses: One M.O.

BORIS YELTSIN	GEORGE STEINBRENNER
Yes	67 years old? Yes
Yes	Attempting to restore former superpower to glory and dominance? Yes
Yes	Worked as builder before acquiring fame and notoriety in current job? Yes
Yes	Has tendency to fire people when organization performs badly or press coverage stagnates? Yes
Yes	Recently hired 30-something "rookie" to run organization, prompting widespread speculation that he is merely appointing a puppet in order to consolidate his own power? Yes
Yes	Labeled "mercurial" by <i>New York Times</i> ? Yes
Yes	Has publicly hinted that he will not be in charge in 2001, prompting widespread speculation that he will, in fact, be in charge in 2001? Yes
Yes	Has fired or otherwise directly precipitated the departure of more than 25 high-level executives since first taking office? Yes

Yeltsin, added Aleksei Zudin, a Russian expert quoted in a *New York Times* analysis that ricocheted through the many smaller U.S. papers that rely on the *Times* for foreign coverage, “interprets such things with great jealousy and annoyance.”

3. Setting the Succession: Nonsense, said others. Yeltsin was actually *helping* Chernomyrdin by firing him. He is now free of “any blame” for the government’s failures and can “prepare his candidacy for” 2000, wrote Paul Hannon of the AP-Dow Jones News Service. That’s right, wrote *Jane’s Information Group* (a respected authority on intelligence information): Yeltsin may want “Chernomyrdin to run...by allowing him to become a free agent, he has adopted the best mechanism for grooming him as Russia’s future president.”

These scenarios were presented as alternative interpretations of Yeltsin’s move. But Hannon and *Jane’s* were not alone. Knowing that, in fact, they knew little, many commentators masked their ignorance with a series of convoluted “on-the-one-hand, on-the-other-hand” ruminations.

4. The Puppet Czar: No Russian crisis, including all

Only a few brave souls had the temerity to say what they actually knew, which was that they really didn’t know much of anything.

those wondrously drawn in the nation’s rich literature, would be complete without a hidden hand. Filling that role these days is Boris Berezovsky, the billionaire media mogul and former Yeltsin adviser confidently identified by many as having somehow engineered what *Time* magazine called a “domestic political coup.” You see, wrote Princeton University’s Russian Studies director Stephen Kotkin in *The New Republic*, “Yeltsin’s illusory show of leadership...cannot curb the parasitic power of the financiers.” Yes, said the London *Guardian’s* James Meek. Do not ignore the “pervasive spectre of Mr. Berezovsky and his ilk.” Indeed, said a *Chicago Tribune* editorial: “The sad truth is [that]...Yeltsin owes his political survival to [a] small but all-powerful cabal.” Yes, wrote *The Washington Post’s* David Hoffman, the “decision bore the fingerprints of Berezovsky.” Alas, said the *Post’s* Hoagland, “The changes may, in fact, be designed to perpetuate the status quo of corruption, confusion, and conspiracy.”

5. The Madman: All of you are wrong, said others: Yeltsin’s nuts. He “had no clear plan when he fired his government,” said National Public Radio’s Andy Bowers. “No one seems to know what [he’s] doing and there are questions of whether he himself knows,” said ABC’s Nathan Thomas. “Arguably...mental or physical strain may have played a part in [the] decision,” said *The Economist*. A wonderful word—“arguably.” It lets you off the hook. It lets you report rumor or surmise with nary a concern about evidence. It is laziness personified. But was that enough? No, *The Economist* hadn’t sated its appetite for trashing Yeltsin. So it quoted a Russian newspaper: “It’s a brain bypass.”

WHICH RAISES THE QUESTION: WHAT WAS THE local press saying? Not much more than its Western counterparts. The first commentary was almost uniformly devoid of serious analysis, says the *Moscow Times’s* Leonid Bershidsky, who surveyed the Russian press for *Brill’s Content*. One radio newsreader even warned his listeners, “This is not a joke.” On the day after, though, the Russian media had plenty to say. Some pundits claimed to have known of Yeltsin’s plans all along. Some expressed admiration for his proving he was still the boss. Others decried his unpredictability. The sensationalist *Moskovsky Komsomolets* called the firings “a side effect of Kremlin antibiotics.”

As in the West, Chernomyrdin’s status was hotly debated. *Kommersant*, a daily business paper, declared the premier’s career “over.” But *Komsomolskaya Pravda*, a popular daily partly owned by Gazprom, the natural gas monopoly Chernomyrdin headed before becoming prime minister, said he “is leaving...only because now [his] duties hamper rather than help his struggle for the presidency.”

Of course, Berezovsky’s purported role got a wild ride in Russia, too. The mass-circulation *Moskovsky Komsomolets’s* front-page headline screamed “Who Was the Devil Who Tempted Yeltsin?” The accompanying photograph showed Berezovsky bending over Yeltsin’s left shoulder as he whispered in the

president’s ear. The article described Berezovsky as “the Kremlin Rasputin.”

As the coverage continued, so did the beating. In the weekly *Novaya Gazeta*, the respected columnist Alexander Minkin codified his colleagues’ views: “None of the commentators, politicians and journalists, has suggested that this has been done for the good of Russia. That does not occur even to those who are sympathetic toward Yeltsin. An honest motive is not even being discussed as a possibility.”

Maybe not, but at least *Izvestia* confirmed Bershidsky’s conclusion that “everyone here knew only as much as everyone elsewhere—nothing, really.” The “only thing that is clear,” said *Izvestia*, “is that what happened is directly connected to the 2000 election. But this...is no help in understanding the meaning of [the president’s] decision because everything that is going on in Russia now has something to do with that election.”

WHAT THEN IS ONE TO MAKE OF YELTSIN’S ACTIONS, when so much of the media’s certainty is clearly no more than guesswork? Two possibilities come to mind. One borrows that lamest (although, in this instance, perhaps most accurate) of journalistic cop-outs: Only time will tell. The other, recalling George Kennan’s injunction, is that we might as well just admit that we don’t know and have some fun. That’s what assistant editor Ari Voukydis did when he decided to “analyze” Yeltsin by comparing him to that other boss, George Steinbrenner. The result is in the vertical box on the previous page. ■



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World Radio History

clickthrough

BROWSER BEWARE

As search sites battle for profit, they're not telling us what is an ad and what isn't. • BY NOAH ROBISCHON

BACK IN THE WORLD WIDE Web's Jurassic period—circa 1994—search sites were simply gateways to other destinations. Yahoo!, the ur-Internet guide, began as a personal filing system for David Filo and Jerry Yang, engineering graduate students at Stanford University, who devised a quick and easy way to catalogue and find their favorite websites. Yahoo! imposed order on the Internet's chaotic universe by organizing it into such topics as computers, health, sports, and finance. Each topic constitutes what is known as a channel. (The search engine function, which allows users to hunt for websites by typing in keywords, didn't arrive on Yahoo! until June 1996.)

Within a year of its creation, the site was popular enough that Yang and Filo turned Yahoo! into Yahoo! Inc., primarily by selling advertisements across the top, or "banner," of each page. Now, instead of immediately dispatching users to other websites, Yahoo! had to hold their attention long enough for them to notice the banner ads. That's partly why Yang, Filo, and company retooled Yahoo! into an infobazaar filled with e-mail, chat, shopping, and news. It soon became an even more popular first stop for web wanderers.

Before long, the Web had become home to a host of nearly indistinguishable search sites-cum-Internet guides run by such companies as Infoseek Corporation, Excite, Inc., and Lycos, Inc. (Netscape Communications Corporation and America Online, Inc., have

also spun off Internet guides, but they are not their primary business.) Because the Web is always expanding, these guides have become indispensable. They are the prime real estate of the digital world.

Content providers now jockey for positions inside these web guide channels and are willing to pay big bucks for placement. The problem: Most on-line consumers are probably unaware that the most valuable real estate on a channel usually goes to the highest bidder rather than to the best content provider. This not only reduces the variety of choices available to web readers, but creates an environment where profitability trumps editorial quality. Clicking the "Kids & Family" category on Infoseek's homepage, for instance, leads to a "showcase" advertorial for The Walt Disney Company's \$5.95-per-month on-line service. If you're looking for a free site for kids, you have to scroll down one full screen. Such arrangements provide publishers with instant—and invaluable—exposure to a targeted audience.

"The hardest thing to get on the Web is not content, it's customers," explains Joe Kraus, Excite's co-founder and senior vice president. That's why

WEB SITE LOCATOR

Yahoo!	www.yahoo.com
Infoseek	www.infoseek.com
Excite	www.excite.com
Lycos	www.lycos.com
Music Boulevard	www.musicboulevard.com
Quicken.com	www.quicken.com
Fortune Daily Business Report	www.fortune.com/fbr/
Preview Travel	www.previewtravel.com
CNET	www.cnet.com
The New York Times	www.nytimes.com/yr/mo/day/tech/

on-line music retailer N2K, Inc. will pay at least \$9.8 million over two years to make its Music Boulevard Network the exclusive music retailer for Excite's 20 million monthly visitors, and to be the primary source of music news and reviews. Visitors to Excite's music channel page are greeted by an "Exciting Stuff" area prominently displaying Music Boulevard's content. Sites offered by *The Rolling Stone Network*, *MTV Online*, and *Vibeonline* (*Vibe* magazine's website), whose primary businesses are music news and listings—rather than music retailing—get little more than a link farther down the page, and sometimes not even that.

"There have been people like Rocktropolis [Music Boulevard's rock music site] who have bought their way into sites, and to date we have not done that, nor have we had to do that," says Tom Cohen, *Rolling Stone's* head of business development. "I can't conceive of any time in *Rolling Stone's* history where we've ever paid to do anything." CDnow, Inc., Yahoo!'s exclusive music retailer, has an arrangement to link with *Rolling Stone* for headline news and reviews. *Rolling Stone* paid no money for this exposure because CDnow needed its help to compete with Music Boulevard. Of course, *Rolling Stone* is still free to pay for placement elsewhere.

It's worth noting that America Online and Netscape, while not primarily web guides or search sites, are also competing to become the Web's premier "portal," or starting point; they too demand hefty sums from on-line publishers who want space in their Internet guides. The formula is likely to benefit everyone—except the user. Search sites alone accounted for 35 percent of the \$335.5 million total on-line advertising revenue in the fourth quarter of 1997, according to the professional services firm Coopers & Lybrand L.L.P.

The transformation from launchpad to final destination is exemplified by Excite. As the Web grew, it became

THE WEB'S PRIME REAL ESTATE

ANATOMY OF A GUIDE This page is found by clicking the "Guide" button on Netscape Navigator 4.0 or the "Internet Guide" link on Netscape's homepage (www.netscape.com). Yahoo! is paying Netscape more than \$10 million to put its name on the page and to sell advertising and channel space here for two years; the companies will share the resulting revenue. Most links on this page are

paid for by content providers. Elsewhere on Netscape's website, Excite agreed in May to pay \$70 million over two years to sell ads and placement on certain channels and to be a prominent search engine on the site. (Yahoo! will retain its stake in this page.) The companies will divvy up the ad revenue. Here is a sample of what gets sold and for how much.

COMPUTERS Among this channel's "featured sites" is software.net, a retailer that developed the Netscape Software Depot in 1997. Netscape got a \$500,000 licensing fee and a cut of the sales revenue. This link is part of that arrangement.

BUSINESS NewsEdge Corporation bought the right to provide this channel's headlines, which link to the NewsPage site. This arrangement works like an advertising banner; NewsEdge pays a flat rate per thousand pageviews—which is expected to total at least \$100,000 this year.

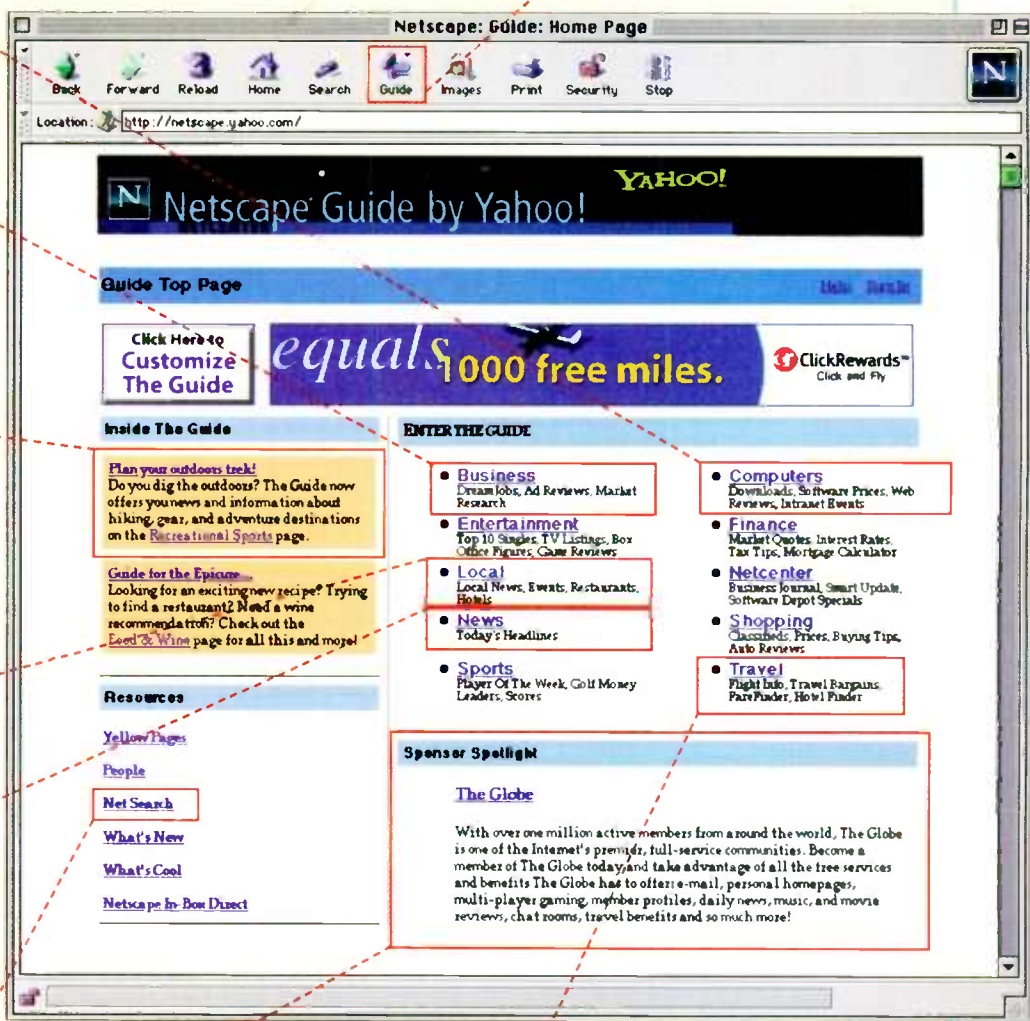
PLAN YOUR OUTDOORS TREK!

The Mountain Zone, an adventure sports site, provides headline news to Netscape and Yahoo!, and content to Lycos. The Zone's editor and publisher, Peter Potterfield, refuses to divulge what he paid for the space, saying, "I don't think it's important for the readers to know the details of the deal. What's important is the content."

LOCAL MovieLink, the on-line movie ticket seller, appears in this channel at no cost, mainly because no other company sells city-by-city movie tickets in the U.S.

NEWS Yahoo!'s Full Coverage team (see "Where News Values Still Count") appears in this channel, under headlines from ABCNEWS.com. The network has a deal to be Netscape's "exclusive" headline news provider, with listings in the entertainment, business, and finance channels. ABC would not divulge the terms of the pact.

NET SEARCH Infoseek, Lycos, Excite, and Yahoo! paid \$5 million apiece in 1996-1997 to appear behind this link. Under a new \$70 million deal effective in June, Excite's search services will appear on this page half the time; the others will split the remainder.



THE GLOBE In April, theglobe.com, an on-line community that provides discussion boards, live chat forums, and free homepages, undertook an \$8 million advertising campaign, \$2.5 million of which is being spent on the Web for promotional spots like this one.

TRAVEL Travelocity, the on-line booking arm of The Sabre Group, is a featured site and provides headlines in this channel. These links are part of a larger revenue-sharing agreement between Travelocity and Netscape. Neither company would divulge the value of the deal.

too unwieldy to be searched efficiently. Today, for example, a simple request for "stock quotes" from Excite's homepage returns more than 23,000 results, a number that is sure to grow. In April 1997, Excite capitalized on that flaw—the overwhelming volume of information—by creating shortcuts for its users, logging the most popular searches, and organizing them into corresponding channels (lifestyle, sports, shopping,

etc.). The hope was that people would stick around longer as they burrowed through the channels, eyeballing ads along the way.

Excite's plan worked magnificently. Today, its home users each see an average of 39.5 pages per visit, up from 29.3 pages a year ago, according to Media Metrix, a web-audience measurement company. This increase has translated into more advertising dollars for Excite.

A year ago, says Excite's Kraus, the site's 4 million daily pageviews were mainly from search engine traffic; the site is now getting 40 million pageviews per day. Less than 40 percent of those visitors use Excite's search button, opting instead to use one of the site's channels to reach their destination.

In April 1997, Excite secured its first paid content provider, the Data

(continued on page 42)

(continued from page 41)

Broadcasting Corporation's sports scores and news service. Since then, the rule is that content providers pay in exchange for placement on channel pages.

And pay they do. Last year, software giant Intuit Inc. purchased \$39.2 million worth of Excite stock. On the same day, Intuit became the site's "exclusive" provider of personal finance information—although Excite insists there is no connection. (Reuters is also listed; in a rare turnabout, Excite actually pays Reuters for the use of its news feed.)

In cases like this one, the whole channel is sold outright to a content provider. Now, anyone who follows the "Business & Investing" link on Excite's

homepage ends up at a site bearing the logos of both Intuit-backed Quicken.com and Excite. (This joint branding is the closest the two companies come to an on-site disclosure of their stock arrangement.)

After scrolling through Quicken.com's content, users find an area at the bottom of the page where they can choose from a limited menu of other financial sites. But this channel, which Excite's press release bills as having "The Best Personal Finance Resources And Tools" around, doesn't automatically provide links to other highly respected sources of information like *Forbes digital tool* or Andrew Serwer's dispatches on *Fortune Online's Daily Business Report*. It's as if you'd gone to the gro-

cery store and found that Budweiser had bought all the shelf space in the beer department.

The pay-for-placement trend is troubling to on-line publishers like Neil Budde, editor of *The Wall Street Journal Interactive Edition*. "Our basic belief is that what we produce has some value and people ought to pay [us] for it," not the other way around, he says. At least a few readers agree—the *Interactive Journal's* subscription-based service has attracted over 200,000 paying customers since its 1996 debut.

But the *Interactive Journal* is an exception. For search sites, the channels can be quite lucrative and each category can have its own backer:

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WHERE NEWS VALUES STILL COUNT



DESPITE YAHOO!'S NEAR-COMPLETE transformation from Internet guide to marketing marvel, it still offers one news page where money isn't the chief determinant of value. It's called "Full Coverage" (headlines.yahoo.com/Full_Coverage/). Whenever a big story breaks, the Full Coverage team fans out across the Web to bring back the best stories from on-line news providers. They then post their best finds as links on the popular Full

Jon Brooks's Full Coverage team looks for the "interesting angle."

Coverage headline news page.

Full Coverage is the work of ten or so full-time web surfers between the ages of 24 and 45 who have little or no newsroom training. "They're not reporters," says lead Full Coverage surfer Jon Brooks. "They're just people who have a lot of experience looking at news on the Web."

Judging from the site's traffic, newshounds appreciate the team's work. The Princess Diana page received at least 15 million pageviews during the week after her death. From there, Diana-philes traveled to sites ranging from skeptics.com.au, an Australian haven for conspiracy theorists, to *The Irish Times on the Web*, the site for Ireland's second-largest daily newspaper.

Major news providers, who are still struggling to build up their own on-line audiences, benefit from Yahoo!'s links. Daily hits at *The Irish Times's* website jumped to nearly one million following Diana's death, due partly to a Web-wide increase in traffic that week, but largely to the Full Coverage link. "Of all the links at that time, Yahoo!'s was the most important by far," says Una McEvoy, an *Irish Times on the Web* marketing executive. Even months after the princess died, when Court TV's website posted her will, it saw a spike in visitors coming through the Full Coverage page. (Steven Brill, editor and publisher of *Brill's Content*, co-owned Court TV's website; he sold it before Diana's death.)

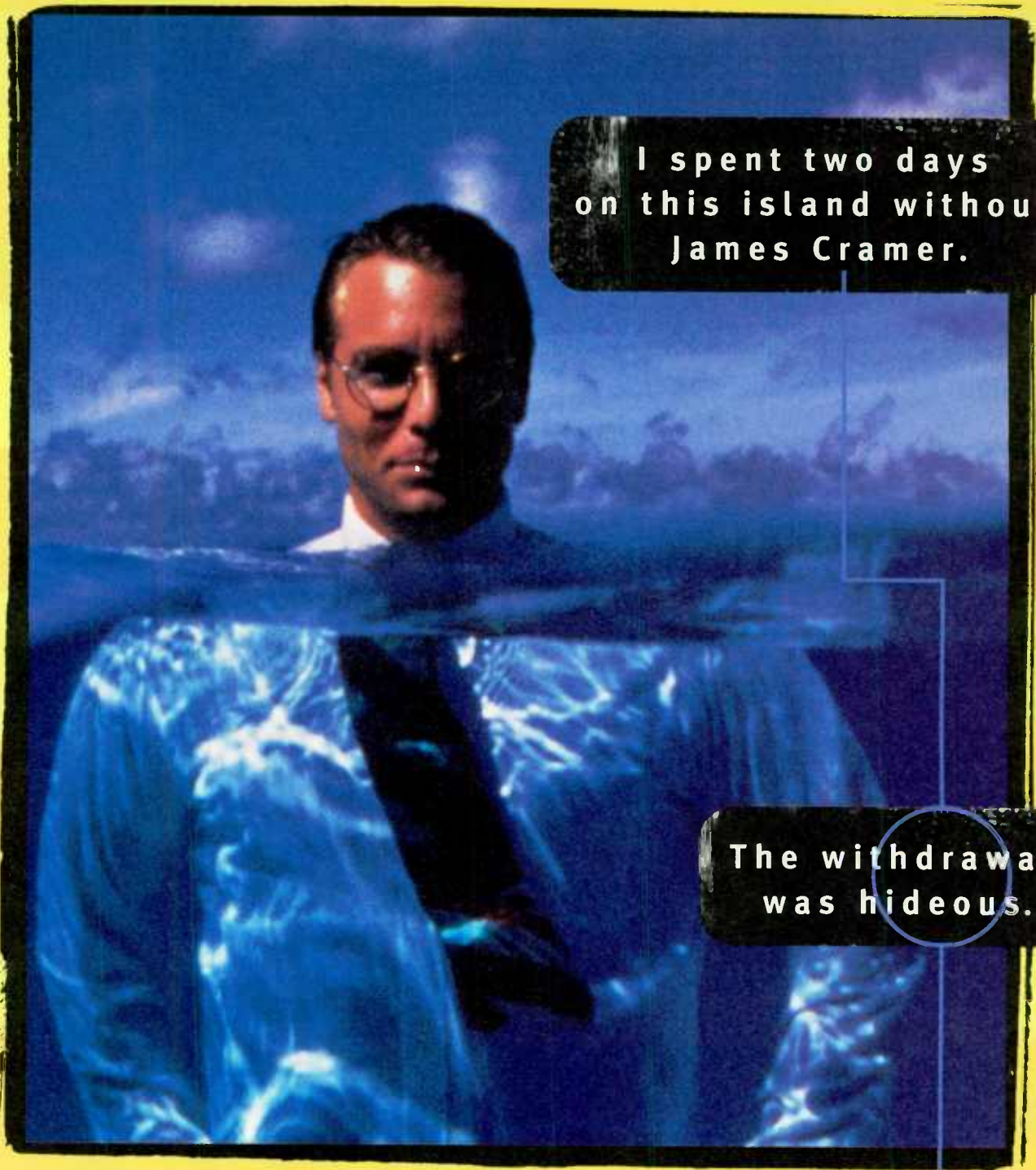
No surprise then that the Full Coverage team receives about 50

e-mail messages every day from news websites seeking billing on the page. (ABCNEWS.com, washingtonpost.com, and *Court TV Online* are a few of the electronic correspondents.)

"Some of it's, 'Please, please, please.' Some of it is, 'We have the best content—how can you not point to it?'" says Tim Brady, Yahoo!'s vice president of production. "Those requests we get on a daily basis don't really sway our decision very much."

So how does the Full Coverage team make their picks? They favor local coverage over national, for one. On the JonBenét Ramsey news page, for example, they've chosen to spotlight articles from the *Rocky Mountain News's* and *The Denver Post's* websites. "They're going to do a better job, per se, than *The Washington Post*," Brady says.

Aside from that criterion, decisions are a bit more haphazard, based on the order in which team members see stories, and on their own shortlist of major news sites. But team members have learned to avoid rewritten wire copy, says Brooks, looking instead for the "interesting angle that isn't anywhere else." —N.R.



I spent two days
on this island without
James Cramer.

The withdrawal
was hideous.

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MARKETS COMPANIES FUNDS COMMENTARY TOOLS

World Radio History

(continued from page 42)

PREVIEW TRAVEL, INC. is paying \$4.25 million over two years to provide airline, hotel, auto, and cruise bookings—as well as a newswire—on Lycos's web travel guide. The company is also paying \$2.4 million over five years for exclusivity on Excite's "Travel Channel."

PREVENTION'S HEALTHY IDEAS.COM purchased a spotlight on Infoseek's "Fitness & nutrition" page for an undisclosed sum. Meanwhile, iVillage's "Better Health" pays an undisclosed sum to provide features on Excite's "Health & Fitness Channel."

Even more distressing is that some channels make it hard to distinguish between advertising and editorial. One example is iVillage.com: The Women's Network, which supplies content to Lycos's Women's Community Guide. Sarah Finnie Cabot, iVillage's programming director, sees the mix of marketing and editorial as a strength. "I know that this woman would like to order a pair of shoes one minute and talk about spirituality the next," Cabot says. Thus, the recurring "Fun Stuff" box on the homepage is used to highlight features—an interactive pregnancy calendar one day, an ad for J. Crew Group Inc. the next. Cabot thinks the distinctions between editorial and advertising on the site are clear to the reader. "I can tell you that the minute I start getting some feedback that raises an issue with having editorial and advertising in the same breath, we'll be very responsive to that."

Maybe she's not getting complaints because her readers can't see through the blurring of advertising and editorial on the site. The iVillage website is not the only one with that problem. "You can't really tell sometimes, as an end user, what's a sold position versus what's an editorial position," admits Jennifer Bailey, vice president of website marketing for Netscape. "I think in the content channels, per se, it doesn't really matter, in the sense that the success of those channels is based on providing relevant information to the user."

That's the thinking behind the proliferation of personalized web pages

being offered by Yahoo!, Excite, Infoseek, and Lycos, which are launching the search-site-as-marketing-juggernaut into an entirely new orbit. Users can now skip the welcome pages and standard information channels and go directly to a customized list of resources. But the choices are often slim.

On My Yahoo!, for example, users interested in technology will find material from just two sources: the Reuters/Wired Digital News Service and Ziff-Davis Inc., publisher of *Yahoo! Internet Life*, *PC Week*, and other computer trade magazines. What's not disclosed is that Softbank Corp., the Japanese company that bought Ziff-Davis in 1996, also owns a 29.3 percent stake in Yahoo!.

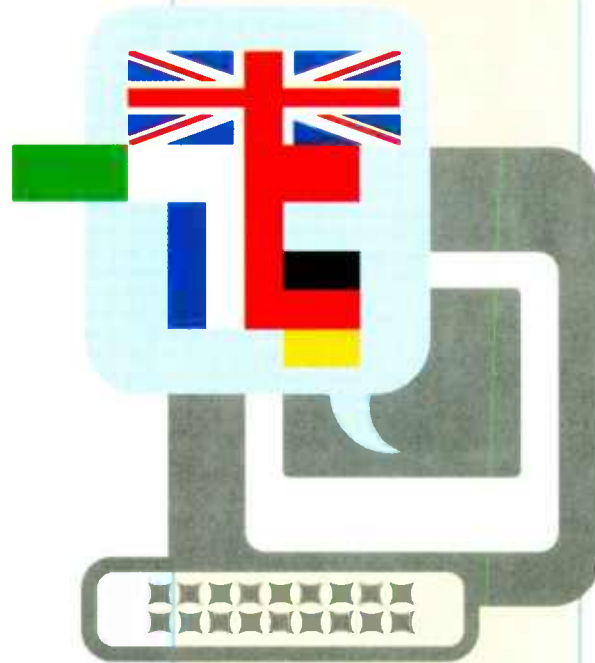
Amazingly, Yahoo! has relationships with more than 400 content providers, yet a visitor wanting to read technology news from Ziff-Davis competitors like CNET's *NEWS.COM*, *PC World* (published by International Data Group), *The Wall Street Journal Interactive Edition*, *CNN.com*, or *The New York Times on the Web* is on his own; My Yahoo! won't provide the link. Personalization is great then, so long as the reader thinks Ziff-Davis and Reuters/Wired are the ne plus ultra of tech news.

Nevertheless, Yahoo!'s Mallett still claims that his site is beholden to its paying content providers, and that Yahoo!'s strength is that it is "an independent content aggregator."

But what happens to independence when profit becomes a factor in the editorial decision-making process? For the Internet guides, it means that editorial integrity usually takes a backseat to getting a piece of the action on Wall Street.

Of course, there are good sources of information available from search sites; two good examples are Yahoo!'s Full Coverage reports (see "Where News Values Still Count") and Lycos's community guides, which rank websites based on user feedback. But increasingly, web surfers are best served by simply using Internet guides as conduits to their favorite on-line news providers—which is exactly what search and directory services were built for in the first place. ■

TRANSLATION



ENGLISH SPOKE HERE IS

THERE ARE SOME TASKS COMPUTERS do well and others for which they are essentially useless.

Consider translation. It seems like a straightforward job: Feed some English into a computer equipped with translation software and, instantly, it reappears in French, German, Spanish, Italian, or Portuguese. Which is exactly what "Babelfish" promises to do. For free on the Web (babelfish.altavista.digital.com), the AltaVista product does your homework for you. But how well?

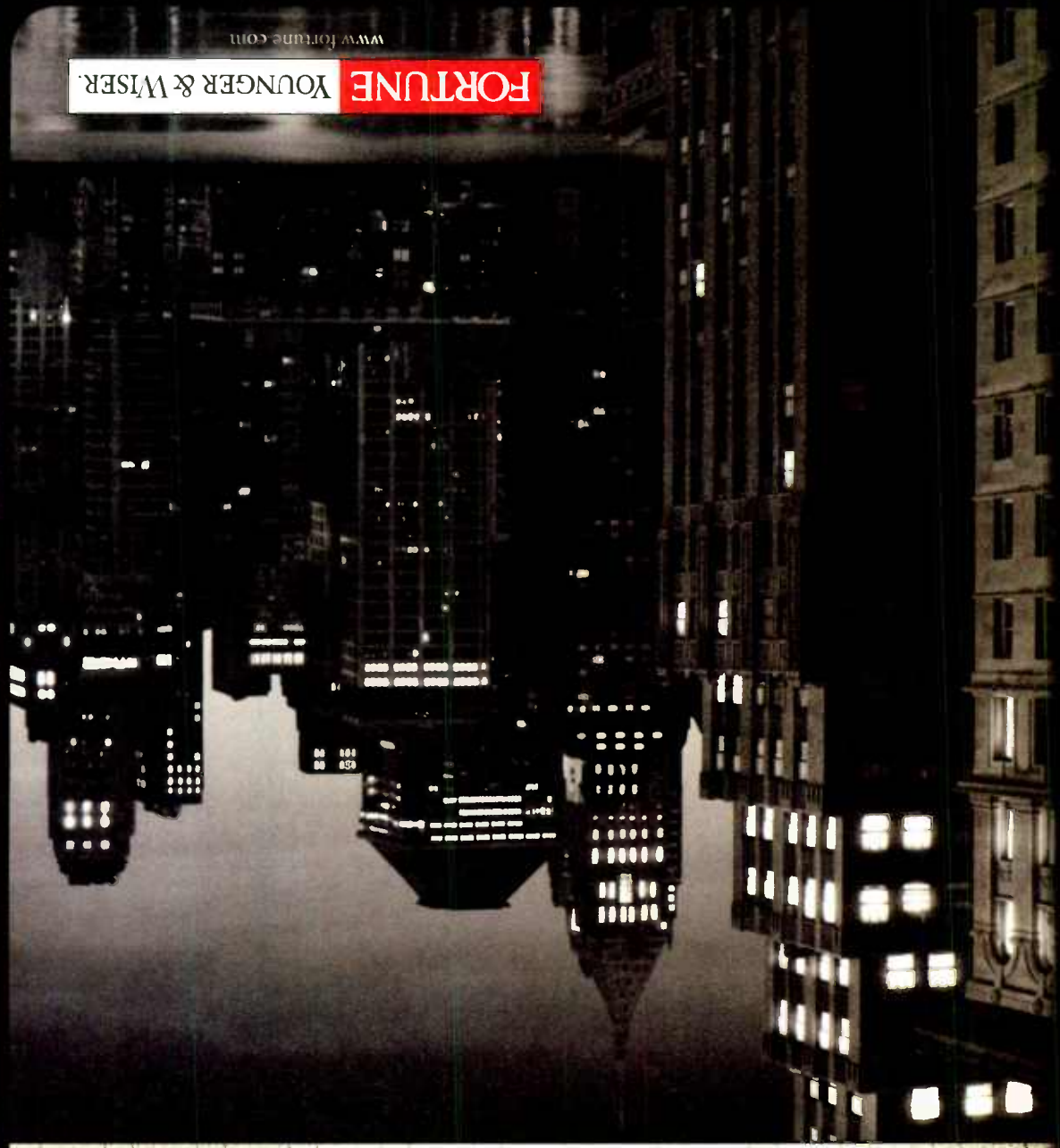
We asked "Babelfish" to translate into German, and then back again into English, the first three verses of Genesis. What did we get?

"In the beginning God the sky and the mass manufactured. And the mass was without form and gap; and density was after the face of the deep. And the spirit of the God moved after the face of the water. And God said, left, to be there light; and there was light." Well, we thought, if at first you don't succeed, try, try again. Or, as Babelfish, via the German translator, tells us, "If first you do not follow, try you, again try."

—Andrew Hearst

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21 20 19 18 17 16 15 14 13 12 11

SELECT SITES

VALUE ADDED

Elite Research at Discount Broker Prices

• BY NATHANIEL WICE AND SAUL ANTON

TWO YEARS AGO, WEB brokers were no-frills services whose main draw was low-cost trading. They proved fantastically popular.

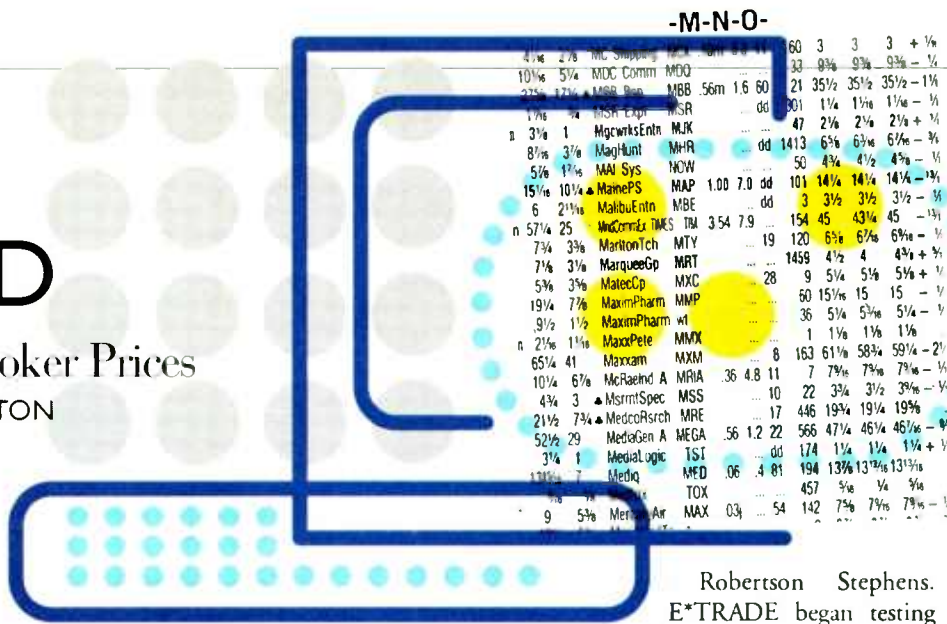
E*TRADE, one of the first firms to provide slick web service, saw its customer rolls grow from over 50,000 in April 1996 to more than 400,000 two years later.

This success, fueled by the bull market, has brought intense competition, with 66 on-line brokers listed in Yahoo!'s index. Now, a handful of these once-bare-bones operations are moving beyond their standard menu of basic financial research—stock quotes, moving average charts, quarterly estimates, and economic calendars—to offer far more sophisticated information. They are giving small investors access to recommendations and reports from analysts at top investment banks—proprietary research once reserved for the institutional clients that generate Wall Street's bread-and-butter commissions.

First out of the gate was Fidelity Investments, which started offering its on-line customers a limited selection of Salomon Brothers research last July. Then in October came DLJdirect, which gives clients access to analysis from its parent, Donaldson, Lufkin & Jenrette. And, as of this writing, E*TRADE was set to bring research from BancAmerica Robertson Stephens to its customers beginning in May. These three services are the leaders in offering the highest quality analysis to individual investors on the Web.

Charles Schwab & Co., Inc., had planned to be part of this group, but the

Nathaniel Wice is the co-creator of alt.culture, an on-line guide to pop culture; Saul Anton is a freelance writer and critic living in New York.



company stumbled. Last January, it unveiled an on-line product that, according to a press release, offered small investors "unprecedented access to professional quality research." But the investment banks involved wanted no part of it. Schwab had obtained samples of archived research through electronic publisher First Call Corp., which hadn't fully informed the investment banks of its plans. Within hours, First Call pulled the proprietary information from Schwab's website. By mid-May, the company still had no institutional-quality research for its on-line customers, but plans are in the works. "We're absolutely moving in that direction, but I can't give you the timing," says Tom Taggart, Schwab's director of communications.

Fidelity and E*TRADE had greater success at finding partners. E*TRADE's entry in this field, a service called Professional Edge, features analysis from

Robertson Stephens. E*TRADE began testing the service—which costs \$24.95 a month or, for a full year's commitment, \$19.95 a month—on 1,500 customers in early March.

Professional Edge subscribers can receive twice-daily e-mail headlining dozens of fresh analyst reports from Robertson Stephens. The e-mail provides links to full-text versions of these reports—which can run to 30 or more pages—on the E*TRADE website. "The first release is done after the [bank's] morning meeting breaks up, usually before 6 o'clock local San Francisco time," says Stuart Brogan, vice president for research technology at Robertson Stephens. "There's about a half-hour delay after the institutional clients get the information, but it's still usually up before the market opens" at 9:30 Eastern Time.

The other sites don't yet match the timeliness or accessibility of the Robertson Stephens research on

(continued on page 48)

FEES FOR BASIC SERVICES

BROKER	Market Order (\$/no. of shares)	Limit Order (\$/no. of shares)	Margin Rate (5/6/98)	Options (per transaction+\$1.75 per contract)	Acct. Min	No-Load No Fee Mutual Funds
E*TRADE	\$14.95 / 5,000 \$19.95 NASDAQ	\$19.95 / 5,000	9.25% (<\$25,000) 6.75% (>\$100,000)	\$20 (with a \$29 min. per order)	\$1,000	420
FIDELITY	\$19.95 / 1,000 \$14.95 / 1,000*	\$22.95 / 1,000	9.25% (<\$10,000) 7.0% (>\$5 million)	\$20	\$5,000	820
DLJDIRECT	\$20 / 1,000	\$20 / 1,000	9.0% (<\$25,000) 7.0% (>=\$1 million)	\$35*	None	750

LEGEND: The **MARKET ORDER** shows how many shares can be traded at the flat rate (**for more than 36 trades per year). A **LIMIT/STOP ORDER** allows the user to set a specific price for buying or selling shares. The **MARGIN RATE** is the interest rate charged on loans taken against your account in order to buy more stock and is derived from the prime lending rate (figures represent the range of rates at each company as of 5/6/98). The more you borrow, the lower the rate. An **OPTION** is a contract to trade a stock at a set price for a set period of time—a way to hedge against volatility or loss (*commissions increase based on transaction value). The **ACCOUNT MINIMUM** is the balance requirement. **MUTUAL FUNDS** refers to the number of no-transaction fee, no-load funds available from each service (as of 4/30/98).

BOOZ·ALLEN & HAMILTON

Media and Entertainment Practice

(continued from page 46)

E*TRADE. DLJdirect, by contrast, embargoes its best resources—proprietary reports and research from Donaldson, Lufkin & Jenrette—for one to three days. And even after that, DLJdirect offers the information only to clients with six-figure accounts.

Still, DLJdirect is a great place for the small investor to test a high-end research service; all new customers get free access to DLJ research for the first 60 days, regardless of the size of their accounts. DLJdirect is also the only on-line brokerage Brill's Content examined that does not require a minimum balance, and sign-up can be completed on-line in a few minutes. Neither of the other services offers this kind of instant gratification.

One perk available on both DLJdirect and E*TRADE is occasional access to initial public offerings at their opening price. In November 1997, Professional Edge test subscribers, for example, got a shot through Robertson Stephens at a hot Internet issue called SportsLine USA that runs a sports news website; most retail brokers could not have gotten this stock at its offering price for their clients. Fidelity does not offer this service on-line.

Fidelity is the least impressive of the three. Despite its alliance with Salomon Brothers (which survived Salomon's merger with Smith Barney last fall), it does not offer the bank's full company reports on-line. (They are available via e-mail, fax, or U.S. mail.) For \$50 a month, however, Fidelity users can receive the same daily one-page research notes that Salomon Smith Barney sends to its institutional clients—albeit with a guaranteed delivery time of 5 p.m., after the markets have closed. Salomon Smith Barney's individual company and industry summaries are also available through a \$20-a-month "Portfolio Strategist" that arrives every Tuesday.

All three sites feature the work of top analysts. According to the influential annual rankings of domestic equity research analysts by *Institutional Investor* magazine, Salomon Smith Barney (Fidelity) counts 34 of its analysts on *Institutional Investor's* "All-America Research Team"; Donaldson, Lufkin &

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E*TRADE Professional Edge BancAmerica Robertson Stephens	<ul style="list-style-type: none"> •Company reports •Industry reports •Analyst notes •Ratings 	\$24.95*	All research transmitted immediately	Twice daily via e-mail; website	By company, industry, analysts, and ratings
Fidelity Portfolio Strategist Salomon Smith Barney	<ul style="list-style-type: none"> •Company/industry summaries •Company Reports •Industry Reports •Upgrades/downgrades •Earnings estimates 	\$20	Every Tuesday	E-mail, fax, or mail	Not applicable
Daily Research Notes Salomon Smith Barney	<ul style="list-style-type: none"> •Company/industry summaries •Upgrades/downgrades •Earnings estimates •Ratings 	\$50	By 5 P.M. (ET) daily	E-mail or fax	Not applicable
DLJdirect Donaldson, Lufkin & Jenrette, Inc.	<ul style="list-style-type: none"> •Company reports •Industry reports •Analyst notes •Ratings 	Free for 60 days at sign-up and with \$100,000 min. bal.	Delivered after 1-3 day embargo	website only	By company only

NOTES: *For \$60 per month, Fidelity offers both the Portfolio Strategist and Daily Research Notes. †Full reports available for \$3.00 each or \$1.50 each in groups of 100. ‡\$19.95 per month with a one-year commitment.

Jenrette (DLJdirect) has 32; Robertson Stephens (E*TRADE) has one.

Access to the work of top-ranked analysts is great—provided that you can find it. E*TRADE's Professional Edge is the only service where the customer can search by analyst, as well as by company name. DLJdirect and Fidelity list research only by company and industry.

What do the on-line brokerages get out of offering this analysis to their customers? E*TRADE's Rebecca Patton believes the equity research will attract clients and stimulate business. "People trade more because of the quality of tools and information," she says. E*TRADE, she notes, surveyed Professional Edge pilot users and found that one-third bought or sold stock based on the research, while an additional one-third got investment ideas. What's more, says Brogan of Robertson Stephens, research "pushes revenue significantly by initiating trade decisions."

Individual investors are a new and potentially lucrative market for investment banks. He would not disclose the terms of the deal with E*TRADE. "We're assuming that there will be significant income [from selling the

reports to small investors]," says Brogan. "Obviously the potential of this market is up in the millions. We're very much a content provider."

One danger for investment banks is that the more widely they disseminate their research, the less valuable it becomes. "Differentiation is a big concern," says Brogan. "We're looking at new fax or e-mail services for the higher end."

Even with these premium services, the small on-line investor still lacks access to the analyst himself. That prerogative belongs to the clientele of investment banks and full-service brokers: "What is extremely valuable to a customer of a traditional brokerage is the ability to speak to analysts," says Bill Burnham,

who covers on-line brokerages at Piper Jaffray. The researcher's phone number appears atop every Robertson Stephens report on Professional Edge, but it is there for the bank's clients—not E*TRADE's. "E*TRADE will make customers agree not to call, or [we'll] get them banned," says Brogan. Investment banks, after all, will never undercut their clients' advantage. The Internet is extending the reach of the small-fry investor, but it still has its limits. ■

WEBSITE LOCATOR

DLJdirect www.dlj.com
 E*Trade..... www.etrade.com
 Fidelity www.fidelity.com
 Charles Schwab..... www.schwab.com

THE BEST FINANCIAL NEWS OUT THERE.

The central screenshot shows the CBS MarketWatch website interface. At the top, it reads "CBS MarketWatch - Thom Calandra's StockWatch: U...". The main header includes "THOM CALANDRA'S StockWatch" and navigation links for "FRONT PAGE", "NEWS INDEX", "HEADLINES", "MARKET DATA", "PORTFOLIOS", "MUTUAL FUNDS", and "PRIMER". A "Ticker Symbol" field and a "Quote" button are also visible.

The main article is titled "As vultures go, this one's got class" with a sub-headline "Plus: Network Computing Devices update, click here". It is dated "The May 28 15:01:00 1998" and is by "Tom Spence, CBS MarketWatch". The article discusses "SAN FRANCISCO (CBS MW) - Roach motels? Gonzo bank analysis?" and mentions "Give John Wilson Spence III of Nashville, Tenn., some credit. He dares to write dirty about small banks, a world of cheap suits and 'old fuddy-duddies,'" as he puts it".

Below the article, there is a "StockWatch" section with a "Down to Spence's nitty gritty" and a "CSB Financial Group" link. A "Pay Services" section is also present.

On the left side of the screenshot, there is an "Investor's Toolbox" with a search bar and various filters like "Charts", "Over", "Fundamentals", "CBSMW News", "Other News", and "SEC Filings".

The three inset photos show:

- Betsy Karetnick** (CBS MarketWatch)
- Thom Calandra** (CBS MarketWatch)
- Stacy Tisdale** (CBS MarketWatch)

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The End Of The Official Story

The Internet is a medium for conspiracy rather than propaganda. It can spread misinformation or it can push unpleasant truths to the surface.

MY FAVORITE JOKE IS POLISH, NOT ABOUT Poland, but from Poland. It concerns a military policeman named Jacek during the times before Solidarity, when the official story was all that could be told. Jacek was not a particularly nice guy, but he had the Polish love of the outdoors, and spent Sundays walking through the countryside. One Sunday in May, as Jacek left for his walk, his wife ran after him with a little sack, reminding him to pick some mushrooms for a soup that evening. Grudgingly, he took the sack and strode off. By afternoon, he was in a pretty good mood, until he set off for home and remembered the mushrooms. Finally he found some under a tree; he poked at them with a stick and shoved them into the bag. When he got home and emptied the sack onto the kitchen table, the mushrooms were crumbled and slimy. "What happened to the mushrooms?" his wife complained. He thought for a moment and answered solemnly: "They fell down the stairs."

(If you didn't get the joke at first, be thankful. It means you live in a society where official misdeeds are not routinely classified as regrettable accidents.)

That is what I mean by "the official story."

The official story no longer holds sway. For a lot of reasons, its days are numbered.

One reason for its death is the emergence of the Internet as a communications medium. The Net is changing all the media through which we hear about scandals, expose lies, and explore alternative "truths."

In this column and over future months, I plan to explore exactly how this is happening, sometimes on a broad scope, sometimes through a particular example.

The single most important fact about the Net is that it is a two-way medium. It allows newspaper and magazine readers, television viewers, advertising targets, and even average citizens (known in many countries as "subjects") to answer back. But worse, from the point of view of the official-story purveyors, it allows people to ignore official sources and talk among themselves. The central authorities no longer control

Contributing editor Esther Dyson is the chairman of EDventure Holdings, which analyzes emerging computer markets around the world. She is also the author of Release 2.0: A design for living in the digital age, published by Broadway Books.



public perception. The little irritants on the side—the guys who talk back to the advertisements, the dissidents, the disgruntled employees and whistle-blowers, the cranks and the truth-tellers—all have found their medium.

In short, the Net is a medium not for propaganda, but for conspiracy.

I use that term with care. Conspiracies can reveal the truth in a world of oppression, or they can spread misinformation among cranks who shut out the truth. The difference can be hard to distinguish. This magazine is trying to ferret out the truth, but if it's successful, its targets will no doubt brand its contributors as conspiracy theorists.

Examples of either kind of conspiracy on the Net are well-known. A couple of years ago, a math professor in Lynchburg, Virginia, discovered a flaw in an Intel chip. He e-mailed the information to friends who—via e-mail and postings—told other friends. Intel Corporation downplayed the problem, which simply made those who passed on the news more persistent. After all, which seems more serious—a minor bug, or a serious error that a multibillion-dollar company is trying to cover up? Just ask any politician!

Intel kept floating its official story—that the flaw was immaterial and of no concern to most users—until the company finally had to launch a massive recall that cost almost half a billion dollars.

A corporation can no longer rely on advertising and public relations to purvey an image. It has to deliver, because if it doesn't, consumers will find out and discuss it among themselves. Its employees know what is going on, and they're likely to discuss it. (Intel learned a lot from that experience, and now has an active, two-way, Net-based communication channel with its customers.)

If most of the press doesn't cover a particular story, for reasons of doubt, taste, or (worse) advertiser pressure, there's some other medium out there that will.

That's all very well, until it leads to the other side of the coin—conspiracies that aren't true.

For example, there was the saga of Pierre Salinger and TWA Flight 800. The story is murky, but evidently Salinger, a former journalist and onetime press secretary to John F. Kennedy, received an e-mail to which he gave a little too much credence. It suggested that the TWA crash off Long Island was no accident, but rather a conspiracy of some kind. If the mainstream press hadn't picked up this particular story, it would have died quickly. There's still an uneasy symbiosis between old and new media. Other Net rumors are perennial stories about misdeeds by Microsoft, government plans to tax the Net based on old action alerts that keep circulating, and, of course, all kinds of Washington rumors. Many of these are based on truth, but aren't quality-controlled as in the traditional press. Anybody can add his own spin.

And most recently, of course, there has been the protracted saga of President Clinton and Monica Lewinsky. It started with a story that was posted on the Net, mentioned in that context on television, and then picked up by the "official" press. Now there are continuing crosscurrents between the Net and other media. There are leaks and counter-leaks. Hillary Clinton attributes much of it to a right-wing conspiracy.

If it is a conspiracy, it is one that is now being broadcast by the mass media.

The Net allows all kinds of people to enter the conversation. There are still reliable and unreliable sources, but for now, as people move onto the Net, they tend to lose their common sense and believe all kinds of crazy tales and theories.

Unfortunately, we as a society haven't learned "Net literacy" yet. We take a story's appearance on-line, as well as in print, as proof that it has been subjected to rigorous journalistic standards, but there's so much stuff out there that no one has the time to contradict all the errors. That's a passing phenomenon, I believe, but the fundamental issues—more sources and more direct sources—will persist.

There are two broad possibilities for what will happen. We'll either get better at figuring out the truth or we will

give up. Perhaps it is just as bad to believe nothing as to believe everything.

Consider another story, a true one. I once asked a Russian reporter, "What do you mean by the truth? What does the word mean in a culture where the official story is almost always a lie?"

"Well," she answered indirectly, "whenever we would read a story about the health dangers of butter, we would run out and buy as much butter as we could find, because we knew it meant there would be a shortage."

In other words, truth was not the issue. They were concerned not with truth or falsehood, but with the motivation behind the statement: Who made it, and why?

Interestingly, in Russia, most people seemed to have a pretty good ability to get beyond the official story. But they rarely were able to discover or to recognize the truth. Being skeptical may be as dangerous as being gullible. After all, butter *does* have its health dangers.

The Net, where everyone can publish for him- or herself, raises these questions urgently. Is one person's opinion as valid as everyone else's? Or is there some objective way of determining the truth? If we don't want to go back to the world of the official story, what are we to do? You can't go to

We'll either get better at figuring out the truth or we will give up. Perhaps it is just as bad to believe nothing as to believe everything.

an official source to determine what the truth is, but, in principle, you can objectively find out the source of any particular piece of information or point of view.

We need to foster a new skepticism that encourages people to exercise their own quality control. Because Russians were discouraged from asking awkward questions as children, as adults they didn't know how to do it properly—or in a way that made anyone produce proper answers.

As "consumers" of the Net, the current generation has a responsibility to itself to demand better disclosure from the medium itself. Where does the "news" we read on-line come from? Who's publishing it, and who paid for it?

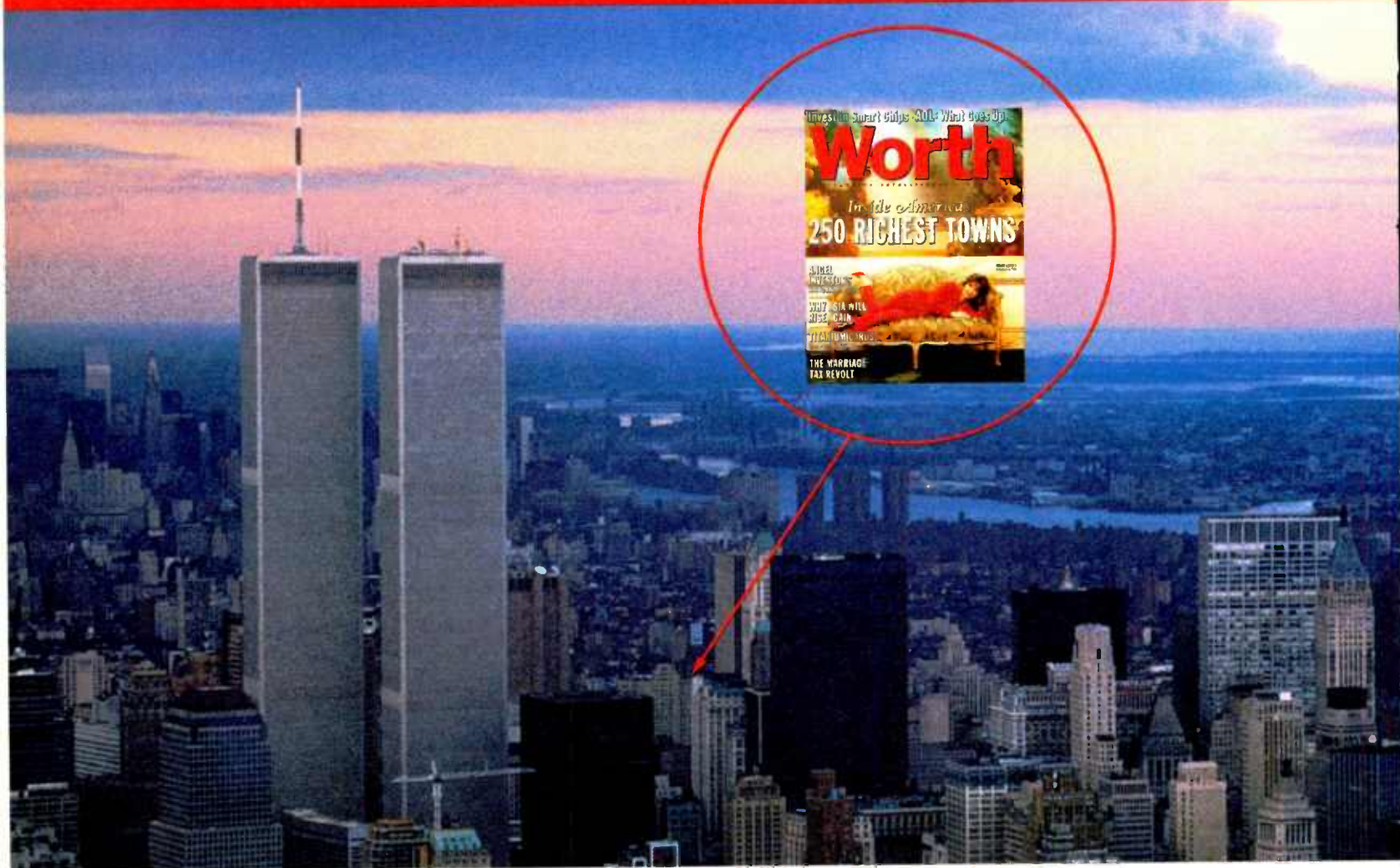
Even as we encourage a diversity of viewpoints, we have to work harder to make the distinction between truth, opinion, and falsehood. Most truths are hard to prove, but a lot of junk is easy to disprove if people have learned how to do so.

Just as consumers now expect "contents" labels and other information on the goods they buy, they need to start looking for the same kind of disclosure on their information.

The last thing I'd want to see is government requirements for labeling of information—which fortunately wouldn't work anyway on the Net. But I do want to see magazines such as this one, and other voices, foster the notion of a more educated, demanding public.

Yes, there's an information market for the truth. But it will work only if we have educated citizens, demanding disclosure and able to judge for themselves what is true. ■

THE VIEW FROM THE TOP



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Lurching Into Reverse

Audi sales were crushed by a 1986 *60 Minutes* show that was off track. A decade later, the car maker is finally recovering, but *60* still won't admit it was wrong. • BY GREG FARRELL

BURIED DEEP IN THE 60 MINUTES archives, squirreled away alongside the program's notable triumphs, is an episode the CBS weekly newsmagazine isn't eager for you to see.

This isn't some obscure early segment with poor production values that would make the venerable show look laughable today. It's one of *60 Minutes*'s greatest hits, a piece originally broadcast on November 23, 1986, titled "Out of Control." As presented by veteran correspondent Ed Bradley, the 17-minute segment showed compelling visual evidence that the Audi 5000, a German luxury sedan, had a dangerous propensity to lurch forward on its own, even when the driver's foot was on the brake. This defect, dubbed "sudden acceleration," was allegedly responsible for hundreds of accidents. The piece also included dramatic interviews with six people who claimed that accidents they suffered in their Audis were caused by the car. Two of the wrecks caused fatalities.

But it turns out that all of the people featured who sued Audi eventually lost their cases. And the woman used in the "teaser" opening—the clips that run just before the ticking clock at the start of each *60 Minutes* show—was later fined for filing a frivolous suit.

"It's not because we're embarrassed by the story," says *60 Minutes* spokesman Kevin Tedesco, explaining his refusal to provide a tape of the show. "It's the lawyers. They don't want to open up a can of worms."

Greg Farrell is a freelance writer in New York and a former editor at large for Adweek.

The Audi episode was repeated on September 13, 1987. The rebroadcast included additional information on the skein of mishaps—1,200 reported accidents, including five deaths and 400 injuries—claimed to have been caused by the defective Audis. As Bradley stated, "the sheer number of incidents involving the Audi 5000 alone would make it the most frequently occurring serious defect in automotive history."

The show had an enormous impact in the marketplace. Sales of all Audi models in the U.S., which had peaked at 74,061 in 1985, plunged sharply after

the *60 Minutes* broadcasts (see chart, page 55). "It was a nightmare for the company," says Thomas McDonald, former head of public relations at Audi's parent, Volkswagen of America, Inc. "We lost billions of dollars in sales and revenues." Audi's average annual sales of 14,000 cars from 1991 to 1995 were just 19 percent of its pre-*60 Minutes* peak.

But in early 1989, the National Highway Traffic Safety Administration (NHTSA) issued the findings of an exhaustive two-year study of sudden acceleration. It concluded there was no mechanical problem that directly

60 Minutes used stirring interviews (and a doctored Audi) to make the case for sudden acceleration.



caused the acceleration of the Audi 5000 or any other cars (including Mercedes-Benz, Nissan, and Toyota models) accused by drivers of having minds of their own. NHTSA investigators determined that most of the accidents must have been the result of driver error—especially a driver mistaking the gas pedal for the brake. Government safety agencies in Canada and Japan reached similar conclusions in their own studies.

On March 12, 1989, Bradley presented a short update, reporting on NHTSA's findings. He said the study "supported the position of Audi and the other manufacturers," and that investigators "could find no mechanical or electrical failures which would cause sudden unintended acceleration." While the study concluded drivers were mistakenly hitting the accelerator, Bradley noted that it also pointed to possible design problems—"the shape, location, and feel of gas and brake pedals"—as a contributing factor.

"Audi of America," concluded Bradley, "which saw its sales drop by more than two-thirds as a result of adverse publicity, said it was delighted with the new report, which it said finally vindicates the Audi."

resulting filmed sequence, in which the accelerator pedal moved down on its own, provided *60 Minutes* with the damning visual evidence the program needed to brand the Audi 5000 a dangerous vehicle.

Rosenbluth says *60 Minutes* asked to shoot one of his Audi tests, and that the show knew what he was doing. "My objective was to demonstrate that you could get an acceleration," says Rosenbluth. His tinkering got the car to move on its own, but the segment never mentioned that the vehicle had been rigged to do so. "We were appalled that *60 Minutes* put this thing on the air," says John Pollard, a principal investigator hired by NHTSA for its study. "It was a stunt... It does not represent a real-life situation."

To address real or perceived safety issues, Audi initiated a design change. The car maker added a shift lock that prevents a driver from shifting from park into gear without having a foot on the brake. The change, Audi executives insisted, was not a reaction to any mechanical flaws; it was simply meant to allay consumer worries. After the lock was installed, the number of so-called sudden acceleration incidents dwindled. "It was like turning off a

tory," says Hutchinson. "If we had won, what would Audi sales have been?"

More than a decade later, with the introduction of its new models lauded in the automotive press, Audi is finally mounting a comeback. The car maker's U.S. sales recovered to 34,160 in 1997, and through the first quarter of 1998, it was 14.6 percent ahead of that pace. Even so, Audi's full-year sales are likely to be only half of their rate before *60 Minutes*.

Douglas Clark, Audi's U.S. public relations manager, says the car maker is not interested in having Audi executives discuss the *60 Minutes* segment. "This is something we like to keep as past history," says Clark. "We've been cleared, and we like looking forward."

It's worth looking back, however, at the way *60 Minutes* constructed its segment, and at its refusal to acknowledge a key omission, as well as its use of the Audi doctored by Rosenbluth.

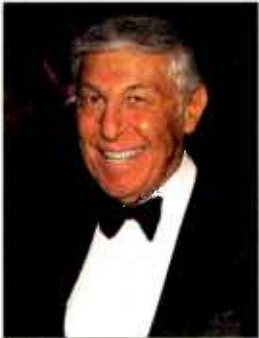
The most dramatic Audi "victim" featured on the show was Kristi Bradosky. On February 19, 1986, Bradosky's six-year-old son Joshua had opened the garage door at the family's home near Canton, Ohio, so his mother could park her car. The Audi lurched forward, pushing the boy backwards and fatally crushing him against the garage's back wall.

60 Minutes contacted the Bradoskys about a month after the accident. By then, they had talked to lawyers about filing a suit against Volkswagen of America and Audi A.G. "We thought long and hard about speaking to [*60 Minutes*]," says John Bradosky, who now lives with his wife and three children in Huntington Beach, California.

In the police report filed on the accident, the officer on the scene, Steven Zerby, wrote that Bradosky's "foot slipped off the brake pedal onto the gas pedal accelerating the auto." Bradosky gave her statement at the hospital where her son had been taken; she was understandably hysterical. Zerby says he took down her statement accurately. In the family's suit against Audi, which they lost, Kristi Bradosky admitted during cross-examination that she might have told Zerby she had her foot on the accelerator, according to her attorney, John Van Abel.

When *60 Minutes* producer Allan Maraynes initially met with the

Executive producer Don Hewitt: "We stand by the update to our story."



"We were appalled that *60 Minutes* put this thing on the air," says a government investigator about the rigged Audi the show used. "It was a stunt."

That was it for the update. What Bradley did not say was that the original *60 Minutes* broadcast might have been erroneous or misleading. He termed the NHTSA findings an "opinion." *60 Minutes*'s own role in creating "adverse publicity" was left unacknowledged. "They never apologized," says a former Volkswagen executive. "They never said, 'We were wrong.'" (Bradley declined to answer questions about his piece.)

What's more, Bradley also failed to mention how *60 Minutes* had been able to offer footage of an Audi 5000 lurching forward from a parked position. William Rosenbluth, an automotive consultant retained by plaintiffs in a suit against Audi, says he drilled a hole in an Audi transmission and piped fluid into it. The

faucet," says Robert Cameron, Volkswagen's manager for product liaison.

Audi also tried to repair its image after the NHTSA report. On July 18, 1989, the company bought full-page ads in *The New York Times* and other major newspapers. The ad copy summarized the NHTSA findings and concluded with Audi's last words on the subject: "Audi has been vindicated. Case closed."

Yet Audi's sales slump persisted for years. "We had a choice of suing" *60 Minutes* over the show, recalls Philip Hutchinson, Volkswagen's vice president for government and industry relations at the time of the broadcasts. But the car maker did not want to stir up more publicity about the alleged defect. "If we had won, it would have been a Pyrrhic vic-

Bradoskys, they discussed the police report. "We had lots of conversations about state of mind, about what [his wife] would have said" to the cop if she wasn't so traumatized, says John Bradosky. Did they tell *60 Minutes* the police report was wrong? "We didn't try to convince them of anything," says Bradosky.

Nonetheless, the show presented Bradosky as a woman convinced that the car had caused her son's death. On camera, Bradley asked her if she was sure the car was at fault; she emphatically said her foot was on the brake. No mention was made of her statement to the police. Maraynes, now a senior investigative producer at *Dateline NBC*, says the omission of the report was addressed inside *60 Minutes* before the show was first broadcast.

"There's more to that," says Maraynes of the report. Bradosky, he says, "claims she never said that" to the police. "We went through that whole thing with her....It's not as blatant as saying we left out a police report. We didn't. It's not a one-dimensional piece."

Maraynes maintains there was nothing wrong with the Audi segment. He even defends the dramatized footage of the Audi lurching ahead on its own. Rosenbluth "artificially rigged the scenario to whatever it was," Maraynes says. Nonetheless, Maraynes continues, "I thought it was obvious that the guy was conducting a test, because otherwise you don't just show up and a car takes off. It's arguable whether another line, or a super [title] saying, 'This is a test,' would have helped people....I don't necessarily think so."

Maraynes also notes that the sudden acceleration claims got wide play in the mainstream press. "Because we have a bigger audience, it made headlines and got Audi upset," he says. "Audi complained we had some bogus scientists show us what their theory was—which we did—but we didn't validate it. We didn't say, 'Therefore this is what's happening.'"

Volkswagen had selected its lobbyist, Phil Hutchinson, to go on camera with *60 Minutes*, along with fellow executive Robert Cameron. What Hutchinson recalls from the hours they spent with the taping crew was the repetitive nature of Bradley's questions.

"They wanted Cameron and me to look bad," Hutchinson says. "We found it awkward to be asked the same question over and over again, some four or five times. It was as though they wanted us to get mad. It was hard to steel yourself and give the same answer in the same tone of voice."

"In the attempt to get a better understanding, you might say, 'Now let me get this straight,' as a recap effort," says Maraynes. "There's something wrong with re-covering ground? Lawyers do it all the time."

But Hutchinson says Bradley kept pounding away at their position. In particular, the Volkswagen officials were shown reciting the explanation that Audi drivers were at fault. At best, this made Audi's customers seem, from the company's perspective, like bad drivers; at worst, liars.

THE AUDI SEGMENT—WHEN A rare copy is secured for viewing—still makes for powerful, persuasive television. A hard-hitting piece of work, it includes interviews with credible, eloquent accident victims, highlighted by a tearful and heartrending Bradosky. The report clearly shows an Audi lurching forward on its own. And it stars Ed Bradley at his prosecutorial best in interviews with the car executives.

The main witnesses used in the segment, however, never proved Audi was legally at fault. (Audi did pay car owners for any damage to their cars or other property.) The Bradoskys lost their case. Alice Weinstein, a Woodbury, New York, woman who unsuccessfully sued Audi and two dealers for \$9 million, was herself fined \$20,000 for filing a frivolous action against the dealers, according to Audi officials, a *Newsday* story, and one of the dealers. (Reached in Florida, Richard Weinstein, her husband, confirmed the fine but said they had a settlement agreement with Audi.)

"Audi did not lose any unintended acceleration case," says the former Volkswagen executive. "Audi lost some normal product liability cases. But there were no settlements on sudden acceleration."

There is another thread to this story. James Hely, a Mountainside, New

Jersey, attorney, won \$114,000 in damages in 1988 on behalf of a family hit by an Audi driver. Hely convinced a jury that the car caused the driver to have an accident. His argument succeeded, he says, because he focused on Audi's allegedly poor design of the brake and pedal configuration in the 5000, not on sudden acceleration.

Asked why *60 Minutes* never retracted its story or apologized for it, executive producer Don Hewitt is consistent in his defense. He says that vehicle design changes made by Audi indicated the segment was correct (a charge Audi flatly denies). But wouldn't the impact of a

A LONG ROAD DOWNHILL

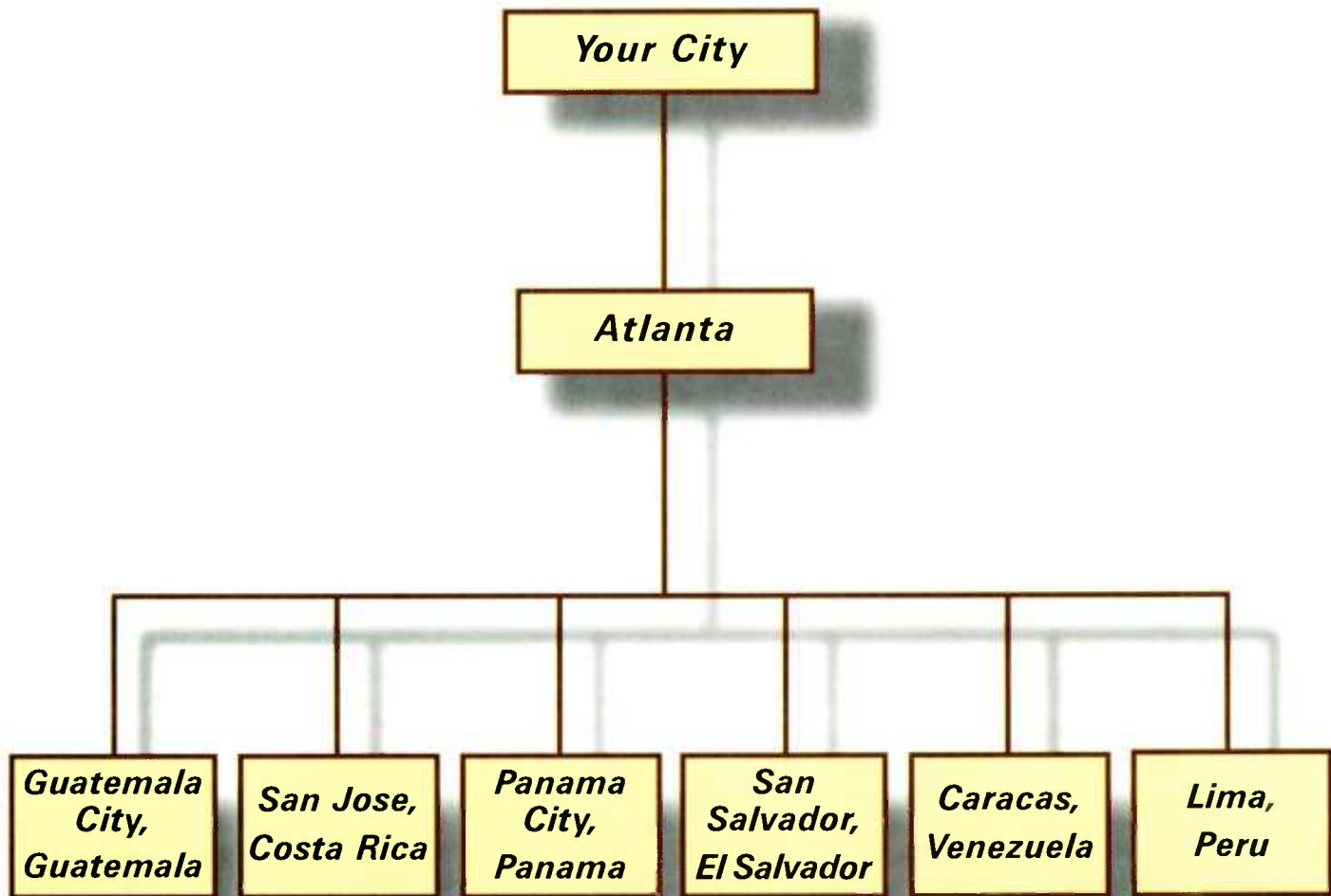
Audi's U.S. sales peaked in the mid-1980s, reaching more than 70,000 cars per year. Then the company's fortunes tumbled, after two *60 Minutes* broadcasts on its alleged "sudden acceleration" defect. (The shows aired in 1986 and 1987 on the dates indicated below.) A federal study cleared Audi in 1989, but the damage had been done.



60 Minutes exposé compel a company to do something, even if it were just to make a cosmetic change? "If it was cosmetic, they shouldn't have done it!" says Hewitt.

Asked if the episode should have included some mention of the police report that notes Bradosky's foot was on the accelerator, Hewitt says, "That's the first I've heard of that." (Segment producer Maraynes, of course, knew of the report.)

And what was the difference between what *60 Minutes* did to get the Audi to lurch forward and what *Dateline NBC* did six years later to get the side fuel tanks of a General Motors truck to explode, a stunt for which NBC apologized? "Who do you work for, Audi?" Hewitt snaps. "We stand by the update to our story." ■



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He Cracked The Numbers Racket

Just how did the famous Beardstown Ladies beat the market year after year? Shane Tritsch dug into their best-selling guide and found the real bull. • BY ELIZABETH LESLY STEVENS

IN LATE FEBRUARY, SHANE Tritsch was due to go under the knife for sinus surgery. At the time, however, he was more worried about his journalistic reputation getting sliced to ribbons. Tritsch, the managing editor of *Chicago*, had just written a compelling story for the magazine asserting that the fabulous stock market gains of the Beardstown Ladies were a sham.

The Wall Street Journal called to follow up on his article. Calmetta Coleman, a reporter in the newspaper's Chicago bureau, had obtained more detailed data from the Ladies that seemed to back up their claims of investment wizardry. "It looks like the Ladies' numbers check out," Tritsch says Coleman told him.

"Part of me was terrified it would all blow up," says Tritsch. "I would be the Butcher of Beardstown, the person who wrongly smeared and attacked these sweet small-town grannies." Day after day, he waited anxiously for the *Journal* story to appear, revealing him to be either a crack investigator or an incompetent.

On February 27, Tritsch checked into Northwestern Memorial Hospital early in the morning for his surgery. "I'm lying on a stretcher, an IV in my arm, terrified. My surgeon comes in and says, 'Congratulations, you're on the front page of *The Wall Street Journal*.'"

'Just tell me—good or bad?'

'Good.'

'Wheel me in, boys,'" Tritsch says he told the attendants. "Then it all goes

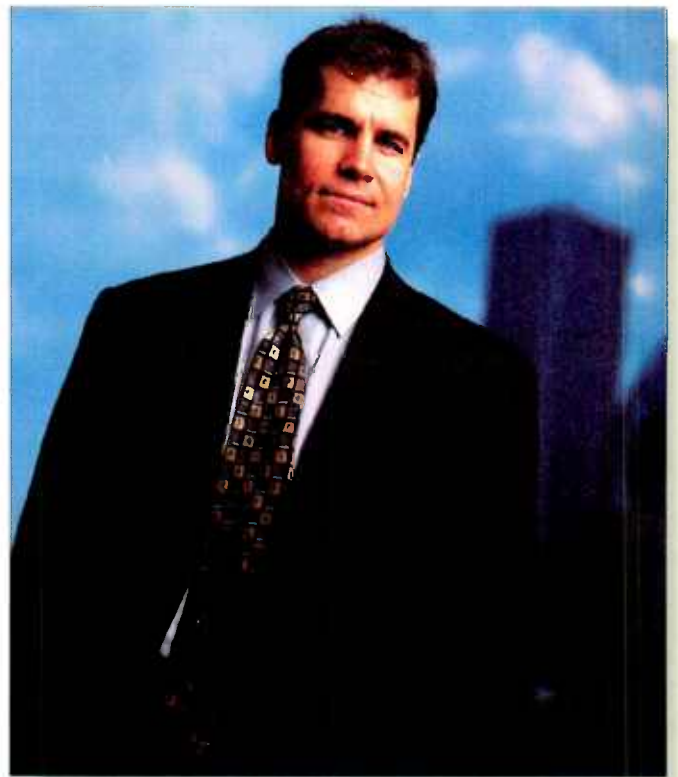
dark after that. This was the pinnacle of my professional career. And I spent a good portion of it unconscious."

The *Journal* story sparked a frenzy, because it trumpeted Tritsch's finding that the Ladies' accounting methods had inflated their returns. Suddenly, Tritsch was a media darling. CNN sent over a camera crew, and *Dateline NBC* interviewed him for a segment that aired April 19. "It was interesting to see the very same media beast that had built the Ladies into celebrities devouring their carcasses with equal vigor," Tritsch notes.

Much of the Ladies' initial celebrity had come from their homespun appeal. But much of their subsequent commercial success—books, television appearances, a possible movie deal—was driven by their claim of a 23.4 percent annual return on their investment club's portfolio from 1984 through 1993. Their first book, *The Beardstown Ladies' Common-Sense Investment Guide: How We Beat the Stock Market—and How You Can, Too*, has sold more than 800,000 copies. The Ladies have four other books in stores, and another one, on estate planning, is in the works.

Even amid the relentless bull market, such a track record would make the Ladies among the savviest investors Wall Street has ever seen. Investing through Berkshire Hathaway Inc., Omaha billionaire Warren Buffett has produced a 25.6 percent annualized return over the last 30 years—just a bit better than what the Ladies claimed.

The Ladies' sweetness was undeniable, but their math was wrong. Wildly wrong, as Tritsch noted in his article. In



No Ladies' man: After poring over their first book, Shane Tritsch did the financial sleuthing that took the air out of their claims.

the wake of the *Journal* story, an audit by Price Waterhouse LLP found the Ladies actually had achieved a 9.1 percent annualized return over the decade in question. That lagged the Standard & Poor's 500 index by nearly 40 percent. What's more, the Ladies had beaten the index in only 3 of the total of 14 years the accounting firm examined.

Given all that, you'd think the Ladies' careers as investment gurus would be kaput. Yet on a gray April afternoon, Tritsch looks over a showy display of personal finance titles at the giant Borders Books & Music store on



**“ARE WE HAVING A
COMMUNICATION PROBLEM?
OPEN MY E-MAIL AND
PRINT A THOUSAND
COLLATED SETS IN LONDON.

IS THAT TOO
MUCH TO ASK?”**

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Canon

Michigan Avenue. Although his story revealed that the Ladies had little credibility as market-beating investment sages, Borders has three Beardstown Ladies books showcased just steps from the store's entrance. Tritsch picks up a copy of the Ladies' fifth book, which has just been published. The mass-market paperback touts the 23.4 percent return on the back cover. Tritsch carries it to the cashier, and the Ladies' empire swells by another \$6.50.

Tritsch marvels at how an inconvenient truth doesn't seem to have dampened the Ladies' appeal. "The cynic in me thinks the Ladies' gravy train will keep right on rolling," says the 37-year-old native Midwesterner. "In the end, their celebrity will transcend the reality that they are mediocre investors at best."

Some have argued that the Beardstown snafu—the Ladies claim they made an honest goof in 1993 when calculating their returns—is a victimless one, and that the Ladies actually did a public service by encouraging perhaps millions of individuals to dive into the bull market. But that's not the point.

The argument that "what they did is not that bad is not the story," says Tritsch. "The story is not why it's okay. The story is, how in the world could this happen and go undetected for years? How many people were taken in?"

THE LORE OF THE BEARDSTOWN Ladies began with feel-good pieces written by nonfinancial types. The earliest print story *Brill's Content* found that contained the Ladies' troublesome claim of a 23-plus percent return was published, ironically, in *Chicago's* November 1992 issue.

Did it occur to *Chicago* writer Marcia Froelke Coburn to question the numbers? "No," she says. "I'm not a business reporter. It was pitched as a human-interest story. It was the small-town, older-lady thing. So it never occurred to me to question the financial returns. It's so out of my league."

A few journalists had questioned the Ladies' performance after the first Beardstown book came out in 1994, a year when their portfolio was, in fact, trailing the market average. But before Tritsch came along, no one had both-

ered to verify the Ladies' original 23.4 percent claim.

In October, Tritsch was asked by *Chicago* editor Richard Babcock to look into the Ladies' empire. "I wasn't all that excited about doing the 500th fawning story on the Beardstown Ladies," Tritsch recalls. "What in the world was left to say?"

"The story is not why it's okay," says Tritsch of the Ladies' resilience. "The story is, how in the world could this happen and go undetected for years?"

Leafing through his paperback edition of the *Investment Guide*, a small note on the copyright page caught Tritsch's eye. The note said the Ladies included monthly dues when figuring returns. If true, Tritsch knew their performance claims were greatly inflated. Tritsch grew obsessed with gleaning enough crumbs of data from the *Investment Guide* to calculate their return independently. Cobbling together several assumptions, he came up with an annualized return of 7.6 percent—far below the 23.4 percent they claimed. The story was about to be sent to the printer on January 29 when Tritsch realized he didn't have enough data to nail down that estimate.

Dejected, Tritsch went back to his well-worn copy of the *Investment Guide* and started reading again. On page 21, something else caught his eye—a sentence that valued charter members' portfolios at \$6,000. That gave Tritsch the key piece of information he needed. "This is when I had my epiphany," he says. With that number, he revised his estimate. The new return, inserted into his story in the nick of time, was 12.2 percent. Says Tritsch, "I thought, 'I've got them. I have got them.'"

The story ran, although it generated

little notice until the *Journal*, with its national audience, picked up the trail. But two months later, the furor around Tritsch had died down, and his life was pretty much back to normal.

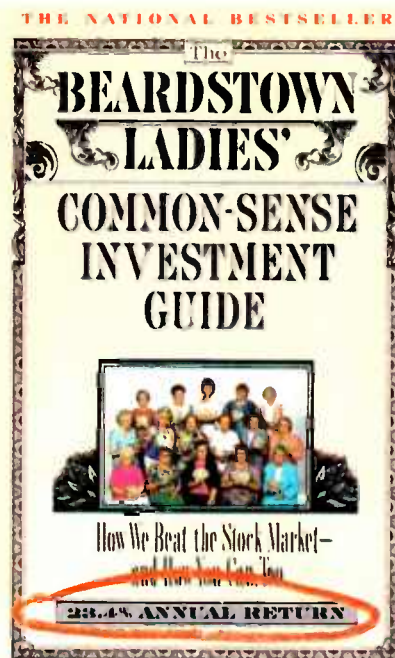
It's the same for the Ladies. Despite the damning revelations, the folks who make up the Ladies' constituency seem remarkably forgiving. Even if the Ladies

lied outright, "it wouldn't make me angry," says Darla Norton, who started her own investment club in Quincy, Illinois, after reading the first Beardstown book in 1995. "Everybody is human, and we can all make mistakes."

(The actual mistake made by Betty Sinnock, the investment club's senior partner, was not the inclusion of club dues, as noted on the copyright page, but an error in the time frame she used to calculate the returns.)

Sinnock remains a member of an individual investors advisory committee to the New York Stock Exchange, and The Walt Disney Co. imprint Hyperion has another Beardstown book in the pipeline. Sinnock says she and the other Ladies are in as much demand for public appearances as before their false claims were exposed.

In late April, Hyperion issued a short errata note to be placed in the Ladies' books, informing readers that returns were 9.1 percent, not 23.4 percent. (As of mid-May, the errata slips were not in Beardstown books in two large Manhattan bookstores checked by *Brill's Content*.) "We're very, very sorry for the mistake," says Sinnock. "We're saddened by the people who judged us guilty and suggested we were in it for the



The Ladies have published five books, including this best-seller. The incorrect performance figure remains on some covers.

ROCKS. TONIC. JUICE. MAGIC.



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HONOR ROLL

BERNARD GOLDBERG, *Public Eye* with *Bryant Gumbel*. This spring, no self-respecting television newsmagazine was without at least one segment that decried the collapse of decency in modern society. CBS News's *Public Eye* was no exception. But instead of rambling on about the national blemish that is the *Jerry Springer Show*, correspondent Bernard Goldberg went one better in his hour-long April 7 presentation, "In Your Face, America." At the suggestion of his producer, Christopher Martin, Goldberg traveled to Singapore and found a culture poles apart from U.S. depravity. Singapore boasts an immaculate subway system, well-manicured streets, and virtually no crime. As Goldberg showed, it's a sanitized climate where *Murphy Brown* is considered risqué, and four-letter words are all but absent from the national vocabulary.

Also absent, as Goldberg pointed out, are such basic civil liberties as free expression, given the government's censorious hand. "Somebody called [it] Disneyland with the death penalty," Goldberg told *Brill's Content*. His report from Singapore (only one part of the program's treatment of our supposed moral decay, which mainly featured U.S. talking heads and cultural iconoclasts) was not a righteous paean to America's hard-won freedoms. Instead, Goldberg used the overseas trip as a quiet reminder that Americans face a trade-off.

—Katherine Rosman

DANIEL FORBES, *Brandweek*. Would anyone bother to evaluate an advertising campaign with the admirable goal of keeping kids off drugs in the same way that brand marketers use research, planning, and follow-up studies to evaluate ads for toothpaste? *Brandweek* senior editor David Kiley says he asked himself that question many times while reading news stories about the latest anti-drug initiative, a roughly \$2 billion program led by the White House Office of National Drug Control Policy and the private Partnership For A Drug-Free America. Using federal funds and donated air time and ad agency work, the campaign will roll out over the next five years.

Kiley gave freelancer Daniel Forbes (who uses the pen name Daniel Hill for trade magazine articles) a presumably simple assignment: Find out if these ads actually work and



In Singapore, CBS's Bernard Goldberg found a chilly flipside to America's trash-talk culture.

whether the research that supports them is valid. After two months of reporting and interviewing public health officials and other experts, *Forbes* concluded the academic studies used by the PDFA to justify its anti-drug strategies were "thin and overly-determined research." The article in *Brandweek* (a trade publication for brand managers) raised protests from two of the quoted research teams, who say it distorted their findings. Some of *Forbes*'s rhetoric may be heavy-handed, but his effort to scrutinize the results of such an expensive, publicly funded, and socially desirable initiative is praiseworthy. —Ted Rose

PETE WILLIAMS, *Baseball Weekly*. Baseball umpires are constant targets of beer-soaked fan criticism, but rarely do they hear from the people most qualified to pass judgment on them: the players themselves. This past spring training, *Baseball Weekly* writer Pete Williams and six of his colleagues (Deron Snyder, Louis Berney, Bill Koenig, Carrie Muskat, Bob Nightengale, and Paul White) asked major leaguers for their assessments of the men in blue. The reporters promised players anonymity and asked them to choose the best and worst umpires in the game.

More than 100 players talked, and the results were published in the April 15–21 edition of *USA Today's Baseball Weekly*. The rankings have been mentioned frequently by sports commentators during games this season, though most have not credited the newspaper that did the legwork. "That's the nature of working in this business," says Williams. "People forget where they saw it. [But] it's out there." —Ted Rose

money. I feel like [Tritsch] really didn't relate what the Beardstown Ladies were all about. Contrary to what people think, we are not wealthy women."

It seems the only project the Ladies had in the works that died as a result of Tritsch's exposé was a feature film in development at Disney. "Our concept was to take the real Beardstown Ladies as a departure point," says Aaron Meyerson of Disney's DIC Entertainment unit. "A movie about how these small-town Midwestern ladies came to Wall Street and beat the old, stodgy boys' network at their own game through their down-to-earth values."

But the project hit a snag when the Ladies played hardball over their fee. After trekking to Beardstown last July to pitch the idea personally, Meyerson offered six figures. The Ladies wanted more. "I was surprised," says Meyerson, who was still working on the project until the Ladies' claims were debunked. "They said, 'Listen, we don't even want to counter. We're not in the same ballpark.'"

ALTHOUGH THE LADIES MAY not make it to the multiplex, you can still catch them at bookstores and other venues across the country. On April 16, about 300 people paid \$20 apiece to hear Betty Sinnock speak at a restaurant in Skokie, Illinois. In 20 minutes, she autographed and sold nearly 50 copies of various Beardstown books.

Although it was not her first public appearance since Tritsch's story, Sinnock broke down sobbing as she said that big returns were never what the Beardstown Ladies were meant to be known for. "It was an astonishing moment," says Tritsch, who sat quietly as others in the audience gave her a standing ovation.

Quickly collecting herself, Sinnock finished up, fielded a few questions, and hurried out. The next day, she was headed to Las Vegas for another appearance. A woman seated next to Tritsch had read his story and gladly explained to him why she was still a fan of the Ladies. "They got away with it, and more power to them," Tritsch recalls her saying. "Look at how many books they've sold!" ■

Class Acting

Reporters will always be gate-crashers, no matter how many invitations they get or how much they earn.

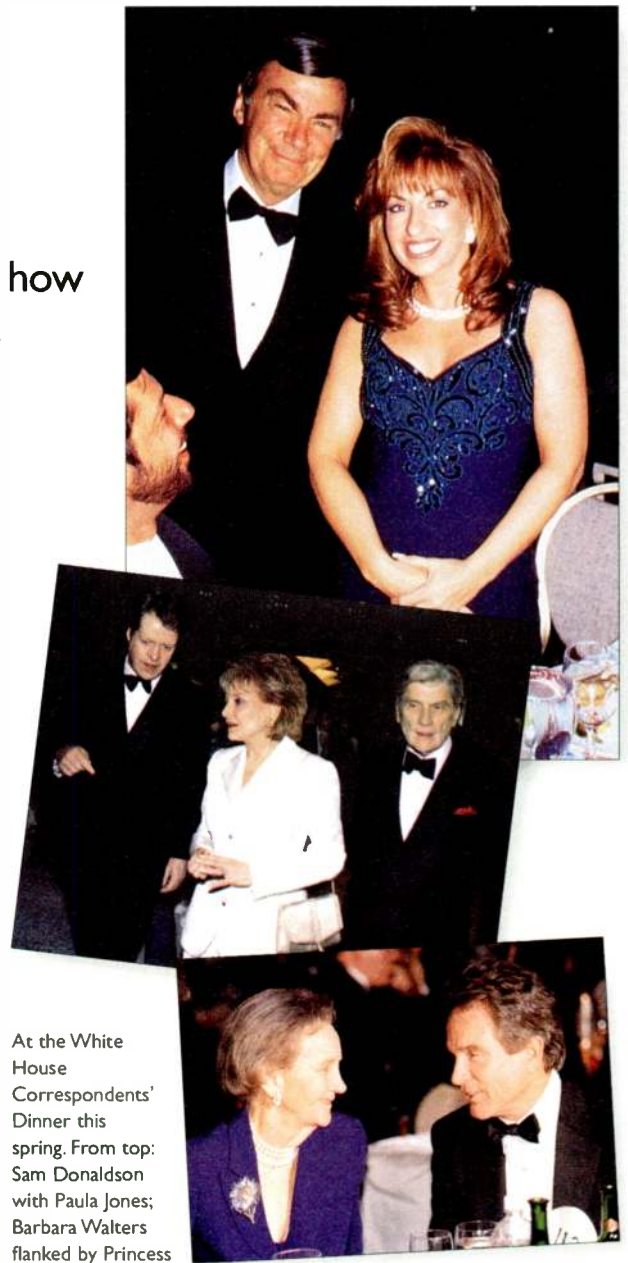
ONE DAY, A FRIEND OF mine who was working for a newspaper in Washington spent a couple of hours trying to get people on the telephone so they could lie to him about a particularly boring hearing he had covered. Pausing between calls, he glanced around at all the other reporters in the newsroom who were similarly occupied, and suddenly wondered, "Is this a job for a college graduate?" That was 35 years ago, and I still don't know the answer to his question. I've been making do with "not necessarily."

Although a reporter is no longer thought of as a coarse man who wears a shiny suit and probably keeps a bottle of cheap bourbon in the bottom drawer of his desk, it still isn't clear where he fits into polite society. Network anchors, for example, are now national celebrities who make millions of dollars a year. But when an anchorman interviews an obscure member of the House of Representatives on camera, the anchorman addresses the representative as "congressman" and the representative calls the anchorman by his first name. The only guests a network anchor feels free to call by their first names on camera are his fellow newsmen, many of them millionaire celebrities themselves.

English journalists, who are candid enough to call an anchor a "news read-

er," seem to have a clearer idea of where they stand. In the early seventies, an English reporter I knew who had been assigned to New York was about to bring his family from London by ocean liner, and I asked him which deck they'd be strolling around. "Cabin class," he said, naming the undramatic middle option that existed on trans-Atlantic ocean liners between first class and Leonardo DiCaprio's mob. And then he added, in the matter-of-fact voice he always employed to instruct me on some elementary rule of cricket, "Journalists travel cabin class."

I suppose class is what I'm talking about here—which is to say that in this country, I'm talking partly about money. When I was a boy, a cousin-by-marriage who worked for *The Kansas City Star* as a purchasing agent—that is, our family's press insider—told me that anybody who aspired to write for newspapers could expect a life of penury, since the only member of the press who made a reasonable living was Drew Pearson. (As it turned out, *Star* staffers who managed to squirrel away the stock available to them in the decades the paper was employee-owned were eventually made rich by a Capital Cities buyout.) In those days, it was sometimes said that what reporters got out of the game was a decent obituary. Reading the pinched little C.V. his paper ran to mark the passing of a biologist or a banker, a reporter having some trouble with the mortgage payments could at least take satisfaction in knowing that he himself would be piped off to the next vale with a ripe eulogy that ran a full column and



At the White House Correspondents' Dinner this spring. From top: Sam Donaldson with Paula Jones; Barbara Walters flanked by Princess Diana's brother Earl Spencer (l.) and Senator John Warner; and former *Washington Post* publisher Katharine Graham with actor Warren Beatty.

might include a sentence that began, "Known to his colleagues as a warm and witty man..."

Even after I was making a reasonable living as a reporter—a surprise to both my cousin and myself—the thought of a decent obituary as my due was planted so firmly in my mind that I'd find myself editing it in idle moments. In the 15 years I was on the road fairly constantly for a series of pieces I did for *The New Yorker*, I occasionally used to translate the health haz-

MARINA GARNIER (DONALDSON); JAMES KELLY/GLOBE PHOTOS (WALTERS); MARK WILSON/REUTERS/ARCHIVE (GRAHAM)

Contributing editor Calvin Trillin is the author of *Family Man*, just published by Farrar, Straus & Giroux. He is also a columnist for *Time*, a staff writer for *The New Yorker*, and the contributor of a weekly verse for *The Nation*.

ards of dashing through airports into a sub-head of my obituary: "Almost Caught Last Non-Stop to LaGuardia." I've acknowledged that, because of the frustrations involved in my losing battle with the Spanish language, I still haven't been able to shake off the vision of an obituary headlined "MONOLINGUAL REPORTER SUCCUMBS."

When I started out, reporting was seen as a poorly paid and faintly déclassé calling that might offer someone—usually someone from a modest background—an occasional spurt of the high life on someone else's money. Even then, journalism had a sprinkling of people from families that had always taken first-class crossings for granted, but I tended to associate them with a special corner of the field in Washington—a view that resulted in my experiencing my own telephone epiphany in Newark.

On a very cold day in 1972, while covering some trouble between black and Italian residents in the North Ward of the city, I was trying to make a call from a grimy pay phone tacked to a building in the disputed territory. Finding myself put on hold by an obdurate secretary, I tried blowing on my hands for warmth, glanced around to make certain nobody was throwing any bricks in my direction, and heard myself say out loud, "I wonder what Joseph Alsop is doing right now." I pictured the elegant and well-born Mr. Alsop in the richly paneled dining room of a Washington club, selecting the wine with great care, while his luncheon guests, an ambassador and the director of central intelligence, waited patiently.

ONE YEAR, ON BEHALF OF ALL reporters everywhere, I suggested that Roy Reed be given the Pulitzer Prize for managing to convince the pool-bahs at *The New York Times* that New Orleans, a backwater in just about every human endeavor except the enjoyment of life, rather than Atlanta, the Babbitt-ridden commercial center and air hub of the South, was the logical place for the

Times's Southern correspondent to make his headquarters. The true high life on someone else's money, though, has traditionally been available in foreign postings. In the fat days of Time Inc., I never passed an impressive mansion in a foreign capital without thinking, "It's either an Arab embassy or the home of the *Time* bureau chief."

The bureau chief, of course, was playing a role, with someone else's money. When he got transferred to the Denver bureau, he wouldn't have a driver and a passel of house-servants. Sometimes, he forgot that and, sometimes, so did his employers: I once heard a reporter referred to as inappropriate for the bureau chief's job in London because management thought he lacked "the ambassadorial quality."

You could argue that reporters, no matter how much money they make, forget at their peril that they are essentially cabin-class people traveling first class on an upgrade. They are, after all, engaged in a trade that involves rude questions, snooping, and a tendency to wander into gatherings they might be asked to leave—behavior that is outside of polite society. When reporters invite the peo-

ple they cover or flashy movie stars to fancy banquets, they tend to look silly, as just about everyone involved in the White House correspondents' glitzfest this spring seemed to realize. When they acquire protective feelings toward the important people they enjoy seeing socially, they tend to get scooped.

Still, it's tempting for people in our trade to pretend that we're at the gala as a legitimate guest, rather than as somebody who's somewhere between a guest and the person who may be wearing a tuxedo but is actually in charge of the valet parking. About ten years ago, I published a travel book—most of the traveling having been underwritten, it almost goes without saying, by magazine expense accounts. One reviewer criticized it for being about trips that were possible only for upper middle-class travelers like the author. I phoned my sister in Kansas City. "Guess what," I said. "We finally made it." ■

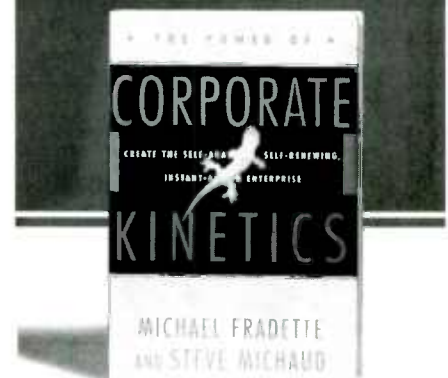
Reporters forget
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on an upgrade.

Imagine
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world.

And
still being
prepared
for it.

"Hang on to your hat
and smash your crystal ball."

Tom Peters



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Fortune Magazine, November 10, 1997

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He Stands Alone

Lots of journalists listen when Alan Greenspan speaks, but only *The Washington Post's* John Berry hears what the Fed chairman is saying.

ALAN GREENSPAN MUST HAVE LAUGHED HIS head off when he saw the morning papers after his talk at this year's meeting of the American Society of Newspaper Editors. There he was, at ground zero of the journalism world, surrounded by the people we trust to get the story right, and he drops an unequivocal bombshell: stock prices can be justified by the fundamentals.

In words meant clearly and convincingly to dispel his "irrational exuberance" comments, the words that had knocked the Dow Jones average down 6 percent from a much lower level a year before, Greenspan said the constant upward revision in stock earnings explains the continuing new highs in the market. In other words, he sounded the all-clear: it was okay for the stock market to go even higher on his watch. As a hedge fund manager attuned to his every word, I was struck by this unequivocal moment in an otherwise equivocal chairmanship.

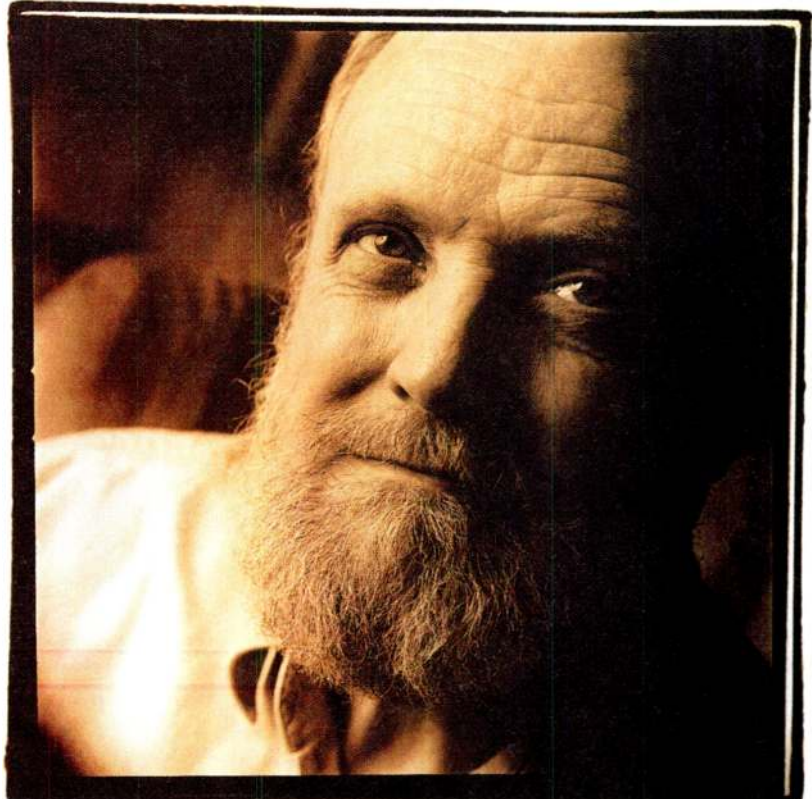
And what happens the day after he delivers a speech right in the bastion of professional journalism? *The Wall Street Journal*, which had salivated over every syllable of Greenspan's bearish "irrational experience" riff a few years back, did not even write about this portion of Greenspan's talk. The *Journal* focused instead on some Asian angle, oblivious to the recantation of a view that has been discredited by 3,000 more Dow points. Not one mention of Greenspan's lack of skepticism for these high prices made it into the story! I guess the *Journal's* editorial bias against President Clinton can only be matched by its news bias against higher stock prices. (*Journal* reporter David Wessell declines to comment on his coverage of the speech.)

The report in *USA Today* really must have had Greenspan chuckling. After all of the chairman's unbridled optimism, what do we get? "Greenspan leery of sky-high stocks," blurted the "Money" section's front page. "As a central banker, I always have great skepticism about new eras and changing structures of how the world functions," the paper quoted Greenspan as saying. The key, though, is what it didn't report: that Greenspan's skepticism

was a straw man put forward before the chairman signaled that maybe these *are* different times, that structural changes in the American economy, plus productivity gains, could justify ever-higher stock prices. Greenspan better avoid boilerplate skepticism before he rocks the world with new paradigm talk. Maybe the *USA Today* reporters rushed out when they heard the boilerplate and never heard the end of the talk. I'm afraid that's the only substantive explanation for this lapse. (*USA Today* reporter Beth Belton stands by the story and says she did, in fact, remain for the entire speech. "This is not the first time that one speech is interpreted differently by news organizations," she comments. "That's the whole thing about Greenspan-ese.")

The amazing thing about how wrong these papers were to either omit coverage of Greenspan's recantation, or to get it backwards, as *USA Today* did, was that the Bloomberg Business

John Berry of *The Washington Post*: a reality check for Wall Street traders



Contributing editor James Cramer is manager of a hedge fund and writes for www.thestreet.com. Under no circumstances does the information in this column represent a recommendation to buy or sell stocks. Mr. Cramer's writings provide insights into the dynamics of money management and are not a solicitation for transactions. While he cannot provide investment advice or recommendations, he welcomes feedback, e-mailed to jjc@thestreet.com.

THE MONEY PRESS

Wire, which every trader uses, captured the essence so correctly and immediately that the market jumped the moment that report hit the wire. In other words, let's say you weren't sure that Greenspan had said something different. After all, Greenspan is not always this clear. A minute-by-minute graph would have showed you that Wall Street launched an amazing run toward 9,000 on the Dow within minutes of Greenspan's comments.

Why don't more professional traders complain about this lack of accuracy, the way politicians bitch when they are misquoted or the way sports stars throw things at the press after a game? Simple, we like it this way. The fewer reporters who get it right, the more money for those who know what was really said. In fact, professional traders know that there is only one press organ worth following when it comes to Greenspan's statements: *The Washington Post*.

The *Post*'s Fed reporter, John Berry, who I am sure makes the paper's standard scale, would be worth ten times his weight in gold

on Wall Street. Berry follows Greenspan with the eye of a guy with a billion-dollar leveraged bond portfolio—in other words, with life-or-death rapt attention. He understands Greenspan like no one else.

That's why all of us who are betting billions of your dollars look to Berry as a reality check when we think Greenspan has broken new ground and said something new.

In this instance, like every other I have observed since Greenspan took the helm, Berry did nothing but confirm exactly what we thought. To be sure, *The New York Times* mentioned Greenspan's confident remarks in a story the next day, but it underplayed them with a passing reference in the "Markets" column. It was Berry alone who put the speech in the correct context, noting that Greenspan used his platform at the newspaper editors conference to bury unequivocally his reservations about how exuberant the market had become. Berry's post-mortem verification of what we had seen and heard had the obligato-

ry confirmation in the futures pits, which took the Dow Jones average up the limit the morning Berry's story appeared.

Do I exaggerate about cause and effect? Hardly. Berry's monopoly on interpreting the Fed is Microsoft-like. So once he gave the all-clear, every trader I talked to knew that Greenspan had joined the bulls, at least for this profitable moment.

Berry's dominance has lasted as long as the chairman's reign. I used to pay hundreds of dollars a year to get *The Post* hand-delivered by 6 A.M. so I could trade in Europe off of Berry's column. Now I call up www.washingtonpost.com the moment I get into work. (Imagine, all those people to whom I pay millions of dollars in commissions in order to figure out what Greenspan is saying, and the best oracle is free.)

Hmmm. Maybe Greenspan wasn't laughing the next day after all. He probably doesn't read anybody except Berry, either. Who can blame him? ■

2

The number of Americans more interested in Kenneth Starr than in their kid's soccer league.

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Overwhelmed By Events

When a Los Angeles traffic story became a public suicide, local TV news directors laid their news judgment on the line—with differing results. • BY D.M. OSBORNE

AT ABOUT 3:30 P.M. ON APRIL 30, the start of rush hour in Los Angeles, KCBS-TV managing editor Pat Casey received a police report describing “a man sitting in a truck on the freeway with a gun.”

In a city where helicopter news crews are on standby 18 hours a day and cover many more police chases and freeway accidents than ever make it onto television, the dispatch, says Casey, was “rather routine.” But traffic—like an earthquake—is always a big story in L.A. So Casey ordered the station’s \$600-an-hour helicopter into the air and quickly alerted the KCBS news director to the situation.

Other stations had beaten KCBS into the sky by a few minutes. “Our first call was that there was a sniper on the freeway,” remembers KTLA-TV news director Jeffrey Wald, 46, whose assignment manager pulled him out of a budget meeting to tell him that the story was breaking. Chopper shots showing traffic backed up for miles behind blockades soon confirmed for Wald that the story warranted live coverage: “Two freeways were sort of being held hostage,” he explains.

Although the station was running the children’s show *Steven Spielberg Presents Animaniacs*, at 3:30, Wald cut away to the freeway scene. This was not a decision that Wald made lightly. “We were concerned that this event could change, because we knew he had a

Senior writer D.M. Osborne was a senior reporter at The American Lawyer magazine. She was also a senior editor at Los Angeles magazine.

gun,” Wald remembers. But even as thoughts of his six-year-old daughter ran through his head, Wald’s news judgment dictated a cut-in: “I said, this is a story worth breaking into children’s programming or whatever programming we’ve got on the air,” says Wald, a 29-year broadcast news veteran.

By 3:45, eight local stations were on the story, appointing their most senior producers to monitor coverage, putting reporters in front of newsroom cameras, and broadcasting pictures of a man later identified as Daniel Jones, a 40-year-old HIV patient who displayed for the helicopters overhead a banner denouncing health maintenance organizations.

When Jones climbed back into the cab of his pickup truck and sat down beside his dog, KTLA’s Wald says he expected the situation to end peacefully: “I kind of took a deep breath and said, well, that’s it. That’s his message.” Adds KABC-TV news director Cheryl Kunin Fair, who up to that point had limited her station’s coverage to two 60-second cut-ins on *The Oprah Winfrey Show*: “He could have sat in that truck for ten hours.”

But just as everyone settled in for a lengthy standoff, the truck burst into flames, forcing station news directors to



Jeffrey Wald, news director of KTLA, on the telephone in the control area: He made the difficult decision to break into a children’s show.

make split-second decisions that would have a profound impact on their viewers. “In these situations you have to revert totally into a news person,” comments KCBS news director Larry Perret, 44. “You can’t allow yourself to emotionally engage in the story, because if you do, you can’t think in a calculating way.”

At KCBS, Perret and managing editor Casey, 41, immediately ordered their helicopter cameraman to pull back from the burning truck. “We were very concerned that he was going to come out of the cab totally on fire,” remembers Casey. When Jones scrambled from the truck, stripped off his scorched pants, and rushed up a ledge where he held up his hands, Casey and

[DECISIONS]

Perret say they thought Jones might take his life.

But KTLA's Wald, mindful of the earlier sniper report, had a different reaction. "I thought [Jones] was surrendering," says Wald. In that mind-set, Wald asserts, he was not prepared to avert KTLA's camera as Jones ran back to the truck and retrieved a rifle. "We screamed, 'Pull back, get out, change the camera!'" remembers Wald, who, along with his assistant news director and manager of technical operations, was linked by phone to the station's master control area in a separate building. But the order came too late, as KTLA viewers saw Jones blow his brains out.

The nightmares Wald says he has had since the suicide are not surprising given the nature of his job. In the super-competitive L.A. market, TV news directors—who earn between \$175,000 and \$300,000 a year—decide what goes on the air and when. While news directors typically consult with their station general managers before interrupting regular programming, they do so mainly as a formality. Otherwise, they operate independently—even at affiliate stations owned and operated by the big-three networks. "We are a local television station and we have to do what's best for our local audience," comments KABC's Fair, adding that in breaking-news situations such as the Daniel Jones story, "all I'm thinking about is our coverage."

Yet in the final, desperate moments of Jones's life, the choices made by local news directors—all driven by their own editorial judgment—varied wildly from station to station. Here's how some of that decision-making played out.

KABC: Cautious Remarks For Children

For KABC's Cheryl Kunin Fair, 45, the big issue was whether to interrupt *Oprah* before a regularly scheduled

program break. "Since local news is really available almost any time of the day in L.A.," she says, "somebody who really wanted to watch local news was already watching local news."

Nevertheless, as Fair surveyed the station's helicopter feed on a newsroom monitor, her news sense told her that the

says. "We realized we might want to go back to live coverage....I said, wait a minute, I'm not sure we want to show people this man on fire, and as we were debating how we were going to handle this, things went from bad to worse very quickly."

"It was very chaotic," concurs Brown, who, anticipating continuous live coverage, sprinted the 100 yards from the newsroom to the set. "As soon as I sat down, I heard from someone off camera, the guy had already killed himself." Thus, by the time KABC news went back on the air just before 4 P.M., the suicide was history.

For its regularly scheduled 4 o'clock newscast, KABC kept its cameras on the abandoned truck and the blocked freeways, not on Jones. Although the network affiliate never showed the suicide or the dead body, anchor Brown did inform viewers that Jones had taken his life. He also urged children to tell an adult what they were watching—cautionary remarks that he says came to him spontaneously.

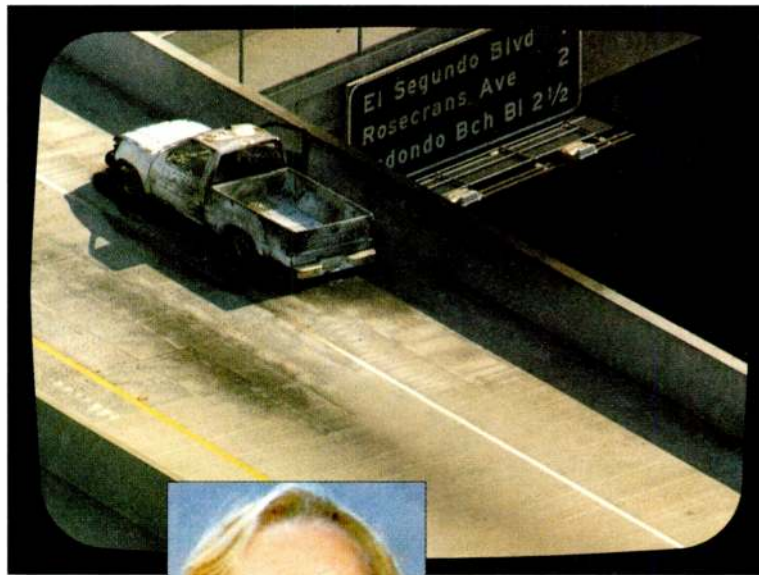
"There can be no preparation for something like this, no management chain," Brown says. "You're in the position of having to give some perspective to something that you're literally just watching happen."

KTLA: Violating A Policy

Once KTLA's Jeffrey Wald decided that the story warranted live coverage, reporter Stan Chambers, 74, rushed from his office to the breaking news desk and launched into the story.

A 50-year veteran of the station, Chambers says he never considered whether the material was suitable for children. "I stayed strictly with what was happening on the screen," he says. Taking verbal cues from producers and ad-libbing from scribbled notes handed to him in the newsroom, Chambers did, however, inform viewers that the station had received sketchy reports of guns and explosives in the truck, that the bomb squad had been called in, and that highway patrol officers were keeping a cautious distance.

In terms of attracting viewers, KTLA's tack succeeded. The WB Television Network affiliate, owned by



Suicide victim Daniel Jones (above, in an undated photo), and his truck that burned at the scene. (Photograph retouched to eliminate Jones's corpse.)

traffic piling up on two closed freeways and spilling into surrounding streets called for a couple of quick cut-ins. She scheduled the interruptions to coincide with regular programming breaks—which she extended from 30 to 60 seconds—and notified her news team to take their positions.

"It was very much a battle-stations mode," remembers anchor Marc Brown, 36, who was posted in front of a newsroom camera beside Fair. *Eyewitness News* executive producer James Hattendorf tracked second-by-second coverage from his usual position in the station's transmission room, and, like Fair and her assistant news director, could call in to the control room director on an open phone line.

As soon as Brown completed his second cut-in, showing and summarizing Jones's unfurling of the anti-HMO banner, the station returned to *Oprah*. But when the truck caught fire, Fair considered cutting right back in again. "All of a sudden, what had been a static situation became a fluid one," she

Tribune Broadcasting Company and widely known for its breaking news coverage, garnered a ratings spike during its hour and a half of live coverage. According to data confirmed by Nielsen Media Research, KTLA's audience share jumped from 7 at 3:30 P.M. to 17 at 4:30 P.M. (On the previous and the following days, KTLA's highest share within the same time period was a 6.)

But Wald maintains that he was not motivated by ratings. With Jones dead, Wald says he could not in good conscience abruptly break away from the news. "It was just too hard a turn to go back to children's programming five minutes after somebody blows their head off," he explains.

Nor was the tragedy in any way a boon to KTLA. Wald admits he had unintentionally violated a station policy against covering suicides. And the decision to stay on the story until 5 P.M., which Wald discussed with the station's manager and general manager, proved costly. "We had to make good several thousand dollars' worth of [pre-empted] commercials during the time that we were on air with the story," Wald says.

KCOP: Becoming Observers

KCOP, an affiliate of the United Paramount Network and owned by Chris-Craft Industries, Inc., was the last to go on the air. A minor player in the L.A. TV news business, KCOP had nonetheless made history of a sort in covering the city's 1992 riots. Under the direction of Jeffrey Wald at the time, the station had picked up live footage of the thugs who pulled Reginald Denny from his truck and nearly beat him to death.

Although KCOP normally airs news only at 7:30 P.M. and 10 P.M., the station interrupted reruns of *The Cosby Show*. With KCOP's standby chopper already monitoring traffic, news director Stephen Cohen, 51, a former TV reporter who also has been in charge of newsrooms at two CBS affiliates, ended a daily editorial meeting and, within five minutes, was on the air live—in time to show viewers Jones unfurling his banner.

Then, when Jones rushed out of the burning truck, stripped, and ran over to the ledge, Cohen candidly admits that

he became as much an observer as he was a reporter. "It [looked] like he was going to jump," remembers Cohen, who was racing between his office, the satellite control room, and the assignment desk while the scene unfolded. "You [could] hear our folks saying, 'Cut away! No, don't cut away!'"

As Jones pulled the rifle from the truck and pumped it, a KCOP executive producer called for a switch to the newsroom camera. But the station's



Pat Casey, managing editor of KCBS, credits sophisticated technology for helping to make the right calls.

farther seconds later when Jones rushed over to the ledge. It was that decision—that go to an extreme wide-angle shot—that ultimately spared KCBS's viewers from witnessing Jones's suicide.

"There was a constant line of communication that was flowing from myself and the executive producer to the control room and to the chopper pilot," says Casey. "This was the first time where I think [the headset system] played a part in making the right calls and executing them in the field."

But KCBS news director Perret maintains it was sound editorial judgment, pure and simple, that steered the station's coverage. A former assistant news director and executive producer at stations in Chicago, Denver, and San Francisco, Perret says he began to question whether the scene was suitable for broadcast the moment the fire erupted. As a result, he says, "the CBS news team,

When the truck burst into flames, KCBS instantly pulled back. That ultimately spared the station's viewers from witnessing Jones's suicide.

"ability to move in those seconds was hampered," Cohen laments. "We lost our sense of being journalists."

KCBS: An Early Command To Pull Back

Before the fire, when it appeared that Jones might sit in his truck with his dog indefinitely, KCBS managing editor Pat Casey asked everyone involved with the story to put on a cordless headset, enabling them all to communicate as if on a conference call. "We thought this was going to be a traffic story we'd monitor for hours," remembers Casey.

Relying on this state-of-the-art communications system, when Casey and news director Larry Perret saw the truck unexpectedly burst into flames, they instantly commanded their cameraman to pull back. That put the station in a comfortable position to pull back even

in the air and in the control room, had plenty of time to take appropriate action and pull back to a wide shot."

A few days after the incident, as local papers and talk shows debated the TV coverage, Perret dusted off an old CBS news station manual and reviewed a section concerning "Broadcast of Objectionable Material." Perret, who admits that he hadn't looked at the manual in "a long time," found no concrete policy covering situations similar to the Jones incident. The guidelines he did find, which he shared with his 100-person staff on May 4, highlight the essential absurdity of trying to craft any hard-and-fast rules for covering situations like the Jones story. After urging "careful consideration" before airing "material that may be offensive," Perret's words expressed the conundrum perfectly: "Use good judgment."

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World Radio History

Signed, Whoever

A racy photo shoot in *YM*—and a resulting lawsuit—raise broader questions about fake letters in teen magazines. • BY RACHEL TAYLOR

IN JUDGE LEWIS KAPLAN'S 12th-floor courtroom in the U.S. Courthouse in Manhattan, 18-year-old Jamie Messenger weeps. She's been doing a lot of this, she says, since pictures of her appeared in the June/July 1995 issue of *YM: Young and Modern*. The monthly magazine, with a circulation of 2.2 million readers, targets teenage girls with a generally upbeat mix of beauty, fashion, and relationship features. Why is this aspiring model upset by her first professional spot in a prominent American magazine? Because the pictures of Jamie—then 15, looking sad, embarrassed, and worried—were accompanied by the headline "I got trashed and had sex with three guys."

Messenger, who did not, in fact, get trashed and have sex with three guys, fought back by suing the magazine. She claimed *YM*'s use of her pictures to illustrate a salacious letter in its "Love Crisis" advice column—a letter she did not write—violated her privacy rights. And she won. On March 27, a jury of four men and four women found *YM* "grossly irresponsible" for using Messenger's photos without the consent of her parents. The jury awarded her \$100,000. Both sides are appealing, *YM* to overturn the verdict and Messenger to seek more damages.

Messenger's story, reported

Staff writer Rachel Taylor was formerly an assistant editor at The American Lawyer and a high school teacher in Nakorn Pathom, Thailand.

in *Spin*, on *Dateline NBC*, and elsewhere, is certainly poignant and has generated passionate support for the aspiring model. During the trial, Messenger explained how some people believe she was "Mortified," the signed author of the letter. "Like just the other day I was in the mall and someone came up to me and said, 'You're Jamie Messenger,' and I said, 'Yeah,'" she tearfully explained to the jury. "They said, 'Did you really sleep with three guys?'"

Robert Sugarman, who is representing *YM*, argues that the magazine's average reader would not believe Messenger actually wrote the letter published in the "Love Crisis" column. "The article itself had so many signals that this was not a real person," explains Sugarman, a part-

ner in New York's Weill, Gotshal & Manges. "Would anybody think a girl would send in an anonymous letter, sign it 'Mortified,' obviously trying to keep it secret, and also send in pictures?" (In depositions, however, *YM* editors contended the "Mortified" letter was indeed real, although they were unable to produce it.)

While the case was ultimately decided on the consent issue, a broader question—one initially explored by Messenger's lawyers, but later ruled irrelevant by Kaplan—remains unresolved. If a teen magazine does not always tell the truth with its pictures, how much of what it publishes as reader contributions may be contrived to produce a more dramatic story?

"The article was false, it was fiction,

Jamie Messenger was indeed "mortified" when her photos appeared in *YM* with this article.



LIE DETECTOR

there was no real author," says Mitchell Stein, of New York's Lieberman and Nowak, an intellectual property firm that represents Messenger. "The cardinal rule of sound journalism," wrote Tom Goldstein, dean of the Columbia University Graduate School of Journalism, in his expert witness report for Messenger, "is 'thou shall not lie.'" But does editing letters, compiling several letters into one, or writing letters about a particular issue of interest to readers constitute lying?

YM's editor in chief, Lesley Seymour, draws a distinction between signed reader letters—which now appear only on *YM's* letters to the editor page—and the questions used in its advice columns. Those columns, such as "Boys and Love" (the new incarnation of "Love Crisis") and "Ask Anything," no longer include signatures with the questions, although they stem from actual reader queries, according to Seymour. At the bottom of each column, *YM* solicits its readers to write in with questions.

"Sometimes, what you'll do, there are 20 letters, you'll take that general [issue]. You might choose one letter. . . Or you might put them together as one."

Signed or not, the implication is that someone has asked the particular question. *Brill's Content* examined the June/July 1998 issue of *YM* and found that someone has—and, in one case, more than one person—asked the question. All three letters to the editor and all four letters in the "Boys and Love" column ran, edited for length and clarity, as they arrived at *YM*. Four letters were published in the "Ask Anything" column. Three came directly from single letter writers, while one question on "dry humping" had been compiled from two separate reader questions. The editing of those letters did not change their substance.

Seymour explains that *YM* occasionally uses composites of different reader letters to generate questions for its

...s, neither of which is exactly what we want. The "Love Crisis" letters are mostly trivial boyfriend/girlfriend problems, and the Dear Katies aren't serious enough.

I need to assign Ellen the Dec/Jan question ASAP (she accepted the deal) because she's going on vacation and the deadline is quickly approaching. I also need to get an inventory going for the next few months so that I can give her long lead times. Can we create an abuse question for this month and assign her the "my ex raped me" question for February?

Try this
My points are a total nightmare
going divorced, screaming loud morning each other asking to fake sides. what can I do

CF
Dislike
also assign abuse to step with + name doesn't believe
go ahead + write one up - for NW on future

advice columns. "Sometimes what you'll do, for instance, there are 20 letters, you'll take that general [issue]," says Seymour. "You might choose one letter of the 20. Or you might put them together as one."

Asked why *YM* does not disclose that these questions may be compiled from reader letters, Seymour said through an aide that they are not presented as letters and so no explanation is necessary.

Editors' memos show how *YM* compiled reader letters, or at times, suggested making up questions themselves for their advice columns.

Again, Seymour stresses the distinction between signed letters and unsigned questions. "[I]f *Time* and *Newsweek* made up signed reader letters, everyone would be upset," she said in a written statement. "But since these question and answer columns are not 'letters' columns and there are no signatures, a compilation of reader questions is not breaking any ethical code."

In 1995, however, when the photos of Messenger appeared in "Love Crisis" alongside the letter signed "Mortified," even *YM's* signed letters were not always authentic. Memos circulated among *YM* editors and writers in 1995 and 1996, as revealed in documents in her case, suggest that a more liberal letters policy was in effect at the time. "We don't have a letter for this one, so here are the story details," writes a *YM* editor

to a "Love Crisis" writer. In a handwritten note, another editor suggests, "I think from now on we should write/edit the actual question before we give it to [the] writer—that way we control the emphasis."

In a July 1995 memo—written a month after the Messenger photos appeared in "Love Crisis"—*YM's* editor for that column noted: "I'm having a major problem coming up with good '[Love] Crisis' letters....Can we create an abuse question for this month?" What other topics did *YM's* top editors propose? "We should do 'all my friends are becoming total potheads,'" *YM's* then-editor in chief Sally Lee suggested. Through an aide, Lee said that a column on "potheads" arose from the issue getting mentioned in real reader letters. In depositions, *YM* editors admitted compiling, but not writing from scratch, the letters for the advice columns.

Yvette Miller, general counsel for Gruner+Jahr USA Publishing, says that "in the past they may have put together a composite letter or gone back a couple of months" to find a letter to publish. Today, however, Miller insists the subject matter is always genuine. "In terms of making up letters, there's no reason to," she says.

Lee, now editor in chief of Gruner + Jahr's *Fitness*, defends her letter consolidation practice, saying teen magazines have a responsibility to deal with hot topics. "Our job—a very important job—is to address issues that are of relevance to teens and to take advantage of stuff that was in the air," says Lee. "Maybe we did not have a letter on a particular issue at that time, but we wanted to address it. Maybe we had one from five months earlier. Maybe not at all."

Lee is emphatic that no letters were "made up" during her time at *YM*. "I don't think we make up teen pregnancy or abuse," she says. "We don't make them up. They exist in the real world."

John Heins, president and chief executive of Gruner + Jahr, declined to comment on the *YM* letters policy, saying through an aide that the magazine's position had already been made clear by the editors and corporate counsel.

At the 1.9-million circulation *Teen* magazine, Popi Buchanan, the associate editor responsible for advice columns such as "Love Doctor," "Ask Juli," and "Ask a Guy" (all of which include signed reader letters), says she gets hundreds of pieces of mail a week. "The only time we might alter a letter is if we get a lot of mail and we want to stretch it, to group in more angles," she says. Claiming that most of *Teen's* published letters are real, she continues: "Usually the reason we use composite letters is we get so much mail, and the girls tend to go into infinite detail."

The "Love Doctor" herself, New York therapist Gilda Carle, sheds more light on *Teen's* letter policy. "Sometimes they turn ten letters into one," she says. "They change it around to generalize it to as many readers as possible."

James Dunning, Jr., chairman and chief executive of *Teen's* parent, The Petersen Companies Inc., says, "I'm surprised that's how they do it....I've never heard of it as a technique." Asked whether he believes compiling letters is journalistically sound, Dunning demurs. "I haven't put enough thought into it to comment," he says.

Teen's editor in chief, Roxanne Camron, says any alterations to reader letters are minor. "For the most part, they are real letters," she says, stressing that while advice columns may use a "representative" or "umbrella" letter, letters to the editor are never fabricated. "When we use a girl's initials and hometown, I feel confident the author would say, 'that's my letter.'"

Teen provided eight original reader letters published in its July 1998 issue. The letters, as they appeared in the magazine, had been edited for space and clarity; only slight changes had been made. Twelve other signed letters from readers published in the same issue were not provided by *Teen*. "Once they [the editors] submit them [the letters], they don't keep the copies on file," Camron asserts, insisting that the 12 letters are also authentic, but she could not find them.

Teen People, the new *People* spin-off that claims a circulation of 800,000, never compiles or embellishes reader letters, according to Susan Ollinick,

Love doctor

My boyfriend and I fight a lot because I get jealous easily. What can I do?
—Black, 15, Calif.

advice

Jealousy is a natural emotion and nothing to get down about... [Text continues with advice on jealousy]

BATING BILLYMAY RICKY MONAGHAN'S COVINGUS COUPLE COMMUNISM [Text continues with a letter and advice]

can you believe this guy?
The totally appallingly/appalling boy report

dancing with the anomaly [Text continues with a letter and advice]

People's director of public affairs. "This is Time Inc.," says Ollinick, referring to the magazine's parent company. "We do not make up letters." To prove it, Ollinick furnished the original versions of each of the eight letters published in the June/July 1998 issue. Although all were edited (the "write on" page, where letters to the editor are published, acknowledges that letters may be edited), none were compiled or altered in substance.

Carole Braden, a *Seventeen* senior editor responsible for "Dear Answer Boy" and "Can You Believe This Guy?" (columns with signed reader letters), says the 2.6-million circulation title does not make up letters. "We don't combine letters," says Braden. "We don't make up letters. Ever."

Braden produced all four of the original reader letters from *Seventeen's* April and May "Can You Believe This Guy?" columns (all accompanied by a name and hometown). The letters provided had been edited for length and clarity before publication. Braden does admit, however, that a "kicker"—a final line that delivers

some stylistic punch to the letter—is often tacked to the end of each question.

Hard copies of original reader letters for "Dear Answer Boy" were not available, Braden says, because they were received via e-mail. Asked to supply contact information for "Dear Answer Boy" letter writers so *Seventeen's* stated policy of only using authentic reader mail could be verified (on the condition that the names of the letter writers would not be published), *Seventeen* declined. In a statement, editor in chief Meredith Berlin said the e-mail questions "are written in confidence. We wouldn't be honoring their confidentiality if we gave [out] their

Dear Answer Boy

I have a guy friend who I love to talk to but all he talks about is how he likes to 'do' it. [Text continues with a letter and advice]

can you believe this guy?
The totally appallingly/appalling boy report

dancing with the anomaly [Text continues with a letter and advice]

Teen's "Love Doctor" often takes questions that are composites; *Seventeen* may add "kickers" to letters.

e-mail addresses."

"We get enough mail from real readers that we don't have to make up an issue or write one up," adds Sharon Boone, who sees much of *Seventeen's* reader e-mail in her role as on-line editor. "People don't give teenagers enough credit for being articulate." ■

CORRECTION

In a prototype issue *Brill's Content* prepared to show potential advertisers and newsstand distributors last fall, we summarized the then-pending YM litigation. At the time, we attempted to get YM's side of the story, but the magazine refused to comment, other than to say that it was moving to have the case dismissed because, it argued, the suit failed to state a valid legal claim even if all of the facts alleged by Jamie Messenger were true. In the prototype, we wrote that Messenger had been living at home at the time the photographs were taken, when she had not. We also wrote that YM was not candid in describing the purpose of the photo shoot—which Messenger still says is true, but which YM has since contended is false.

Salon's Reality Check

David Talbot's on-line magazine has captured popular and critical attention.

But will it have to sacrifice its independence to break even? • BY RACHEL LEHMANN-HAUPT

ON MARCH 17, WHEN IT SEEMED there was nothing left to learn in the Whitewater saga, *Salon* hit paydirt. The three-year-old web magazine broke a story alleging that conservative billionaire Richard Mellon Scaife had funneled money to David Hale, a key Whitewater witness. A former loan officer and municipal judge, Hale had accused President Clinton of pressuring him to provide an illegal loan to the president's Whitewater partner, Susan McDougal. Two weeks later, the Justice Department announced that it was reviewing *Salon's* allegations.

Salon's aggressive Whitewater coverage—with its occasional jabs at the mainstream media—has made an impression. In the midst of his sardonic speech at the White House Correspondents' Association annual dinner in late April, President Clinton said, "I just want to know one thing: How come there's no table for *Salon* magazine?" Few in the audience even chuckled. "That's supposed to be funny," the president teased. "Don't take yourselves so seriously."

Sitting in his San Francisco office a few days later, *Salon* editor in chief and chief executive officer David Talbot reflects on the president's remarks. "It was the one dig that the press didn't laugh at," Talbot says. "Maybe it was because they hadn't heard of *Salon*, but maybe it was because they were embarrassed that, once again, a new kid on

the block beat them to a major story."

Never mind that, despite the Justice Department's interest, *Salon's* scoop was short on proof and has yet to be confirmed elsewhere. For Talbot, the president's joke was a sign that his webzine about culture, politics, and the arts is breaking away from the pack of "alternative" on-line magazines and earning mainstream respect.

It was precisely because he was fed up with the mainstream press that Talbot, an editor for five years at the *San Francisco Examiner*, started *Salon*. He felt that the news was being "dumbed down" in deference to the bottom line and that traditional journalism increasingly represented "an attached arm of the publicity machine."

So in 1994, during a bitter 11-day strike at the *Examiner*, Talbot decided to try something different. He rallied a tribe of reporters and critics, including *Examiner* writers Gary Kamiya, Andrew Ross, Scott Rosenberg, and designer Mignon Khargie, to abandon the smudge-and-grit world of print and create a virtual salon in cyberspace. Talbot knew that publishing on the Web would cost much less money, but he also believed that the Internet's anti-establishment ethos would give him a chance to reinvigorate journalism.

Salon's David Talbot is trying to meet costs without giving up his magazine's independence.

Salon made its debut in November 1995 with a \$60,000 assist from Apple Computer, Inc. (Ultimately, Apple didn't become a long-term investor.) The magazine picked up other investors along the way, including Borders, Inc., and two venture capital funds—Adobe Ventures and ASCII Ventures. Talbot will not discuss the financial details, but he does say, via e-mail, "So far we've had three rounds of investment (since our November 1995 launch)." The total, he says, is \$8 million.

The investments have helped create a magazine that combines the irreverence of the Web with the rigor of daily journalism. In addition to book and music reviews, regular features include a digital culture department called "21st" that might deflate the latest techno-zealotry or delve into Microsoft chief Bill Gates's philanthropic endeavors. The "Mothers Who Think" department explores subjects like Generation-X feminism and egg donation. A sex column called "Unzipped" covers such topics as the politics of adult circumcision and the semiotics of the blow job.

Readers seem to like what Talbot is offering. In the first three months of 1998, *Salon* attracted an estimated 500,000 unique visitors, according to RelevantKnowledge, a web-tracking company. (An individual reader counts as one "unique visitor" no matter how



often he logs on to a site.) This figure doesn't put *Salon* in the same league as *Slate* (857,000 unique visitors for the same period) or the *Drudge Report* (1,047,000 unique visitors). But it's more than other popular independent cyberpublications such as *Feed*, which hosted about 150,000 unique visitors in the first quarter of 1998, according to co-founder Stefanie Syman.

And the mainstream media is noticing. *The Wall Street Journal* and *The Washington Post* both recently published columns about *Salon's* Whitewater coverage; ABC's *Nightline* has referred to *Salon's* reports; and print magazines, including *The New Yorker* and *Spin*, are poaching *Salon* writers for their own pages. "*Salon* is a wonderful source for fresh voices," says Charles McGrath, editor of *The New York Times Book Review*, who has found reviewers in *Salon's* ranks. In the hyper-competitive world of media, *Salon* enjoys an enviable reputation; *Time* magazine named it "The Best Website of 1996" and *Advertising Age* named it "Online Magazine of the Year" the same year.

But accolades don't pay the bills and *Salon* has yet to find its way out of the red. Talbot is but one of many web publishers—including those at *CNN.com* and *The Wall Street Journal Interactive Edition*—who are struggling to generate income. Talbot says that 86 percent of the magazine's revenue—which, in 1997, totaled \$1.1 million—come from ads. But since the cost of running *Salon* is projected to be roughly \$6 million this year, he needs to move beyond banner advertising—the billboards splashed across a web page—if he is going to hit his mark.

Salon is following the lead of online publications such as *The Wall Street Journal Interactive Edition* and *Slate*, which have turned to subscriptions. For a general interest publication, this is risky. "*Salon* is the type of magazine that people want to cozy up with on the couch, not read hunched over a computer," says Jim Nail, a senior analyst with Forrester Research, which analyzes emerging technologies. "Unless you give people a compelling reason to click on, like business-critical information, it's going to be difficult to make people pay."

That's why Talbot has decided to introduce a subscription-only print edition this fall for which he will charge between \$29.95 and \$39.95 a year. (He hasn't set the price yet.) *Salon's* regular on-line content and message boards will remain free. Talbot believes that he can get 10 percent of his current readers to subscribe.

Salon is also aggressively pursuing commercial transactions, which analysts like Regina Joseph, of Jupiter Communications, say are the key to survival on the Web. From the beginning, Talbot has had an arrangement with Borders under which the super-

dilemmas. "When a publication becomes an agent of [financial] transaction, it's different than just running an ad," says *The New York Times Book Review's* McGrath, referring to the "buy" button. "I can see room for abuse." Although *Salon* informs readers that Borders is an investor, it doesn't disclose that the magazine gets a cut of each book sold. That's a thorny issue for Talbot, who insists that his editorial content is not influenced by *Salon's* or Borders's bottom line. He says *Salon's* contract with Borders stipulates that the company cannot interfere with coverage. Michael O'Donnell, *Salon's* president

"Salon is not owned by a big media conglomerate," says editor Talbot. "So we're not forced to be 'synergistic' and hawk entertainment product."

store underwrites *Salon's* book and music sections, and provides a "buy" button near each review that takes readers directly to a Borders order form. *Salon* receives between 5 and 6 percent of each sale through its site. There is also an area called "The Bookcase" that lists new books with mini-reviews submitted by book publishers, also with the "buy" button. The Borders agreement, however, hasn't generated as much revenue as Talbot had hoped.

So he is looking for cash elsewhere. He is licensing some *Salon* content to United Feature Syndicate, which serves at least 25 newspapers; *Salon* receives 50 percent of the proceeds from each article. Talbot is working on an agreement to put *Salon* content on America Online. And he is negotiating deals with a travel company that will sell through the travel section "Wanderlust," and with a software company that will sell through "21st."

"The sites with sponsorship have a better chance at survival," says Talbot. He is considering folding the "Media Circus" column into the news section because, he says, "we couldn't find a sponsor and the hits were down."

But the same corporate alliances that could save *Salon* raise ethical

and publisher, defends the "buy" button arrangement: "I don't think it's a deceit; it's just a new business model. It's almost like saying *The New York Times Book Review* should disclose how much they make from book publishers in advertising."

Talbot says his business projections indicate the magazine will break even by January 1999. He's talking about a fivefold-plus boost in revenue. That prediction seems extremely confident in light of his determination to remain independent. "*Salon* is not owned by a big media conglomerate with tie-ins to TV networks, studios, and amusement parks," he says, "so we're not forced to be 'synergistic' and hawk entertainment product."

That's just the problem, says Jupiter Communications's Joseph. "In order to survive," she says, "*Salon* needs to form alliances with major media so it can leverage partnerships in television or print." Talbot is trying to prove that Joseph is wrong. But he has already formed limited alliances with larger media companies and they are not bringing him all the revenue he needs. The question now is whether he can find the middle path between selling out and going down as another one of the Web's noble failures. ■

The Digital TV Shuffle

Now you see it, now you don't: The race to provide the benefits of digital television to consumers is hamstrung by shifting, conflicting interests.

IF THE DEVELOPMENT OF DIGITAL TELEVISION WERE A movie, the title might be *D.C. Confidential*. This would-be blockbuster, years in the making, is filled with more plot twists, false leads, and character intrigue than a shadowy film noir. Even so, digital television (DTV, for short) is widely seen as the Next Big Thing to emerge from Hollywood.

But before DTV makes its way from the creative backlots into America's living rooms, several crucial actors need to weigh in. These include powerful members of Congress, key staffers at the White House, the Federal Communications Commission, broadcast television networks, cable system operators, Hollywood TV studios, manufacturers of television sets and set-top boxes, the computer industry, and direct-broadcast satellite vendors. That's the short list. Local government officials and various citizens groups also have roles to play.

What all of these forces are fighting over is the biggest ad-

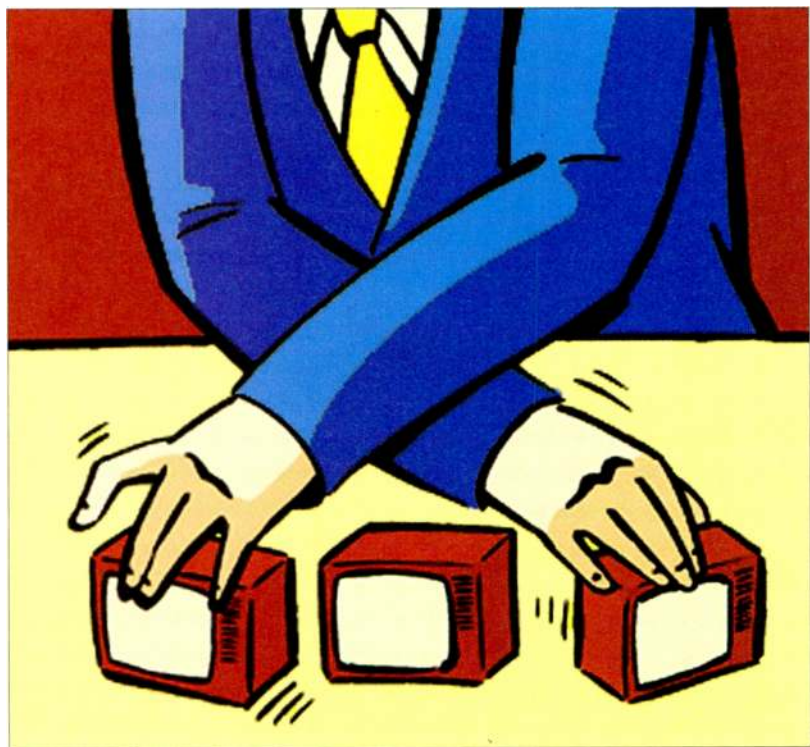
vance in television technology since the tube arrived in the 1940s. The digital age is beckoning for the old, clunky box. Proponents see in DTV the power to turn every computer screen into a receiver and the ability to give every TV set a brain. To critics, DTV may just be a pricey tweaking of the dial, conjured up to sell more receivers and extra digital cable channels. Either way, everyone agrees that this new medium can deliver movie-quality pictures, a wide range of entertainment packages, and yet-to-be-invented forms of data, video, and radio content.

A dazzling parade of special effects, to be sure. But few in the media audience have heard the full story behind this epic. Network and local news programs barely touched the story of Congress giving their broadcast owners tens of billions of dollars' worth of airwaves for the purpose of offering DTV. Despite editorials in *The New York Times*, *The Wall Street Journal*, and the *Los Angeles Times* that opposed the spectrum grants, for millions of Americans who get their news solely from TV, the digital story was strictly on the Q.T.

The entire point of the DTV exercise, according to the spectrum allocation law, was to hand new licenses to existing broadcasters so they could serve the public interest. But the Republican Congress did not believe the public interest had anything to do with the content of digital television. The only public policy goal of DTV, they claimed, was to have a TV picture with sharper definition. It was as if Congress wanted to replace French impressionism with Socialist realism—in an artistic, if not political, sense. We didn't feel this was the true meaning of the "public interest." For us, digital TV presented an opportunity to create many more broadcast channels that could compete with cable services, while adding free time for political debate and much more educational programming than the single, analog broadcast channel would ever permit. Naturally, we were rarely in agreement with Congress on DTV. Not surprisingly, the broadcast lobby commented when we left office, "Their time at the FCC was a tragedy for the broadcasters."

Tragedy? Maybe melodrama at the most. Like *L.A. Confi-*

Contributing editor Reed Hundt, FCC chairman from 1993-1997, is a principal with Charles Ross Partners L.L.C., a consulting firm that advises information companies. Contributing editor Blair Levin, former FCC chief of staff, is senior vice president of KnowledgeBase Marketing and telecommunications consultant.



dential, you can never tell from surface appearances what is really going on in the DTV saga. The characters in the plot are always offering facts that glisten, shift, and then slip away. Alliances keep changing, motives are mixed or murky, and—while you always know a lot of money is at stake—everyone wants to keep you from knowing how much and in what ways.

From the start, DTV's potential has been embroiled in a fight over the exact signal standard to be used. The broadcasters, cable operators, and satellite companies each plan to deliver different versions at the outset. The consumer electronics industry (which makes televisions) and computer giants, meanwhile, will each devise their own DTV hardware. One might hope the marketplace could sort all of this out, allowing DTV to deliver exactly what the American public wants. The problem is that no one knows what the public wants, because we have yet to see any of the miracles of DTV. Nor do we know how much we will be asked to pay for such wonders. In this "confusing, five-sided game of chicken," as Sanford C. Bernstein research analyst Thomas Wolzien has astutely labeled it, the parties are sizing up their stakes and working to get an edge.

All of which leads to Washington. Because the public interest—and public monies, through the vast spectrum grants—is involved, Congress and the FCC will have a clear voice in determining DTV deployment. That's where the lobbyists come into the drama, to play their special role as fixers and favor-granters. Some come across as stereotypical heavies; others use a lighter touch.

In the fall of 1993, before we officially assumed our FCC posts, we had what was supposed to be a confidential meeting with commission staff to discuss the digital television issue. We asked what we thought was a reasonable question: What are the implications of the proposed DTV policy for computers?

Within an hour, we were summoned to a meeting with the private sector committee, made up of consumer electronics and broadcast lobbyists. Their message: Don't think about the implications for computers, or you'll destroy ten years of work. The dire consequences were left unsaid. In Washington lobbying, the alternative to going along is never quite explicitly presented (a technique shared by investigative journalists and other agents of mental torture). The reason for the lobbyists' minatory line was that the consumer electronics and TV industries wanted government to require an "interlaced" signal for DTV, similar to the one used on television broadcasts. They argued that interlaced would provide the highest-quality digital picture. And, of course, it would not disrupt their own standards for manufacturing and broadcasting.

The computer crowd, on the other hand, pushed to adopt a "progressive" signal, like the one used by today's PC screens. This signal, they maintained, could deliver both high picture quality and greater programming flexibility. And it wouldn't clash with their own industry's standards and formats.

In hundreds of meetings over the next several years, we consistently heard threats to our television legacy (and our own polit-

ical lives) reiterated. Less consistent were the facts or positions behind these threats. The cost of the new sets changed every time the issue changed. The technological ability to send certain types of pictures would be deemed impossible—and then be achieved. Each time any side sensed the political winds shifting in its direction, the lobbyists moved to get more for their clients.

In the end, the FCC declined to award an advantage on DTV standards to either side. Now, instead of battling for dominance in the halls of the FCC, the equipment makers are pitching broadcasters directly on the benefits of their products. CBS chose interlaced, ABC and Fox chose progressive, and NBC will use interlaced for some of its programming and progressive for the rest. Consumers will have the opportunity to make their own choices. While once there was fear that these pieces of the digital puzzle wouldn't fit together, last year's main adversaries in the

Each time any side in the digital television debate sensed the political winds shifting in its direction, the lobbyists moved to get more for their clients.

equipment lobbying wars, Sony and Microsoft, have recently announced they will collaborate to ensure compatibility.

Still, the government has to ensure that broadcasters actually use the spectrum and adhere to a timetable to build out their digital networks. Manufacturers won't build new sets until consumers are ready to buy. Consumers won't buy until many digital signals are available. But broadcasters have no market incentive to build new towers to send the digital signal until there's an audience with the sets.

As a result, the conclusion of DTV's version of *D.C. Confidential* is far from near, or clear. Alliances are still shifting. Broadcasters are likely to seek FCC permission to roll back the deadlines, arguing that they can't build out quickly unless the government requires cable operators to carry all of the new programming the broadcasters hope to air. (They also are worried about difficulties with local zoning laws, digital equipment, and tower construction.) Their usual rivals, the cable operators, dispute the need for carrying all of the new broadcast fare, but they won't object to a go-slow policy. The longer broadcasters take to provide glitzy new shows, the more cable will gain with its current programs and services.

At the same time, the adversaries in the consumer electronics and computer fields will be united in pressing for a fast build-out, since they both want new products to generate sales. The Hollywood studios, for their part, will not rush to produce new forms of digital programming until they know an outlet for it exists. All of these conflicts require the government to take a strong hand in setting an agenda that serves the public interest while not crippling any industry party.

So that's where the plot stands, well into the fourth or fifth reel. The outcome, should the delay continue for too long? The broadcast version of DTV could resemble a movie about another greatly hyped example of state-of-the-art engineering that sank before reaching its initial destination: the *Titanic*. ■

Media 101

The media literacy movement, arriving in the U.S. from Canada, contends that students need to be taught how to decode journalism and entertainment. • BY RACHEL TAYLOR

GEORGE VENTURA DIMS THE lights and hits play. Barbie and Ken circa 1964 appear on the black and white screen. Students giggle. But today's lesson is not about toy marketing, or humor, or even commercials from the 1960s. Barbie and Ken have been invited into Ventura's media studies classroom to illustrate one of the key concepts of media literacy: that media images contain ideological and value-laden messages.

"Remember our Martian scenario?" asks Ventura, who has been teaching media studies at Ontario's West Toronto Collegiate high school for the past 12 years, as he flips on the lights. "That's when you pretend you're from another planet. Everything you know about the people in this culture has to have been in the piece that you saw. You can't make any assumptions."

Armed with those instructions, Ventura's students break into small groups to discuss the power structure in this Ken-and-Barbie society, the male-female dynamic, the types of people and ideas that are underrepresented, and what all of this suggests about the community's beliefs and roles. In short, the class is analyzing how the commercial's subtext—or alternative messages—defines such issues as success, happiness, and morality.

As the students converse, Ventura explains his teaching strategy. He has chosen a dated commercial to provide students with some critical distance.

Staff writer Rachel Taylor was formerly an assistant editor at The American Lawyer and a high school teacher in Nakorn Pathom, Thailand.

"Start with the past to make a bridge to the present," Ventura explains. "If it's happening [then], it's most likely happening today. But because I'm inundated with it, I'm surrounded by it, it's harder to see."

And what exactly does Ventura want his students to see? Their questions about the past go to the heart of present-day culture, he says. "If you do it often enough with enough different pieces," he notes, "what begins to happen is those questions become things you ask as a matter of course. Who is not being represented? Why am I seeing this first? Why am I not seeing that last?"

To its advocates, media literacy—when taught well—trains students to step back and question their own assumptions about consumer culture, to think critically, and to look beyond the rigidly constructed nature of the mass media. To its critics, the courses' methods are faddish and distracting at best, and lazy and biased at worst. Roger Kimball, managing editor of *The New Criterion* and a frequent critic of educational boondoggles, says "the real task of education is to teach people to read thoughtfully and critically. If one is a thoughtful reader, one learns to take [the media] with a grain of salt."

That's not enough for today's TV-bombarded students, according to the media literacy shock troops. "The rest of their lives will be

spent absorbed by the mass media," argues Susan Kusturin, the media teacher at Toronto's Rosedale Heights Secondary School. (Ontario is a hotbed of media literacy, which over two decades has grown into an integral part of all high school curricula.) "If they don't learn to understand the media in school, where will they learn it? I haven't used math in years, but I watch TV every night."

Across town from Ventura's classroom, David Reed's media/writing class at Jarvis Collegiate Institute has just completed a lesson on another of media literacy's key concepts: media have commercial implications. "When I watch something now," says Alan

David Reed's media literacy class in Toronto deconstructs an Oliver Stone film. TV ads and newspapers also serve as texts.



Harnam, 17. "I look at the commercials, and I have a greater understanding of the way the media is working to basically get me to buy certain things, or to act in certain ways, or to force certain morals on me."

By definition, media literacy programs bring contemporary, accessible issues into the classroom. Students use *The New Yorker*, *Seventeen*, and *The New York Times* as texts. Teachers assign network news and MTV as homework. Classes talk about the media's coverage of the Gulf War, the Clinton investigations, the O.J. Simpson trial, and the death of Princess Diana. Students watch *Oprah* in class, decode Spice Girls lyrics, assess Super Bowl advertisements.

This media-saturated diet has begun showing up on more classroom menus in the United States. Renee Hobbs, director of Clark University's media literacy project, says 11 states include references to media literacy in their curriculum frameworks. Yet Hobbs estimates that only 5 percent of U.S. students are currently exposed to media literacy. "In my lifetime, I'd like to see all 57 million [U.S.] children have access to these ideas," she says.

To reach that target, several research, lobbying, and advocacy groups are spreading the gospel. The National Academy of Television Arts and Sciences has sponsored "Creating Critical Viewers," a media literacy curriculum for junior high school and high school students with more than 6,000 users nationwide. The Los Angeles-based Center for Media Literacy publishes teacher training materials. "Look at what's happening in the media," says Elizabeth Thoman, the center's president. "Look at the Gulf War. People are starting to say, 'Oh my God, they can edit this stuff.' Look at the elections in '92, '94, '96. Look at Monica Lewinsky. People are just disgusted. There's no more objective journalism."

Although a national movement is under way, the real action is at the grass roots. Teachers such as Duane Neil at New York's Chapin School are choosing to bring media literacy into their classes. It's "relatively uncommon to have a media course in the curriculum,"

Neil says. "Down the road, it's going to be something that's much more important in schools."

It had better be, argues Ventura. "We're inundated with this stuff and don't know how to read it—literally," he says. "We teach kids how to read books, we teach kids how to analyze poetry, but we don't teach them how to read a TV program or how a news program is constructed or what's beside the article in the newspaper or who's the advertiser in the magazine. Those are all things that they need to be told."

Another benefit of media literacy, Reed suggests, is that it can help alleviate some typical teenage concerns, such as having to follow slavishly what's deemed "in" by popular culture. When media lit studies enable students "to see the ways they are manipulated...the pressure to conform isn't as great," Reed says.

IRONICALLY, AS THE MEDIA LITERACY movement takes hold in the U.S., it is under fire in its home base in Ontario. The courses have been required provincewide since 1987, but a revised set of teacher guidelines is due in 1999, and many educators question their value. "We teach kids to be cynical, wary consumers of information, but they don't have the basics," says John Bachmann, president of Ontario's Organization for Quality Education, a parent and teacher group. He and others argue that fundamental literacy skills such as reading and writing should be given top priority in the new secondary-school curriculum.

The media literacy instructors agree, but argue that students typically read and write more in their classes than they do in traditional English classes. And, they claim, the results are often better because media is a subject that holds the students' interest. "You can't teach 'em if you can't reach 'em," says David Considine, a professor of media studies and instructional technology at Appalachian State University in North Carolina. "It's a sugar-coated way of getting their attention." Says Ventura: "I have to win kids over to my subject in English. In media, I have to lose kids."

COKE'S KIDS BLITZ

THE WAY TO KIDS' TASTE BUDS, THE Coca-Cola Co. figures, is through their wallets—and their peers and school grounds. Take-home sales of the leading soft drink grew more than twice as fast as arch-rival Pepsi last year. But Pepsi's lemony upstart, Mountain Dew, is the hottest brand in the smaller retail and convenience outlets favored by America's teens. With an eye to locking in loyalty among 12-to-24-year-olds, Coke has launched an ambitious—and highly sophisticated—promotional program to lure them.

Since early spring, Coke has signed up thousands of retail outlets for a massive giveaway of 55 million red "Coke cards." The wallet-sized cards are laden with discounts for movie theaters, fast-food outlets, video stores, bowling alleys, and theme parks. To generate a buzz among the teen ranks, Coke urged its bottlers to jumpstart card distribution by seeking out what the company calls "young influencers," including football team captains and student government leaders. Some bottlers parlayed already close school vending ties into "Coke Day" pep rallies.

The nationwide program is backed by a \$75 million Coke ad campaign aimed at increasing sales during the peak summer months. But at least one effort to encourage card frenzy backfired, according to industry trade magazines. A TV spot that depicted a youngster being wheeled into a city morgue still clutching his Coke card drew protests from parent groups; it was yanked soon after it aired.

Coke is willing to spend heavily to get to kids early and directly. Coca-Cola Enterprises, the largest U.S. bottler, paid the Liverpool Central School District in Syracuse, New York, a whopping \$1.53 million for an exclusive ten-year contract to sell Coke products. Similar deals are being struck by Coke and Pepsi at high schools and colleges elsewhere. In an era of tight budgets, the schools defend the practice as a means of paying for such needs as athletic programs and computers. —Karen Benezra is an editor at large for *Brandweek*.



Playing the Coke card: 55 million wallet-sized promotions aimed at kids.

Just Tell Us The Truth

The author, tabloid target and journalist's son, demands a return to the news values on which he was raised—those that prize information above entertainment.

I'M 37 YEARS OLD AND, LIKE MANY PEOPLE OF MY generation, when I was growing up, journalists were heroes. Woodward and Bernstein exposing a crooked president; Walter Cronkite bringing the insanity of the Vietnam War into mainstream America; Edward R. Murrow ending McCarthyism. Heroes all.

Unlike most people of my generation, my father was a journalist. A columnist. A news anchor who still wrote his own copy. I grew up sitting in the car all night while he covered the Beverly Hills Supper Club fire (where 165 people died), sleeping on office couches while he argued with news directors about whether a particular story was fair.

In my family, journalism was our religion, our love, what put food on the table—and sometimes what took it out of our mouths. A lot of jobs were lost because my father wouldn't bow to the pressure to entertain rather than inform. I was always taught that journalism was the most important institution we have, more important than government.

That's what I believe. That's what my father believes.

So what happened? How have we strayed so far from Cronkite and Murrow and Woodward and Bernstein? When did journalists become the bad guys? Are they the bad guys?

On the plus side, it's still a noble profession with dedicated reporters. Twenty-six journalists died last year, risking their lives to keep us informed. They're still out there in every city, asking questions, bringing us real news.

But right now, we have no issues—no wars, no civil rights movement, no real turmoil—nothing that affects us personally. We don't demand as much from public officials or the reporters who are supposed to watch them. I'm as guilty as the next person. If this year we were faced with Watergate or *The \$64,000 Question*, more than likely, nothing would happen. It wasn't the breaking of the laws, but a passionate public outcry that brought these scandals into focus—and defined generations. The passion that fueled the people who marched with Martin Luther King, Jr., and gathered at Kent State.

I'm not sure we could accomplish that today. Too many times, we turn on the TV to see that another 12-year-old boy has taken an automatic weapon into his seventh-grade class and shot holes into dozens of families' lives, and in the same breath, the anchorman will look to his coanchor, smile, and ask, "Carol, what's our weather going to be like this weekend for the folks going to the Michael Bolton concert?..." "You know, he sings opera now..." And it's gone. In that one brief exchange, almost as if it never happened. Maybe it never did. An hour later, we think to ourselves, "I'm sure glad I caught the news tonight. You know, we might get rained on at the Bolton concert."

So we're to blame for some of this, you and me. Facts aren't important. Truth is secondary. We prefer to be entertained rather than informed. But somewhere in all of this mess, journalism itself is culpable.

The profession of journalism has always been the watchdog of government, crime, religion, even ethics. Today that profession is letting us down. A good percentage of news outlets have decided that they don't have to be held accountable, and since we don't hold them accountable, our news is becoming a neatly packaged entertainment show, oftentimes to the detriment of truth.

So how do we fix it? Maybe it's just a matter of definition. We need a line drawn between legitimate news and entertainment. Tabloids want this issue murky. *Hard Copy*

The author's father, Nick Clooney, when he was news anchor and news director for WKRC-TV in Cincinnati. Here, he conducts an interview with Henry Kissinger in 1986.



George Clooney is a television and movie actor.

gets former news anchors and former news directors, and dresses itself up to look like news. It is not. A couple of years ago, *Hard Copy* secretly made a written agreement with me never to put me on their show as long as I would cooperate with their sister show, *Entertainment Tonight*. I have that letter framed. No legitimate news organization would do that. What if later, I'd done something that was actually newsworthy, like commit a crime? Could you imagine CNN saying, "Senator Kennedy, if you give us an exclusive interview, we won't cover you on any other issues"? CNN would fall apart.

A few days ago I looked up two words in the dictionary: tabloid and journalism.

Tabloid: Giving the news in condensed form, usually with illustrated, often sensational material.

Journalism: The style of writing, consisting of the direct presentation of facts or occurrences, with little attempt at analysis or interpretation.

I've heard the phrase "tabloid journalism" (hell, I've used it), but when you put these definitions down on paper, the truth is, these two words cannot coexist.

So, it's up to the legitimate news to draw the line of distinction. Tell us what you're willing to do. ABC News, will you back your stories with two "reliable sources"? You used to. NBC, will you guarantee that one of these sources won't be the *National Enquirer* or a "London tabloid," an "unnamed source," an "insider," or a "close friend"? It never was before. Just tell us.

I don't want this article to be about me or my experiences, but I thought I should try to give a specific. Being in the spotlight, I have a public forum to defend myself. Most people do not. Richard Jewell did not.

A few nights after the Monica Lewinsky story broke, I was at a black tie event at the Hilton. On the way in, reporters from each of the four local news stations asked my thoughts on the Lewinsky saga. I said we should wait until we hear the facts, which wasn't an exciting enough answer to make the news. More important is why I would be asked that question by legitimate news stations in the first place. I'm an actor (unless you saw *Batman*), so how could my thoughts on this subject be newsworthy? Several actors were quoted on the air that night.

I don't know what the solution could be.

Maybe if just one news outlet would have the courage to take a stand. Run ads telling us that the news they give may not be first every single time, but it will always be accurate. That they'll stand by every story. I think we'd pay attention. Not in great numbers at first, but slowly we'd look there for the truth. Walter Winchell had more listeners than

Cruise's frantic 911 call...but we'll watch. We will always be a society that slows down to gape at the accident on the side of the freeway, but it's against the law to put that accident on the road for the sole purpose of attracting our attention. The result is a massive traffic jam, with all of us late for our destinations.

What we're talking about is ethics, and

**Just one news outlet should take a stand,
and tell us that the news it gives us
may not always be first, but will be accurate.**

Murrow for quite a while. It's Murrow who stands the test of time. Murrow changed generations. Forty years from now, I wonder, what we will have gained from Jerry Springer, and yet NBC News in Chicago put him on the 10 o'clock report as a commentator. Two good anchors quit NBC News over that.

Give us news, not titillation. Recently, three local L.A. stations led their news with a tape of Tom Cruise making an emergency call to the police from his car phone. He was being followed home and didn't want to take matters into his own hands. (He was always smarter than me.) There is no news value in Tom

you can't pass a law to try to enforce them. There is no legislating good taste or doing what is right. It's up to the real journalists to take a stand. We need you, Ben Bradlee, more than ever. Mr. Koppel, Mr. Rather, Mr. Wallace, don't give up on us. The stakes are far too high. Not just for the profession of journalism, but for the future of this country. Too many wars have been fought. Too many lives have been lost in defense of this inalienable right.

The mortar that holds our democracy together is freedom of the press. And with that freedom comes responsibility. ■



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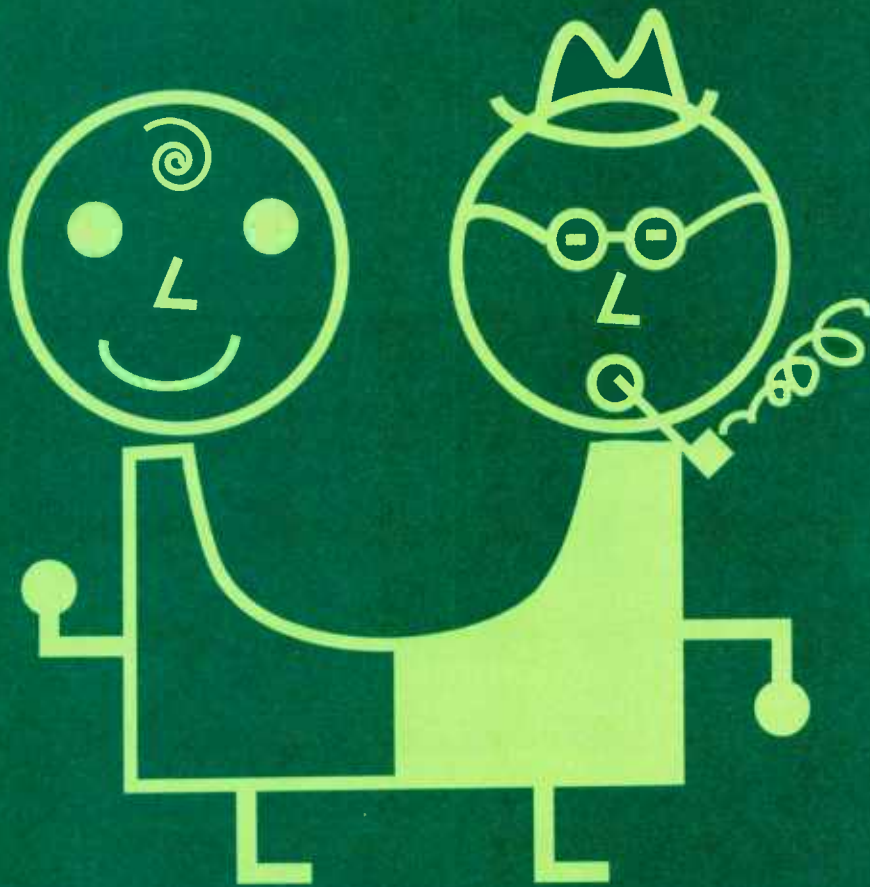
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From Selma To Silicon Valley, Supernaturally

A trio that deserves wider reading: on the return of Gothic sensationalism to American culture, John Lewis's life in civil rights, and the downside for high-tech workers.

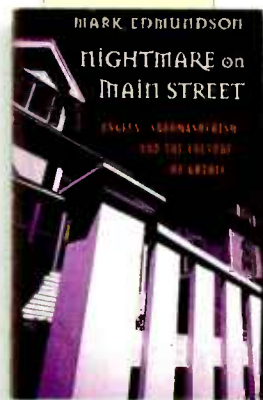
AMERICA'S CRIME RATE HAS been falling steadily since 1991, but you wouldn't realize it tuning in to the Fox network, where cheap thrills like *The World's Scariest Police Chases IV* lard the prime-time schedule. What *The X-Files* network knows is that you can't overestimate the public's appetite for a good scare. Mark Edmundson would agree. In *Nightmare on Main Street*, he argues that the hunger for Gothic thrills rules our culture.

The O.J. saga, writes Edmundson, unfolded in the popular imagination like a massive Gothic novel. On *Oprah*, he notes, guests confess to being haunted, not by hellish spirits, but by addictions to drugs, sex, shopping, and abuse. In the same vein, Paula Jones's lawyers' portrait of their client as a heroine, dragged into the dungeon of an Arkansas hotel, where the depraved count, er, governor tried to force his will upon her, was riveting Gothic entertainment—until a judge ruled the plot implausible. One need not be an Anne Rice fan to be steeped in a culture obsessed with the Gothic hooks of hidden evil, dark appetites, hauntings, conspiracy, and mayhem.

Edmundson, a professor of English at the University of Virginia, has seen, or read, all of this before in the wildly popular Gothic novels of the late-18th

Nightmare on Main Street: Angels, Sadoomasochism and the Culture of Gothic

Mark Edmundson
Harvard University Press
(October 1997)



century, which did for audiences of that era what *The Silence of the Lambs* did for those of our own. What distinguishes then from now, Edmundson says in the book's most penetrating insight, is that today Gothic horror has seeped out of fiction into nonfiction storytelling, shaping TV and newspaper coverage to become the lens through which we view our world.

Nightmare on Main Street is a perfect specimen of the literary book written for a post-literate audience. It's a brimming shopping basket of high/low cultural references, grabbed from the shelves at lightning speed. A reader can grasp *Nightmare's* feverishness merely by running a finger down the index: Under "D," one finds Dahmer, Derrida, DeNiro, and Dickens; "H" lists Hegel, Hendrix, Hitchcock, and Hitler. In a highly marketable 179 pages, the author never has time for more than soundbite-sized analyses of his cast of dozens. But there's no time for the reader to become bored, either.

Wallowing in Gothic, warns Edmundson, is not good for us as a society, because it leads to "timidity, cynicism, fear of life." But he doesn't think much of Gothic's upbeat popular alternative. He calls it "easy transcendence," a treacly porridge equal parts *Forrest Gump* sunshine, John Bradshaw "inner child," and prime-time drama starring watchful guardian angels.

Confronted with this standoff between otherworldly evil and other-

worldly good, Edmundson yearns for a real cultural alternative to Gothic, something along the lines of the visionary wisdom of his hero, poet Percy Bysshe Shelley. Don't count on it. But if *Nightmare on Main Street* is short on cures, it offers a provocative, if sometimes overreaching, diagnosis.

—Debra Goldman

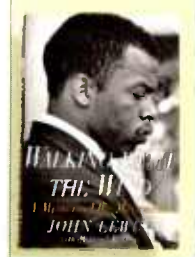
CIVIL RIGHTS LEADER

and United States Congressman John Lewis made his name more than 30 years ago by thrusting the grim experiences of African-Americans into the consciousness of an indifferent, but eventually outraged, wider society. Lewis's new book, *Walking with the Wind: A Memoir of the Movement*, ably continues that work. Beginning with his early childhood in segregated Alabama, Lewis guides the reader through his life and the life of "the movement"—the civil rights struggles of the 1960s.

Chairman of the Student Non-Violent Coordinating Committee (SNCC) from 1963 to 1966, Lewis helped organize some of the movement's hallmark protests, notably the 1961 Freedom Ride and the Mississippi Summer in 1964. Lewis considers the 1965 Selma-to-Montgomery march the high point—and the final point—of the peaceful civil


Walking with the Wind: A Memoir of the Movement

John Lewis, with Michael D'Orso
Simon & Schuster
(June 1998)



Debra Goldman is an editor at large for *Adweek*. Ted Rose is a staff writer and Noah Robischon is a senior writer at Brill's Content.


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[UNHYPED BOOKS]

rights phase. Later that year, the federal Voting Rights Act ended the battle for basic civil rights, writes Lewis, while the struggle over social and economic equality turned more divisive and, at times, violent.

As is typical of the genre, Lewis offers the reader his take on the best-known leaders of the era. He includes sympathetic portraits of the Rev. Martin Luther King, Jr., and Robert Kennedy, and an icy assessment of Stokely Carmichael. (The activist, writes Lewis, "was someone who had the answer and you were going to listen to it, period.")

At the heart of Lewis's book are many mundane moments, the type that fed the movement's success in the first place. Lewis does not simply allude to his early memories of picking cotton under the tenant-sharecropper system. Instead, he recites the process step-by-step, describing the painful wounds left on his fingers after a day of picking and the disappointment his family shared after the tenant farmers took away much of their crop each season.

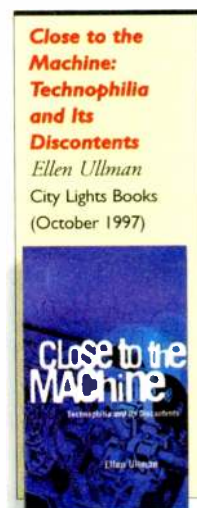
When the book shifts to the protests, Lewis emphasizes the less dramatic blows endured by the demonstrators. He recalls the sheer boredom of the uneventful sit-ins and the stamina required to wait day after day on a voter registration line that never moved. He describes the absolute fear of driving at high speeds down dark Mississippi dirt roads to avoid being stopped by Klansmen or the police.

Lewis believes the movement fundamentally changed America. "We live in a different country than the one I grew up in," he writes. Even so, he argues, there's more to accomplish. Just as he did when he was a boy, Lewis wakes up around five o'clock every morning, heading to the halls of Congress instead of to the cotton fields. Lewis says he rarely gets arrested these days (although he was jailed in 1988 during a protest against South African apartheid), but he considers his Congressional work an extension of the movement he helped guide as a young man—a continuing effort to construct, in peaceful terms, an interracial democracy. —*Ted Rose*

IN THE TRADITIONAL SILICON VALLEY STORY, young men become overnight millionaires, get behind the wheels of fast cars, and drive the U.S. economy to new heights. While this coming of age in the promised land is true for many, it's refreshing to hear another side to the story in Ellen Ullman's *Close to the*

Machine: Technophilia and Its Discontents.

Ullman, 49, is a self-described "old programmer" with 15 computer languages at her command. Nevertheless, she faces obsolescence in an industry where change occurs so rapidly that "six months of inattention might as well be years." Her dilemma is not unusual in Silicon Valley, where young, low-wage programmers are preferred to their more experienced but often less



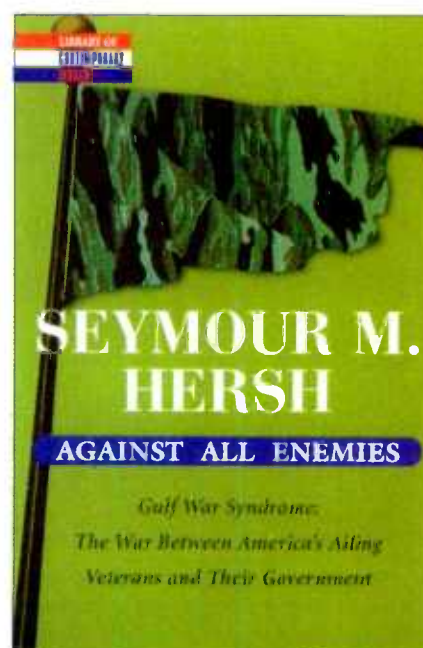
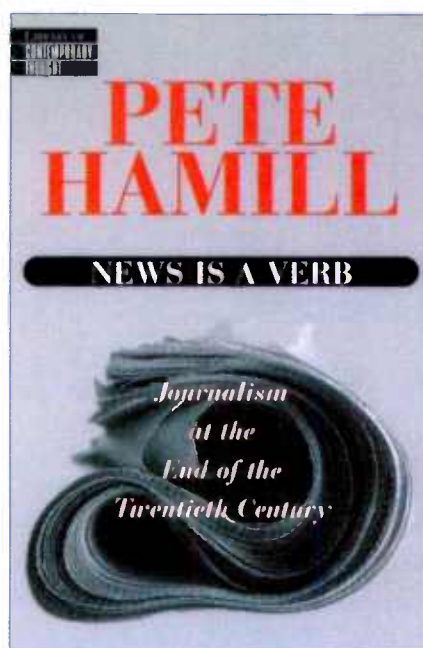
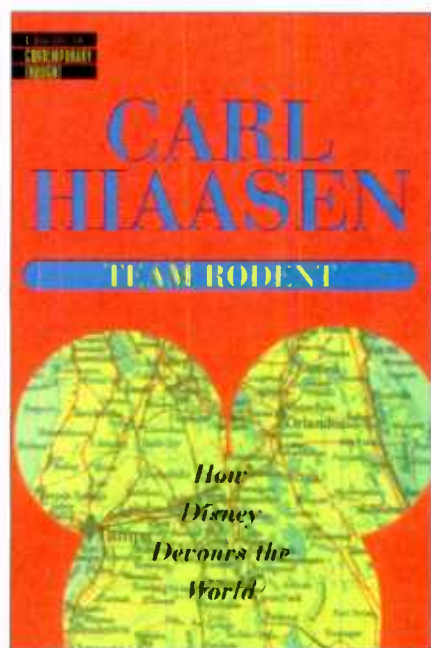
up-to-date elders. A 1993 National Science Foundation survey of college graduates showed that the booming field of computer programming was filled mainly with recent computer science graduates.

For grizzled programmers more than 20 years out of college, the job prospects turn slim. Ullman supplies poignant illustrations of this age schism, including a dispiriting confrontation she had with an entourage of thirty-something "Internet heavy-hitters from Palo Alto," and her unsatisfying love affair with an "anarchocapitalist" 15 years her junior.

Ullman is among those rare programmers who can passionately portray the writing of computer code and then give serious consideration to the consequences of the resulting programs. A database Ullman creates to help AIDS patients at a federally funded clinic is ultimately subordinated to the bureaucratic needs of the agency instead of directly assisting the people for whom it was designed. In another case, a small business owner hires Ullman to install a computer network; she is chagrined to find out he then uses the system to monitor employee productivity, even targeting a staffer of 26 years.

The blinding allure that is often packaged with new technology should be familiar to anyone who has worked with computers. Most writers in this genre, however, focus on the future, youth, and money—the holy Silicon Valley trinity. Ullman defies all three with unusual wit and honesty. Yet she doesn't come down against technology, give up hope, and retreat to a cabin in the woods. She remains a programmer, retaining her faith in the future and making the reader aware that every machine has its bugs. —*Noah Robischn*

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How Do They Know?

Where science and medical reporters went to school

Dr. Timothy Johnson:

Medical Editor, ABC News

- A.A., North Park College (junior college), 1956;
- B.A. in history, Augustana College, 1958;
- B.D. (bachelor of divinity), North Park Theological Seminary, 1963;
- M.D., Albany Medical College, 1969;
- M.P.H., Harvard University School of Public Health, 1976



Dr. Susan Okie:

Staff Writer, The Washington Post

- A.B. in biology, Radcliffe College, 1973;
- M.D., Harvard University, 1978

Anita Manning:

Medical Reporter, USA Today

- B.A. in English, University of Rhode Island, 1968



Dr. Bob Arnot:

Chief Medical Correspondent, NBC News

- B.M.S. (bachelor of medical science), Dartmouth College, 1972;
- M.D., McGill University, 1974



Terence Monmaney:

Medical Writer, Los Angeles Times

- B.S. in biochemistry, University of New Hampshire, 1979;
- M.A. in writing seminars, The Johns Hopkins University, 1983



Dr. Georgia Witkin:

Host of mental health program "Beyond the News," FOX News

- B.A. in sociology, Barnard College, 1965;
- M.A. in psychology, The New School for Social Research, 1971;
- Ph.D. in psychology, The New School for Social Research, 1977

Huntly Collins:

Medical/Science Writer, The Philadelphia Inquirer

- B.A. in general studies (arts and letters), Portland State University, 1969;
- M.A. in education, University of Missouri (Kansas City), 1971



Dr. Lawrence Altman:

Medical Correspondent, The New York Times

- A.B. in government, Harvard University, 1958;
- M.D., Tufts University School of Medicine, 1962



Dr. Emily Senay:

Medical Correspondent, CBS News

- B.A. in biological sciences, University of Chicago, 1983;
- M.D., Mt. Sinai School of Medicine of the City University of New York, 1988



Laura Beil:

Public Health Writer, The Dallas Morning News

- B.S. in zoology, Texas A&M, 1985;
- M.A. in journalism, University of Texas (Austin), 1988

Dr. Steve Salvatore:

Medical Correspondent, Host of "Your Health," CNN

- B.S. in biological science, Fordham University (Bronx, New York), 1984;
- D.O. (doctor of osteopathy), New York College of Osteopathic Medicine, 1989



Robert Bazell:

Chief Science Correspondent, NBC News

- B.A. in biochemistry, University of California (Berkeley), 1967;
- Candidate of philosophy in immunology, University of California (Berkeley), 1970



Mike Toner:

Science Writer, The Atlanta Journal-Constitution

- B.A. in journalism, The University of Iowa, 1966;
- M.S. in journalism, Northwestern University's Medill School of Journalism, 1967

At roundtable discussions across the country, journalists, politicians, business and community leaders and the public are describing their experiences with the

'WHAT'S FAIR?'

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SPEAKING OUT

DIVERSITY:

“ [As an African-American woman] I don't see myself reflected in the newspaper. ”

— Portland

NEGATIVE NEWS:

“ The media can make a difference by building people up instead of tearing them down. Why can't the newspaper [print] something positive? ”

— Nashville

PRECONCEIVED NOTIONS:

“ [One journalist] wanted to use me in a certain way in a story and it wasn't appropriate. He had the lead already figured out. It was a set up. ”

— San Francisco

TELEVISION NEWS:

“ TV has an extreme fairness issue — what fits in a 20-second sound bite. A rollover wreck on I-17 will preempt serious coverage (on television news) every time. ”

— Phoenix

Not exactly
for the
bourbon virgin.



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[PAYDAY]

WITH THE MONICA LEWINSKY MEDIA BLITZ continuing and an election cycle under way, press pundits are routinely being called on to explain Beltway dramas to rapt audiences. In the chart below, we track the going

rates for some media notables. The data come from groups that hire such speakers, lecture agencies that place them, and the journalists themselves. On the other side of the coin are the salaries of some representative media workers rarely called on for speechmaking.

THE STARS' SPEAKING FEES

	Fee per engagement	No. of 1997 appearances	Est. no. in 1998
Jonathan Alter Senior editor and columnist, <i>Newsweek</i> ; contributing correspondent, NBC News	\$7,500	5	6
David Broder Political correspondent and columnist, <i>The Washington Post</i>	\$6-7,500	12	10-12
Catherine Crier Host, <i>The Crier Report</i> , Fox News	\$15,000	10	10
Sam Donaldson Coanchor, <i>PrimeTime Live</i> and <i>This Week</i> ; chief White House corresp., ABC News	\$30,000	4-5	4-5
David Gergen Editor at large, <i>U.S. News & World Report</i>	\$5-20,000	17	14*
Jack Germond Political columnist, <i>The Baltimore Sun</i>	\$5-6,000	6	6-8
Jeff Greenfield Senior analyst, CNN	\$20,000	15-20	12-20
Arianna Huffington Syndicated columnist	\$10,000	14-16	14-16
Joe Klein Washington correspondent, <i>The New Yorker</i>	\$10-12,500‡	4-5	4-5
Jack Nelson Chief Washington correspondent, <i>Los Angeles Times</i>	\$1-5,000	0	2
Clarence Page Columnist, <i>Chicago Tribune</i>	\$6,500	25-30	20
William Safire Columnist, <i>The New York Times</i>	\$25,000	15-20	10
Helen Thomas White House bureau chief, United Press International	\$5-7,000	10	10
Nina Totenberg Legal affairs correspondent, National Public Radio	\$15,000	6-12	6-12
Ben Wattenberg Senior fellow, American Enterprise Institute for Public Policy Research	\$10,000	12	"down"

SALARIES IN THE TRENCHES

	Compensation
Sam Gideon Anson Staff writer, <i>LA Weekly</i>	\$37,000
Dennis Buster Assistant news editor, startribune.com, Minneapolis	\$1,124/wk
Carl Chancellor Columnist, <i>Akron Beacon Journal</i>	\$50,000
James Gallagher Banking and stock market reporter, <i>St. Louis Post-Dispatch</i>	\$55,407
Becca Horowitz Freelance editor, <i>Skiing</i> and <i>SkiNet</i>	\$18-20,000
Paul Kangas Production assistant, <i>Washington Journal</i> , C-SPAN	\$27,000
Jack Kaskey Staff writer, <i>The Press of Atlantic City</i> , New Jersey	\$30,900
Nancy Kirton Producer, Out FM collective, WBAI-FM, New York	\$0
Rick Lindsay Reporter, KSL-AM, Salt Lake City	\$27,000
Michael Main Managing editor, WOAI-AM, San Antonio	\$29,500
Sarah Rose Reporter, <i>Money</i> magazine	\$34,000 + \$10-15,000 overtime
Torang Sepah Assistant editor, <i>Ms. magazine</i>	\$25,000
Scott Shuger Writer, columnist, <i>Slate</i> on-line magazine	\$90,000
Alisa Tang News assistant, <i>The New York Times</i>	\$24.07/hr
Joe Vazquez Reporter, KMOL-TV, San Antonio	\$30,000

NOTES: *through June 1998 ‡donates fees to charity

The Hunters

How television bookers get their men
(and women and children)

PRESIDENT BILL CLINTON ARRIVES IN Africa, movie director James Cameron proclaims himself King of the World, and Russian President Boris Yeltsin sacks his cabinet. Nonetheless, it's a slow day for Karen Hill at CNN Center in Atlanta. Although Hill's office is one flight of stairs away from the CNN newsroom, the 32-year-old Floridian is unruffled by the hubbub of major news personalities. Dressed in a black jacket and knee-length skirt, Hill is both poised and relaxed. Her shoes are kicked off, and she's sitting with one foot tucked beneath her. "I can't believe you came on such a slow day," Hills says. And then...

CNN anchor Lou Waters commands Hill's attention from the television set perched atop a crowded bookcase in her office. There's been a shooting at a school in Arkansas, Waters tells America. Details are sketchy; The Associated Press is reporting that 13 people have been injured.

"You want me to start making calls?" Hill shouts across the hallway. Her boss gives the go-ahead, and in the classic tradition of fast-paced news coverage, Hill is on the story. But Hill isn't a reporter, and she isn't really looking for facts. She's looking for guests. In the tele-

vision world, Karen Hill is known as a booker.

Natural disasters and breaking news events are the raw materials that yield many of television's best human interest stories. And with the number of news outlets and newsmagazine shows growing each year, the demand for compelling nonfiction stories is rapidly increasing. (In the TV season just ended, the three major broadcast networks had ten hours of prime-time news programming on their schedules, up from six hours in 1992.) TV news shows need a steady diet of interesting voices and faces to breathe life into these stories. Yet the real world rarely operates on a predictable, prime-time-arranged schedule.

At the center of the breaking news storms are the real people themselves. They're the ratings-grabbers. For the broadcast networks, a timely interview—especially a "get," or an exclusive interview with a subject—combined with a heavy dose of promotion, can produce a ratings bump for any program. At the all-news networks such as CNN, MSNBC, and Fox News Channel, the lure and availability of ordinary people thrust into the limelight are crucial. They help provide almost instantaneous programming, before the rest of the television and print machinery can lurch into action.

"Celebrities just don't draw numbers," says Tammy

BY TED ROSE

PHOTOGRAPH BY MICHAEL SCHWARZ

World Radio History





At CNN's Atlanta headquarters, booker Karen Hill uses persistence, quick thinking, charm, and her network's reputation to get her subjects on air.

Haddad, an executive producer for Studios USA and a former top producer for shows such as *Larry King Live*. "So that's why it comes down to more real people, and that's why you see more competition for real people in extraordinary situations." These "real people" represent flexible, cheap, and profitable news programming. They don't, however, appear on your television miraculously. Bookers like Karen Hill are the invisible hands behind much of today's television news programming. To understand how the news is packaged, you have to understand what they do.

"People didn't watch the Gulf War," says Gail Evans, the CNN executive vice president in charge of the network's 21 news bookers. "They watched 40 guests a day" talking

Twenty minutes after the shooting
in Jonesboro, bookers use Yahoo!
to find sources at area churches.



A mother and her son, who attends the Jonesboro school, meet the press. CNN got 19 live interviews the first day.

about it. Evans estimates that her staff books about 32 guests every day, roughly 12,000 a year, for CNN's various outlets, including CNN/U.S., CNN International, CNN/Sports Illustrated, and CNN En Español.

To fill most of the network's airtime, Evans needs bookers equipped with an in-depth knowledge of a variety of subjects, sound news judgment, and a sense of balance. But when dramatic news like the Jonesboro shooting breaks, competition increases and other booking skills become paramount: quick thinking, persistence, and persuasion. During the cut-throat scramble for guests that accompanies breaking stories, many television producers transform themselves into bookers, but only a few make a career of it.

Staff writer Ted Rose was most recently an associate producer at Dateline NBC. He was also a producer at the Courtroom Television Network.

IS THERE SOMEONE THERE WHO CAN TELL ME ABOUT the shooting?" It's 2:30 PM, just minutes after the Jonesboro story erupts, and Karen Hill has placed a call to the small town's police department, looking for what could be CNN's first interview of the story. With crews and satellite trucks hours away, traditional live television interviews are out. Instead, Hill is trying to snag what CNN staffers call "beepers"—phone interviews patched through to the anchor in Atlanta and broadcast live. In New York, the staffs of MSNBC and Fox News Channel, CNN's main competitors for breaking news, are trying to do the same.

Hill knows that local police departments, as official sources of information, are often able to provide early interviews. But not this time; the Jonesboro officers are overwhelmed. Hill hangs up to search elsewhere. In the hallway, bookers are running back and forth with new lists of phone numbers. Office communication is curt—and loud.

"I'm calling the radio station!" screams Judy Milestone, the day-to-day chief of the booking unit right across the hallway from Hill. Milestone is interrupted by another call, this one nonessential. She offers a chilly response and a quick "gotta go." "Don't they know we're on a breaking story?" she gripes.

Milestone says the key to booking guests for a breaking news story is to understand the surroundings as quickly as possible. When a bomb exploded in a commercial area of Tel Aviv last year, her bookers studied grainy videotapes from Israel and found phone numbers for the shops they saw on the tapes. When a plane crashed in Iowa, they called nearby motels. (Both tactics produced interviews, she says.) In small Southern towns, Milestone says, churches are pivotal sources. Twenty minutes into the search for guests to talk about the Jonesboro shootings, bookers are circulating a list of area churches generated by the Internet site Yahoo!.

Bookers consider themselves journalists, and many have the credentials to back that claim. Hill received a journalism degree from The American University and spent a year and a half in editorial production jobs before she began booking full-time for CNN. Yet the term "booker" carries a negative connotation in the television news business. "I think [it's] partly because it sounds like 'hooker,'" says Meg D'Incecco, a former segment producer for *Good Morning America* who left the show in May for a public relations job. "You're already selling yourself enough as it is, like trying to convince somebody to spend a couple minutes on your TV show. The name is just... segment producer sounds better."

The heavy emphasis on persuasion, says Milestone, might explain why all of CNN's Atlanta bookers—and most of the top-shelf bookers at the broadcast networks, for that matter—are women. "You're persuading someone to come on your show," says Milestone. "You need to have good powers of persuasion. At this time, women in our society are raised to be good at that." In Atlanta, the dearth of men is so obvious that the CNN troops sometimes call themselves the "bookettes."

At this moment in March, Hill isn't worried too much about what anyone calls her. Adrenaline is coursing through the booking department, but Hill personifies calm. She has a shaken and frazzled woman at the Jonesboro middle school on the other end

of the phone line. "I understand this is a difficult time," Hill says with a strong Southern accent she doesn't use around the office. ("I don't want to sound like a slick city person," Hill explains later. "I'm just going to be myself.") She hangs up without arranging a "beeper" interview. "They're contacting parents right now," she says. "So it's more important for them to do that than for us to get them on the air." She'll call back later.

How does Hill pitch a television interview to someone in the middle of an unfolding tragedy? Like many bookers, she says she relies on her network's reputation for solid journalism. But in her conversations she may take a different tack: a television interview can be a cathartic experience. "It can be very therapeutic for them, if you approach it that way," says Hill. "I think you have to approach it that way."

Forty minutes after the story breaks, CNN finally get its first "beeper": Bill Presley, the general manager of KDEZ, a local radio station, who is relaying information from his reporters on the scene. Presley is followed over the next seven hours by a string of interviews—CNN will do 19 in all—including a youth minister and the Jonesboro mayor. The breaking coverage will balloon CNN's afternoon audience from a pre-shooting .8 rating to a 1.5 average for the afternoon coverage. (Each rating point equals roughly one million U.S. cable households.)

The church angle pays off later. In addition to gaining strong early-interview contacts, the bookers learn the identities of all of the victims from a Baptist group praying for their recovery, long before the information is publicly released. With those names, the bookers prepare to call the parents of victims later in the evening and send them overnight letters asking for interviews.

As Hill hustles in Atlanta, some heavyweight competition kicks into gear. Kristin Whiting, who books for ABC News's *PrimeTime Live*, is now on the story out of New York. Bookers at the broadcast networks use many of the same tactics as their CNN counterparts, but they have more resources—and often a more ambitious agenda. It's one thing to get someone on the phone or into an affiliate station; it's another to have them sit down for a prime-time interview.

By late afternoon, as Hill is winding down her CNN booking for the breaking news coverage, Whiting is on a plane to Memphis. Less than 24 hours after the shootings, Whiting is standing on the front steps of a home in Bono, Arkansas, talking to the grandfather of 11-year-old Andrew Golden, one of the alleged shooters. Advance calls the night of the shooting from an ABC editorial producer in Los Angeles convinced Douglas Golden to speak to *PrimeTime Live* the next day. Whiting's task this morning is to seal the deal—to get an on-camera interview with the grandfather the day after his grandson allegedly became a mass killer. *PrimeTime Live* will be on the air in less than 12 hours.

Whiting, 30, has spent most of the last three years at ABC flying around the country, from the Colorado living room of a blizzard victim to the Massachusetts courtroom of Louise Woodward's trial to the Golden family's front steps in northeastern Arkansas. This day, according to Whiting, she arrives at the Golden house accompanied by a producer and a correspondent while three camera crews wait in the road.

When Whiting speaks with the grandmother, she is sympathetic. "I just talked to her about her grandson and about

what had happened," Whiting relates. "And about how I had experienced similar things before and how I had spoken to similar [people] in similar situations."

The challenge is who, if anyone, will get key figures such as the grandparents on the air. What does she say to the grandfather? "People want to understand," Whiting says, recreating her pitch: "No one knows why this happened. People are only knowing Andrew for what happened at school yesterday. You know Andrew for who he is. It would help Andrew for you to try to explain where this comes from, how it happened."

After 20 minutes, Whiting says, the grandfather decides he'll speak on camera. "The grandfather really felt that everything he had seen up to this point was not good for Andrew and was clearly negative and not entirely true, and he wanted to express his own opinion."

In addition to securing the interview, Whiting says she convinces the grandmother to let her borrow home videotapes of Andrew, including footage of him shooting guns. The grandparents also agree not to talk to any other network news-magazine before the program airs, says Whiting. That allows the promotional department in New York to bill the interview as an exclusive.

On Wednesday night, March 25, *PrimeTime Live* is seen in 12.2 million homes, according to



Douglas Golden, grandfather of an alleged shooter. His wife lent videos of Andrew to ABC that included images of the boy shooting guns.

Bookers often use a soft-sell approach, trying to convince their quarry that an interview will help to heal the community.

Nielsen Media Research. The show gets a 12.5 rating—matching its highest since October 1, 1997 when Diane Sawyer interviewed Sarah Ferguson in the wake of Princess Diana's death.

Score one for ABC, although not necessarily for the grandparents. The report is filled with the videotapes of their grandson holding and firing various guns. Those images, widely redistributed, provide graphic evidence to critics who decry the boys' easy access to—and familiarity with—guns. Val Price, Andrew Golden's lawyer, advised the family to stop talking to the press soon after the interview, explaining, "I don't think having my client's picture on *Time* magazine holding a gun when he was six years old helps [his case]."

The experience of the family of the other alleged shooter, 13-year-old Mitchell Johnson, proved more rewarding for both sides. Unlike Andrew Golden's grandfather, Mitchell's father, Scott, needed no encouragement to talk publicly. The Minnesota truck driver appeared on *Today* four times in the two weeks after the shooting, all in an effort to humanize his demonized son.

Four days after Johnson visited New York to appear on

Today, Barbara Walters invited him and Thomas Furth, his lawyer, to return to the city, so she could personally convince them she should conduct their first prime-time interview on 20/20. Walters is legendary for doing her own legwork to land sought-after stories. For much of this year, she has practically attached herself to Monica Lewinsky's attorney William Ginsburg in an attempt to land an exclusive interview with his client. Does it work? Ginsburg told *Brill's Content* editorial director Michael Kramer in March: "She'll get it because she's been the most attentive to me."

Walters met Johnson and Furth in her ABC office on a Friday evening. The next night they were invited to her Fifth Avenue apartment, where they shared tea and cookies and were each given a gift of a necktie from Bergdorf Goodman. Furth remembers Walters's words as reassuring: "Her whole theme was, 'I care about Mitchell. I want to do something

in good taste. I want to help Mitchell.'"

The following day, the pair sat down in front of the cameras; the interview aired Monday night, April 6. The show's 8.9 rating was not stellar, but Furth's suggestion that Mitchell had been sexually abused as a child made news.

Walters declined to comment for this article, but she expressed disdain for the booking process to ABC News's Connie Chung, when Chung was a fellow at Harvard University working on a paper entitled "The Business of Getting 'The Get.'" "All of us hate booking," Chung quotes Walters as saying. "I hate talking to people when friends and colleagues are going after them. It's debilitating."

Most of the time, however, it's not Barbara Walters but the producers and bookers who are left to make the hard sell. The network stars usually have their own personal booking staffs. ABC's Katie Thomson books exclusively for Walters; Lori

The Nanny Pleadings

Making the pitch for Louise Woodward

BY TED ROSE



Louise Woodward

LAST FALL, AS MILLIONS OF AMERICANS AND BRITONS tuned in to coverage of Louise Woodward's murder trial, bookers shifted into high gear behind the scenes. While the phone call and the in-person conversation may be the booker's most reliable tools, the letter is the most tangible. Harvey Silverglate, one of Woodward's lawyers, saved some of the pitch letters he received during the onslaught between the trial and her sentencing in the spring. "I'm usually such a pack rat," he says.

Dozens of letters came from television news shows. "All they want is an exclusive; to have her face on their program," says Silverglate, who felt only Fox News showed an interest in substantive reporting. "And if it means that they have to guarantee me ahead of time that they're going to make her look good, they'll do that. It's sheer prostitution."

In reality, the letters vary widely in tone. One is a sober, nine-sentence memorandum from Holly Green, a segment producer with ABC's *Good Morning America*. Green's letter asks the defense team to suggest a medical expert who can represent its side in a discussion of the case.

Then there's the more emotional letter written by Meg Dower, an associate producer at *Dateline NBC*, and addressed to Louise Woodward and her parents. "I don't presume to know what happened," writes Dower, "but I can only imagine that there is a great deal more to your story than what we have all read in the press." *Dateline*, she writes, has built its success by "tackling difficult issues in a fair and evenhanded way" and extends Louise an

offer to "tell your story in your own words."

Many of the letters begin with a recognition that the Woodwards and their attorneys have more important tasks than reading a pitch. "I understand this is a hectic time for you," *Today's* Meredith Klein writes to Louise Woodward on March 5, "so I will dispense with filler and get right to the point." She promises "balanced and accurate" coverage on *Today*, and points out that the *Today* anchors, Katie Couric and Matt Lauer, are "good, they are fair, and they are always extremely well prepared."

Concern for broader issues than those raised by the trial is commonly mentioned in the letters—at times, in ways that cast Woodward as the potential victim. CNN booker Karen Hill writes to Silverglate that the "case raises so many concerns for parents and caregivers alike. Almost everyone can relate to the fears that parents have about leaving their children in the care of others. But seldom do we hear from caregivers like Ms. Woodward about the risks they take in agreeing to care for a child."

Most of the letters cite ratings to highlight their appeal as a conduit to the public. In a letter addressed to the Woodward attorneys, NBC's Klein notes that "just last week [*Today*] earned a 5.8 rating and 23 share (the second highest rating since the introduction of people meters) and beat our nearest competitor by 2.3 ratings points."

Star power is sometimes flaunted as well. "Please know that Diane [Sawyer] is eager to personally meet with you to discuss the possibilities of working with you, your client, Louise Woodward, and Gary and Sue Woodward," writes *PrimeTime Live's* Kristin Whiting, referring to the defendant's parents. "She would like to speak to you directly and I would be happy to arrange for a meeting or telephone conversation—whichever suits you best." Whiting also notes that *PrimeTime Live* averages more than 25 million viewers per week and that

"Diane's ability to bring integrity and human compassion to her interviews is without parallel in television news."

Fox News anchor Catherine Crier offered the most

Wrote ABC: "Diane's ability to bring

integrity and human compassion to

her interviews is without parallel in television news."

Beecher books Katie Couric's segments on *Dateline NBC*.

Even if they use the soft-sell approach, bookers can leave hard feelings with their tactics. Joel Myrick, vice principal of Pearl High School in Pearl, Mississippi, was bombarded with requests from bookers in the aftermath of a shooting at the school that killed two students on October 1, 1997. Myrick says he was persuaded by a producer from CBS News's *48 Hours* to appear on that show. The pitch, he recalls, was clear: Cooperate with us, and our show will help you and your community. "We're about to write a great novel here," Myrick recalls Jennifer Buksbaum, an associate producer with *48 Hours*, telling him, "a beautiful story that's

not only going to inform America, but help you people."

If the pitch sounds familiar, it's similar to the one Karen Hill says she gives over the phone in Atlanta and the one Kristen Whiting gives to Andrew Golden's grandparents in Jonesboro. Whiting and Hill say their claims of helping their quarry are proven by the positive comments they get from the subjects after their shows air. In fact, Myrick's satisfaction with a *PrimeTime Live* segment he appeared on made him receptive to the subsequent *48 Hours* request. Myrick estimates he spent 40 hours over the course of six weeks accommodating CBS's needs. But when he saw the piece *48 Hours* produced, he was disappointed that his community got lumped in with other vio-

abc

BC News

By Hand

4 November 1997

Andrew Good, ESQ
Barry Schack, ESQ
Elaine Winfield Sharp, ESQ
Harvey Silverglate, ESQ

Dear Sirs & Madame:

I fully understand and respect your intention to accept interview requests only after Judge Zobel rules on the motions filed for today's hearing. As you must know, Louise's case and the extraordinarily controversial verdict have captured the world's attention. The growing public outcry on behalf of Louise is evidence of the support she may not have known existed here in the United States. At ABC's *PrimeTime Live*, we prepared to follow Louise's plight very closely. You may recall that we first spoke at the beginning of March immediately after you took over the case. Diane Sawyer's interest has not wavered. *PrimeTime* is prepared to offer you, your client and her parents the fairest and most credible forum to present your views.

Please know that Diane is eager to personally meet with you to discuss the possibilities of working with you, your client, Louise Woodward and Gary and Sue Woodward. She would like to speak to you directly and I would be happy to arrange for a meeting or telephone conversation whichever suits you best.

Known for its quality, award-winning reporting and its fairness, ABC News' *PrimeTime Live* has on average more than 25 million viewers each week in the United States and millions more in the 90 countries in which we are shown. Anchored by Diane and Sam Donaldson and broadcast live each Wednesday night, *PrimeTime LIVE* is consistently rated the number-one weekday newsmagazine. As her recent induction into the Television Academy's Hall of Fame attests, Diane's ability to bring integrity and human compassion to her interviews is without parallel in television news. Her interviews are known for their depth and balance and for a definitive quality that puts the story to rest once and for all. She has interviewed American presidents and other world leaders, members of European royalty and a variety of newsmakers, all of whom found themselves caught in the crucible of publicity. In each case, she has brought both dignity and sensitivity.

Our interest is in the truth and there is only one person who should tell it and that is Louise. The American public would like to hear from her again and from her parents in an open, sensitive arena, outside the confines of the courtroom. *PrimeTime Live* offers the perfect forum.

I understand how busy you are and how extraordinarily important your work is to you and your client. We do not wish to interfere with your duties, nor do we seek to capitalize on your client's plight. But I do believe that Louise's story must be told by her and to an American audience. I will call you soon to coordinate a conversation with Diane Sawyer. Or you can call me at _____ of page me at _____

Sincerely,

Kristin Whiting
ABC Television Network, 147 Columbus Avenue, New York, NY 10023-5800

ONE CNN CENTER, Box 105306, Atlanta, Georgia 30348-5306



TO: Harvey Silverglate

FROM: Karen Hill

RE: Request for Interview with Louise Woodward

DATE: October 21, 1997

CNN would like to request an interview with your client, Louise Woodward, as soon as her trial is over. Of course, we would welcome you or Ms. Woodward's mother to be part of the interview as well.

This case raises so many concerns for parents and caregivers alike. Almost everyone can relate to the fears that parents have about leaving their children in the care of others. But seldom do we hear from caregivers like Ms. Woodward about the risks they take in agreeing to care for a child. If good caregivers are frightened by the accusations made in a case like this one, they will choose other professions, and all parents and children lose if that is the case.

We realize Ms. Woodward will be overwhelmed by emotion as this trial comes to a close, and may not be ready to speak publicly immediately. But we'd welcome the chance to talk with her as soon as she is ready, at any place or time convenient for her. Our preference is to do a live interview, but if that is not possible we can do something on tape. We could discuss which of CNN's shows would be the best venue for the interview, including Early Edition, CNN Morning News, CNN & Company, CNN Today, or Early Prime. CNN International would also be interested in _____ with her.

As I'm sure you know, CNN guards its reputation as a sensitive and responsible interview. I hope you will consider it as an opportunity for Ms. Woodward to _____

Please contact me with any questions you might have _____ or _____ Thank you for your consideration!



1211 Avenue of the Americas, Concourse 1, New York, New York 10020-6799

facsimile transmittal

To: ANDREW GOOD

From: CATHERINE CRUER

Re: THE CRUER REPORT

Date: October 31, 1997

Pages: 1

Dear Mr. Good:

I am writing to request interviews with you, Mr. Woodward and her parents for a Fox News Special Report on the trial. As a bit of background, I was formerly a State District Judge in Texas before joining CNN in 1989. Since then I have covered legal issues, national and international affairs, and politics as primary anchor for CNN, 20/20 correspondent and substitute for Peter Jennings and Ted Koppel for ABC, and now as host of my own evening program on Fox News. I will try, as a former prosecuting attorney (then civil litigation) and judge, I was shocked at the verdict. I would like to do a serious one-hour special on the trial so be greatly appreciated on the Fox Network. I know you will receive many requests, but I believe this venue would be the best for an honest, substantive examination of the proceedings and the shameful practice of mandatory sentencing that could result in a serious miscarriage of justice. I will contact your office next week to see if this could be arranged. Thank you for your consideration.

Sincerely,

Catherine Cruer
Catherine Cruer

forthright comment after the Massachusetts jury convicted Woodward of second-degree murder. Crier wrote to defense attorney Andrew Good, Silverglate's partner, that she was "shocked at the verdict" and suggested her one-hour interview show, *The Crier Report*, as a venue for "an honest, substantive examination of the proceedings and the shameful practice of mandatory sentencing."

Crier defends her letter, explaining that she was distressed that tactical legal decisions coupled with mandatory sentencing rules had seemingly doomed Woodward to a life in prison without the chance of parole. "That is an honest statement," says Crier. "That's not a plea to come on. It's not a con to come on. That's the way I feel about it."

Even with his collector's habit, Silverglate says he "ceremoniously" threw out lots of letters, including a bulky package from ABC's Katie Thomson sent on behalf of Barbara Walters. In addition to a cover letter, the pack-

age included transcripts and news coverage of previous Walters interviews. The offering made him "nauseous," recalls Silverglate, who feels this and other letters are emblematic of a decline in the standards of TV journalism. "The subtext of it was: We do interviews that make the subjects look good."

"I think it's a pretty straightforward letter," says Thomson, who books for Walters. Silverglate notes that the letter was no better or worse than others he did save. He only regrets not preserving the fawning pitch of America's leading news interviewer for posterity. "I wish I saved it," says Silverglate. "My wife was so mad, because she said it's sort of an artifact of our times." ■

lent incidents and was presented as a troubled Southern town.

"I felt like I was lied to and used," Myrick says. He cooperated "at a time when I needed time. I could have just as well climbed into a hole and healed myself." Myrick says he never heard from Buksbaum after the piece aired; he suspects it's because she was embarrassed by it. Buksbaum says only that she never received a call from Myrick after the show. *48 Hours* executive producer Susan Zirinsky expresses confidence in Buksbaum, who she describes as "from a genetically long line of solid editorial producers at CBS." Zirinsky is sorry the piece disappointed Myrick, but she suggests he simply misunderstood Buksbaum. "I hate to think that people feel we misrepresented ourselves," Zirinsky says. "But I know, in fact, we didn't."

The bookers' need for dramatic interviews often conflicts with the desire of their subjects to gain sympathetic treatment. People being booked can hear promises the networks would never want to fulfill.

The networks' refusal to pay individuals for appearances can be hard to swallow for some caught in the eye of a booking storm.

Consider James Thomas of Rocky Face, Georgia. A 69-year-old chemist, Thomas caught the attention of the TV newsmagazines after he served as a juror in a criminal child molestation trial last year. Thomas had helped convict the defendant, Wayne Cservak, but he had some reservations about the case.

Thomas hired a lawyer for Cservak who raised enough doubts about his client's guilt to overturn the conviction and force prosecutors to dismiss the charges. When Thomas's role was described in newspaper stories in March, the newsmagazines came calling for exclusives. *PrimeTime Live's* Whiting flew to Georgia to meet Thomas and Cservak's attorney, Robert Adams. Two days later, Thomas, Adams, and Cservak met with NBC's *Dateline* and a third prime-time show.

A producer from the third show, who requested anonymity, says he was surprised by the meeting's tenor. This producer, who does not normally participate in booking guests for competitive stories, says Thomas and Adams expressed concern about Cservak getting harsh treatment in a television interview and sought assurances to protect Cservak. The producer refused to offer assurances but told them the story appeared to be positive for both men. "They wanted [assurances] up front. . . . There [was] a part of me that said, 'I'll be happy if I don't get this story.'" He didn't.

According to Thomas, the group chose *Dateline* because producer Carol Gable made a promise that alleviated their concerns. "They told us, rightly or wrongly, we [would] have a little dress rehearsal," Thomas says. The questions would be asked in advance, according to Thomas, without the cameras rolling. Then they would be asked again in front of the cameras.

Gable says she never offered a dress rehearsal or any assurances about Cservak's portrayal in the piece. "You can never selectively decide you're going to ignore a whole set of issues," says Gable. "If they had said, 'We don't want you to mess around with Mr. Cservak's background,' I would have said,

'This has been a wonderful lunch and I'll talk to you later.'" (*Dateline* plans to air Cservak's story this summer, according to spokesman Cory Shields.)

The touchiest subject for bookers is money. As a policy, none of the network news divisions pay for interviews, but bookers at times find it hard to avoid discussing the financial rewards a network interview can attract. That may have happened in the case of Arseli Keh, the 63-year-old woman who became the world's oldest mother last year. Chris Tedeschi, a former public relations staffer for the University of Southern California, handled calls from the media when the medical school announced news of Keh's pregnancy on April 23, 1997, without revealing her identity.

Tedeschi got a call from ABC's Thomson, Barbara Walters's booker, who hoped to reach the mother directly. Tedeschi recalls Thomson alluding to the commercial potential of a Walters interview. As part of the conversation's phone log, Tedeschi says he jotted down the words "lead to deals." Thomson doesn't remember the conversation and says she never discusses the potential for making money unless she is asked first. "I generally point out that we're one of the most-watched newsmagazines and we have a really large audience," she says. "Certainly, it's a high-profile forum for people to be on." Eileen Murphy, the ABC News director of

media relations, says network policy prohibits bookers from wooing subjects with talk of entertainment deals.

The networks' refusal to pay individuals for appearances can be hard to swallow for some caught in the eye of a booking storm. And as the ratings stakes and competitive pitches for such shows go ever higher, the people sought after—and their lawyers—are starting to ask what's in it for them.

"Most people were offended that I asked for money," says Robert Waller. He represented the mother of Lydia Dew, the 17-year-old student killed in the Pearl High School shooting last fall. Waller says his clients were bombarded by media requests at a difficult moment and were unable to pay the legal bills that resulted. The sheer volume of requests required a professional to respond, says Waller, yet the teen's mother couldn't afford one. The only aid the networks offered, according to Waller, was a small per diem for his client and plane fare to New York.

Waller quickly tired of the bookers' pitches. "Are we doing this because we like you? Or because you like us?" he says he wondered. "I understand the ethical problem with [respectable news organizations] paying for news stories, but our society is a capitalist society. . . . they're about money, like everyone else." One veteran network producer suggests this type of reaction indicates an increasing sophistication among the bookers' targets. "I think they look at these news stories and say, 'Why should I let the networks make all the money from it? Why can't I get my little piece of it?'" says the producer. "And I don't know that they're wrong."

Will a new balance between booker and bookee be struck as the race to "get" subjects grows swifter and more heated? Jeff Zucker, executive producer of *Today*, can already see it happening. "Victims of terrible things, terrible events, have somebody handling their media interests," says Zucker. "It's unfortunately the way the world operates at the end of the twentieth century. It's the media age." ■

Fast & Flawed

60 Minutes thought it had a triumph when it secured an exclusive interview with Kathleen Willey. Too quick on the draw?

BY HOWARD KURTZ

DON HEWITT, *60 Minutes*'s executive producer, knew he had a major "get"—television-speak for landing the exclusive interview everyone else in the news business is panting after. It was March 12, and Ed Bradley was talking to Kathleen Willey in Richmond, Virginia, leading her through a halting account of how President Clinton had crudely groped her. When the camera crew was changing tape, Hewitt, who was in New York, picked up the phone and suggested additional questions for Bradley to ask. It would soon become clear that Hewitt and his team should have suggested many more questions, for they had cut some crucial corners in their pursuit of Willey.

At first, everyone at the 30-year-old TV newsmagazine viewed the Willey interview as an unalloyed triumph. On March 15, 29 million Americans watched perhaps the most dramatic television moment of the mushrooming Clinton scandals, one that pushed the CBS program to the top of the weekly ratings heap for the first time in four years. On the morning after, however, Hewitt and his troops had little reason to celebrate. A growing chorus of critics was slamming Bradley for having been too soft, too sympathetic, and too quick to ignore obvious questions about Willey's motivation. The White House released nine friendly letters Willey had written the president after their 1993 encounter, calling herself his "number one fan." There was also the revelation that her attorney had been exploring a book deal. There was, in short, the sort of compromising information that *60 Minutes* had always prided itself on ferreting out.

All of that was bad enough. Worse, a key *60 Minutes* staffer may have known about the letters before the broadcast. A Willey associate says Willey told a *60 Minutes* producer about letters she had written to the White House seeking a job. The producer never asked to see the letters or inquired about

their content, this person says—directly contradicting statements by *60 Minutes* executives that the program knew nothing of the letters.

After the broadcast, Hewitt convened a series of meetings to contain the damage. "Nobody likes to be skewered this way. . . . It can be painful," says Phil Scheffler, Hewitt's deputy. Gradually, a consensus emerged: Perhaps *60* had been too quick to rush the interview onto the air; perhaps they had failed to ask important questions and neglected to turn over some obvious rocks.

"In hindsight, everyone here agrees: You get the 'get,' you don't have to put it on in three days," says a veteran staffer. "You get blinded by 'We've got Kathleen Willey, goddamnit it!' All we've been doing is cuddling up to her." After the program, Hewitt said, "I've never done anything in my life that I wouldn't do better in hindsight. I'm not sure if we'd waited a week we would have known anything more. We would have known more if the White House wasn't playing cutesy. . . . I have no problem with this story."

But Willey does—or so her side says. In what may be a bit of post-game spin, the source close to Willey says if the questioning had been tougher, "it certainly would have been better for everyone. We certainly never asked to be treated gently. They opened her up for the attack that followed." A more skeptical program, this source continues, "would not have subjected Kathleen to the retribution from the White House spin machine."

What happened to the best of the news magazines underscores how even the most talented and experienced journalists can stumble, especially when their fate becomes intertwined with that of a high-profile subject. It shows how

young and tireless producers can scoop the world but grow overly protective of their star witness. And it shows how quickly journalistic reputations can bloom and wilt in such a pressure-packed atmosphere.

Michael Radutzky, the segment's producer, had been courting Willey since last summer. He kept calling Willey and her lawyer, gently coaxing her toward a rendezvous with the cameras. Radutzky and another young producer, Trevor Nelson, visited Willey and made their pitch: If you're going to tell your story, there is no more prestigious forum than *60 Minutes*.



Presidential accuser Kathleen Willey: She seemed persuasive, but her story had another side that the viewers never saw.

Howard Kurtz is a Washington Post reporter and author of Spin Cycle: Inside the Clinton Propaganda Machine, published earlier this year.

Both Radutzky and Nelson wanted to dig into Willey's background, but they were worried about losing the interview. "We were afraid that if we did that, she would hear about it and we wouldn't get her," says a *60 Minutes* staffer. "When you're trying to convince somebody to spill their guts on the air, you don't want them hearing from the neighbors."

But the key selling point, say two people knowledgeable about the courtship, was the producers' contention that they were examining the credibility of Willey's former friend, a Virginia grandmother named Julie Steele. A year earlier, after getting a phone call from Willey, Steele had told *Newsweek's* Michael Isikoff (the reporter who originally broke the story) that Willey had discussed the alleged groping incident with her shortly after it happened. Months later, however, Steele assured Isikoff that she had lied to him at Willey's request. The subsequent falling-out between the two women gave the producers a wedge to work the story.

Radutzky and Nelson told Willey they had been examining Steele's background, according to the source close to Willey. The producers said they believed the White House had been trying to pressure Steele into changing her account in her affidavit in the Paula Jones case, which was drafted with help from the president's lawyers. The apparent pressure point, they said, was Steele's adoption of a boy in Romania, and questions about whether the procedure was handled properly. Radutzky and Nelson had shown up at Steele's house, and when they raised the adoption issue "she really freaked," says her lawyer, Nancy Luque. "What *60 Minutes* tried to do is the same thing the FBI tried to do with her," Luque says. "They came in with the attitude that she's the liar. They came to Julie on offense."

The Steele angle was crucial in Willey's decision to grant an on-camera interview. Amazing as it sounds in light of Willey's explosive tale, Willey's side says they believed up to the moment the program aired that Steele would be the main focus, and Willey merely the backdrop.

During the taping, Bradley led the 51-year-old widow through the story in a dignified manner. While he asked about conflicting evidence, his questions rarely challenged her. "Touched you how?" he asked. "When you say he took your hand and put it on him, where on him?" he continued. "Was he aroused?"

MEANWHILE, THE WHITE HOUSE WAS SEARCHING FOR A DEFENSIVE strategy. On Saturday morning, the day before the broadcast, Robert Bennett, the president's lawyer, went to the West Wing to meet with ten top political and legal strategists, including press secretary Mike McCurry, special assistant Paul Begala, and counsel Charles Ruff. According to three participants, the argument grew heated and curse words were exchanged as the political team debated whether someone should appear on *60 Minutes* to rebut Willey's charges. A majority of the assembled aides concluded they had no choice but to play, and Bennett was drafted as the logical spokesman. Some of these same aides had disparaged his aggressive defense of the president against Paula Jones's harassment charges, so Bennett warned the group: "If anyone dumps on me, I'm coming back here with an AK-47."

The president's aides asked that Bennett be interviewed live, or live-to-tape, to avoid what the White House feared would be *60 Minutes's* unfair editing. When Hewitt refused, Bennett agreed to a garden-variety interview that evening at the CBS bureau on M Street in Washington. Ushered into a

dark room, Bennett was told not to look into the camera, but off to the side, as if he were talking to Ed Bradley, who was actually in New York. The *60 Minutes* staff did not want it to look like a satellite interview. Without even a producer to look at, Bennett's gaze drifted downward during the 45-minute session. His lack of eye contact suggested that he didn't believe what he was saying when he denied that the president had groped Willey. Bennett felt he had been sabotaged. Hewitt would later contend that Bennett was looking at his notes, which the attorney says he was actually keeping at his side. But in an interview, CBS News president Andrew Heyward acknowledged that *60* should have made it clear that Bennett was in Washington.

As the reviews started coming in, Hewitt lost a bit of his fizz. After all, if some key questions weren't asked, he himself missed the chance to rectify the situation when he called Bradley during the taping. The omissions couldn't all be blamed on Radutzky and Nelson. A growing unease descended on the *60 Minutes* offices. Bradley seemed to his colleagues to be rattled. One says that Bradley was "livid. He's very sensitive to all the criticism." Bradley, like Radutzky and Nelson, declined to be interviewed for this article.

Each day brought new disclosures of *60's* sloppiness—from the book discussions to two other instances in which Willey had allegedly asked Julie Steele to lie for her.

"One of the things of prime importance was what was the relationship [with Clinton] after the incident," says a ranking *60 Minutes* journalist.

"Those questions either were not asked or not run. That was a hole in the story, and it would have been very easy to close."

Noting that Willey accepted presidential appointments to conferences in Jakarta and Copenhagen, this person ticked off some queries that should have

been put to her: "If you were so appalled and so disgusted, why did you go on these junkets? Look, how offended were you by this? Do you think this is some-

thing he should be impeached over?

"You ask, 'Has anyone offered you money? Are you writing a book?' So you cover your ass."

In the days after the broadcast, Radutzky tried to book Willey for a return engagement, but she refused. Still, the program felt obliged to say something about the revelations that had come tumbling out after the interview. In a brief update that aired the following Sunday, Bradley said Willey's letters to Clinton had led "many to wonder how upset she could have been by her encounter." As for the book discussions, "Willey's lawyer assured us before our interview that there was no deal with anyone," Bradley said. "However, it turns out that there had been conversations about a deal." Willey's lawyer, Daniel Gecker, says that the book negotiations had been dormant for six weeks. But none of these details seemed to matter when *60 Minutes* was gearing up for its big moment. "They just got so infatuated with Kathleen," says Willey's friend. "They thought they had a gold mine here, that it was more interesting than a complicated story with three or four different versions."

On the same night as Bradley's postscript, Andy Rooney defended his colleague on the air, saying: "I think he did a good job." Two weeks later, however, the program's curmudgeonly commentator said he had been reading "hundreds of letters" about the Willey interview, most of them "devastatingly critical" of *60 Minutes*. Then came Rooney's own verdict on the story: "If you think it fell short of *60 Minutes's* standards, you may be right." ■

"Questions either were not asked

or not run," says a ranking

60 Minutes journalist. "That was a

hole in the story."



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Columbia/HCA built a hospital chain worth billions that won press plaudits and Wall Street raves. A team of determined *New York Times* reporters—armed with millions of database records and given more than a year to pursue the real story—proved the empire had no clothes.

HOW THE TIMES NAILED A HEALTH CARE GIANT

EARLY ON WEDNESDAY MORNING, MARCH 19, 1997, FEDERAL AGENTS IN EL PASO, TEXAS, raided two hospitals and several related facilities run by or affiliated with Columbia/HCA Healthcare Corp. The agents ordered employees to back away from their computers, relinquish their passwords, and leave the premises. Soon the agents were dollying hundreds of thousands of pages of financial, billing, and medical records into a fleet of Ryder rental trucks.

For those who had read *Fortune* magazine a few weeks earlier, the scene was undoubtedly puzzling. Columbia—the giant, for-profit hospital chain—had just been voted the country’s “most admired” health care company by the industry’s senior executives, outside directors, and Wall Street analysts. It was equally mystifying to those who had read *Time* magazine eight months earlier, when Columbia’s founder, chairman, and chief executive officer, Richard Scott, had been lauded as one of the 25 most influential people in 1996 for having imposed market discipline on an industry notorious for waste and inefficiency.

Like many other publications and experts, *Time* had depicted Nashville-based Columbia pursuing a business strategy that seemed to benefit society and shareholders alike. By buying hospitals and related health facilities—surgery centers, diagnostic testing laboratories, home health care units, skilled nursing homes—Columbia could offer more efficient, integrated services while gaining enough market clout to demand steep discounts from suppliers and

BY ROGER PARLOFF

PHOTOGRAPH BY FRED CONRAD

World Radio History





Martin Gottlieb, left, and Kurt Eichenwald led the investigation by *The New York Times* that first revealed the widespread nature of Columbia's misdeeds.

The *Times* team on Columbia: Barbanel, Lewin, Gottlieb, and Eichenwald. The newspaper's mainframe computers helped crunch 30 million patient billing records.



contractors. The company could then charge lower prices, enabling it to capture business from the managed care companies that increasingly controlled the delivery of health care, including treatment of Medicare and Medicaid patients. (Medicare fees have typically accounted for more than one-third of Columbia's revenue; the chain was Medicare's single largest biller.) Columbia's shareholders would profit while health costs would fall for patients, insurers, employers, and the government. Everybody would win.

Then why were agents of the FBI and three other federal law enforcement agencies storming Columbia's offices? The mystery was dispelled nine days after the raids, when *The New York Times* published the first installment of its four-part, 16,878-word investigative series on Columbia.

As the *Times's* articles revealed, the fast-growing chain was a company that made its money not so much by cutting costs, as by raising prices; a company that did not appear to be saving the government money, as it claimed, but to be systematically fleecing it in myriad ways; a company that was not so much the savior of America's health care system, as a parasite upon it. Although skeptical or critical pieces about Columbia had appeared in the media before the series, the *Times* was the first to suggest the company might be defraud-

Contributing editor Roger Parloff is a senior writer at The American Lawyer, an attorney, and the author of the nonfiction book Triple Jeopardy.

ing Medicare. Significantly, the *Times* was also the first to lay out droves of statistical evidence strongly pointing to that conclusion.

Despite its timeliness, the series was not triggered by the raids or fueled by leaks from the federal investigation that led to those raids. On the contrary, the *Times's* probe, written primarily by Martin Gottlieb and Kurt Eichenwald, was initiated without any conventional "lead" at all and long before the federal probe had even begun. It started simply because the newspaper's editors believed Columbia represented an important new force in health care whose operations demanded illumination. The newspaper allowed four reporters to spend 15 months working on the project before publishing a single word—consuming an estimated \$625,000 in *Times* resources along the way (see box, page 106). The investment yielded one of the decade's best examples of public service journalism.

The *Times's* series would have been impressive had it rested merely on the testimony of hundreds of sources from inside and outside Columbia in dozens of states, and been backed up by documents that had surfaced in lawsuits or been leaked directly to the reporters. The *Times* got to those sources and documents, but it did not stop there. Instead, the reporting was corroborated by the paper's own statistical analyses of numerous databases, including more than 30 million billing records that encompassed every Medicare patient treated in any Florida or Texas hospital in 1995.

In July 1997, two months after the last of the *Times's* stories ran, hundreds of federal officers raided Columbia properties across seven states. Shortly thereafter, CEO Scott and Columbia's president, David Vandewater, were ousted in a boardroom coup, fraud indictments of three mid-level Columbia executives in Florida were unsealed, and Columbia itself was named as a target of the ongoing criminal investigations. In the ensuing months, ten more top executives were replaced, and the company's new chief executive, Thomas Frist, Jr., junked virtually every key aspect of Scott's previously exalted business plan.

"The *Times* did a very thorough job of investigating the company," acknowledges Jeffrey Prescott, a spokesman for the post-Scott Columbia. Prescott and Frist, who had been vice chairman under Scott, decline to comment more specifically. "We're still right in the middle of this whole event," says Prescott. Scott, through his criminal defense attorney, Gerald Feffer of Washington, D.C.'s Williams & Connolly, declined to be interviewed for this article.

IN JUNE 1995, VETERAN REPORTER AND EDITOR GOTTLIEB, then 47, was beginning his third tour at the *Times*. His career had included stints as editor of the *Village Voice* and, more recently, managing editor of *The New York Daily News*. As the projects editor on the *Times's* national desk, Gottlieb's portfolio included the development of major investigative projects in the health care field. In December 1995, he proposed exploring Columbia as a way to look at the broader changes taking place throughout the health care industry.

With the collapse of President Clinton's health care-reform bill in 1994, several journalists, including those at the *Times*, had noted that Rick Scott was effectively enacting his own health care-reform package. The Scott method allegedly would achieve cost savings through bold innovation and the deft management of private enterprise, rather than through the plodding paternalism of government bureaucracy.

Although the story idea was amorphous, Gottlieb takes pride in his ability to pursue such ideas. In his view, he came into his own as a reporter when he learned "how to go into a story simply because something is percolating there and you sort of know it," he says. "You have no tip in the world to work on. It's like blue-skying. You're not doing someone's dirty work."

Gene Roberts, then the managing editor of the paper, swiftly approved Gottlieb's idea. Gottlieb initially estimated it might take him three months to complete the project. Because Gottlieb was not a business reporter, senior editors suggested adding Kurt Eichenwald to the team. Eichenwald, then 34, had been a *Times* financial reporter since 1988 and had just completed a series of stories about the kidney dialysis industry. Says Eichenwald: "It was presented to me as, 'Okay, you're doing business and drifting over into health, and Marty Gottlieb's doing health drifting over into business, so why don't you two hook up?'"

The combination produced a good-cop, bad-cop team. Gottlieb is a slightly heavy man with a pensive, mild-mannered demeanor and a baritone voice that forms qualified, meandering sentences at a leisurely pace. Eichenwald, in contrast, is high-strung, aggressive, and prickly, with a machine-gun laugh reminiscent of actor Richard Dreyfuss.

"Basically, the assignment was: Understand Columbia," recalls Eichenwald. The general contours of Columbia's phenomenal rise were well known in the business press. Scott, a mergers and acquisitions lawyer in Dallas, had launched the company in 1987 with the backing of Fort Worth investor Richard Rainwater. Scott bought two struggling hospitals in El Paso, and then, through snowballing acquisitions, rapidly expanded the company. When the *Times* completed its investigation in early 1997, Columbia ran 343 hospitals, employed about 285,000 people, and was generating annual revenue of nearly \$19 billion. Its annual profit had leaped from \$120 million in 1991 to \$1.5 billion in 1996; its market value stood at \$27.4 billion.

From Eichenwald's perspective, Columbia's extraordinary success at a time when payments from private and government health care sources were getting stingier posed an

obvious riddle: How was the company making its money? "I've seen acquisition profits," he says. "You buy something, you strip it down, and you get a big boost.... But this place was taking hospitals, stripping them down, getting a 20 percent earnings growth, and then demanding another 20 percent earnings growth the next year, and then another one the next year. I kept going, 'I don't get it.'"

In the stories about Columbia that had appeared up to that point, company officials had often attributed their success in part to volume purchasing. To Eichenwald, however, that explanation for helping Columbia achieve its scale of success was terribly incomplete.

"You can get a better deal [that way]," Eichenwald says, "but that doesn't translate into 15-20 percent earnings growth a year." Moreover, as he and Gottlieb discovered early in their reporting, many of Columbia's nonprofit competitors had used volume purchasing for years through purchasing cooperatives. "The shrewdest nonprofits are huge, huge enterprises," adds Gottlieb. "They know how to buy as well as anyone." So answering the simple question of how Columbia achieved its superior profits became an important goal of the *Times's* inquiry.

From the outset, Gottlieb had suspected that database analyses might be useful for the project. Federal and state agencies kept extensive data on hospitals. "That's why I was interested in bringing in [Joshua] Barbanel," Gottlieb explains. Barbanel, then 43, had been a *Times* reporter since 1980, and in recent years had been schooling himself in computer-assisted reporting. "I'm not a computer expert," insists Barbanel. "I'm a journalist trying to use these tools to solve journalistic problems."

Gottlieb hoped that statistical analysis could, for instance, shed light on Columbia's controversial practice of giving key admitting doctors financial interests in the company. Complex federal laws bar doctors from referring patients to outpatient facilities in which the physicians hold financial interests. But those laws do not always bar investments in hospitals, and Columbia's lawyers maintained their doctor investments fell safely within those exceptions. A separate federal anti-kickback law, however, also barred hospitals from giving doctors anything of value in exchange for referring Medicare patients to them. If Columbia's doctor investments were designed to induce doctors into referring patients, then they arguably violated those anti-kickback statutes. Not surprisingly, Columbia adamantly denied its investments served that purpose. Rather, as Scott later explained to Gottlieb, the investments served benign, if vague, objectives. "If someone has an ownership interest in something," Scott told Gottlieb, "they take pride in that, and so they will try to have whatever impact they can."

Biggest Hospital Operator Attracts Federal Inquiries

This article was written and reported by Martin Gottlieb and Kurt Eichenwald. The computer analysis was by Josh Barbanel, who also contributed additional reporting.

Law enforcement officials and Government agencies are examining an array of business transactions in the nation's largest hospital system.

In addition, Federal civil and criminal investigators are examining whether it is illegal for Columbia doctors with a financial interest in the company to provide medical services to patients with home care services.

**FOR EICHENWALD,
COLUMBIA'S
EXTRAORDINARY
SUCCESS POSED AN
OBVIOUS RIDDLE: HOW
WAS THE COMPANY
MAKING ITS MONEY?**

For Biggest Hospital Operator, A Debate Over Ties That Bind

This article is by Martin Gottlieb and Kurt Eichenwald, with computer analysis by Josh Barbanel.

The offer made Dr. Richard Rubinson uneasy. Shortly after the Columbia Hospital Corporation took control of the Miami hospital in 1983 where he had long practiced, the company gave him and other doctors the chance to buy up to 20 percent of the company.

HEALTH CARE'S GIANT

The Doctor as Investor

A special report.

To see if they could empirically test the impact of doctor investments on referral patterns, the *Times* trio flew to Tallahassee, Florida, in February 1996

to find out what records were available from the Florida Agency for Health Care Administration. Columbia had refused to identify the doctors who held financial stakes in its facilities, citing privacy concerns. But Florida law required semiannual public disclosures of such interests. Using these public filings, and patient discharge records, Barbanel thought he could design an appropriate study of referral patterns. Accordingly, he obtained from the agency 9 million patient discharge records covering a five-year period (1992 to 1996), as well as physician license records and hospital records from Broward and Dade counties listing physician ownership interests. "It was beyond any type of data collection I can recall," says Colleen David, the agency's then-spokesperson.

But that was only a small fraction of the data Barbanel wanted. While the Florida records allowed him to study referral patterns, they revealed little about Columbia's billing practices. To explore that topic, he turned to the biggest medical bill payer in the country, Medicare, whose records were kept by the federal Health Care Financing Administration.

After consulting the medical literature and getting advice from researchers in the field, Barbanel decided to seek all inpatient records for 1995 for Texas and Florida—the states where Columbia had the greatest presence—and all the corresponding outpatient records for the same patients. In spring 1996, Gottlieb approached the agency with Barbanel's request. Then-chief administrator Bruce Vladeck remembers determining that the *Times* was entitled to the information under the Freedom of Information Act, but he acknowledges his employees "were a little put off and intimidated by the magnitude of the request." To preserve privacy, the agency encrypted the patients' official identification numbers consistently across all files, so the newspaper could track each patient's treatment through different facilities.

By the summer, HCFA had turned over five years of hospital cost reports from Florida and Texas—the voluminous filings each hospital makes annually to seek Medicare reimbursement—as well as 9.6 million inpatient, outpatient, nursing home, and home health care records, and 32.8 million related physician bills. The data were provided on 89 computer tape cartridges; Barbanel used the *Times*'s mainframe computer and his own PC to crunch the numbers.

Meanwhile, Eichenwald and Gottlieb had been attacking the assignment through old-fashioned gumshoe techniques. Eichenwald started by flying to Corpus Christi, Texas, where a doctor had filed a whistle-blower suit against Columbia in March 1995, alleging that the company's doctor investments were illegal. Soon, Eichenwald and Gottlieb were pursuing leads all over the country. At

Gottlieb's request, Tamar Lewin, then 47, was added to the team to focus on broader, industry-wide issues.

Lewin's addition allowed Eichenwald and Gottlieb to focus on investigating alleged improper payments to doctors and hospital administrators, on documenting Columbia's carrot-and-stick incentives programs to push administrators to hit financial targets, and on assessing whether such incentives ever tempted administrators to cut corners on the quality of care at Columbia hospitals. The last inquiry proved especially difficult. Although the reporters uncovered several anecdotal horror stories—a neonatal intensive care unit in Indiana, for instance, had become so life-threateningly understaffed in 1996 that state health inspectors intervened and fined Columbia—they could draw no generalizations about the overall quality of Columbia's 343 diverse hospitals. "In the end, we could not conclude that the quality of Columbia's care was markedly different, for bad or for good, than other [hospitals]," Eichenwald acknowledges. As they eventually reported, Columbia scored well on the yardsticks of minimal quality tracked by the hospital industry's accrediting agency. (Criminal investigators are now scrutinizing whether Columbia filed false records with that agency.)

THE REPORTING PROCEEDED SLOWLY, FITFULLY, AND chaotically. In one month, Eichenwald says, he traveled to 11 different cities. Both reporters marvel at the time, latitude, and resources the newspaper gave them to explore. "There was never a sense from the *Times* of, 'Okay, when are you gonna deliver?'" says Eichenwald. "It was, 'When you're ready, let us know.'" As a result, he continues, "you had the ability to say, 'Let's go down this avenue,' knowing that if it didn't pay off, that wasn't necessarily the end."

They went down lots of those avenues. Gottlieb headed to South Carolina and Eichenwald to Texas, researching Columbia's political lobbying and political action committee fund-raising—an aspect of the story that never saw the light of day. Gottlieb and Eichenwald spent a week in Destin, Florida, and Gilmer, Texas, respectively. Columbia had acquired a community hospital in each town and then closed both, forcing residents to use a Columbia hospital in the next town. In Gilmer, an asthmatic child had died in a medical emergency that arose shortly after the local hospital was shuttered, leading to recriminations over whether he might have survived had it remained open. "They were both great stories," says Gottlieb of the Destin and Gilmer hospital closings. "I had boxes of stuff on Destin."

But neither story was ever published. Recognizing that two stories would be too much, Gottlieb agreed his research should give way to Eichenwald's account of the fresher events in Gilmer. Editors eventually cut the Gilmer story, too, due to concerns about fairness. Columbia could make an arguable case, Eichenwald explains, that the community was simply too small to support its own hospital. Even when Eichenwald tried to reframe the story as a generic one about the problems facing rural hospitals, he continues, the story still "would be looked on as an indictment of Columbia, which we weren't

**TO THE TOP MEDICARE
REGULATOR, THE MOST
IMPORTANT REVELATION
UNEARTHED BY THE
TIMES'S WORK NEVER
FOUND ITS WAY INTO THE
PUBLISHED SERIES.**

prepared to make.” (The *Times* declined to permit its highest-level editors to be interviewed by *Brill's Content*, citing concerns over preserving legal privileges.)

An intriguing subject that did win space in the final series was the practice known as upcoding. “I was hearing early on from some nonprofit hospital people,” says Gottlieb, “about the potential to ‘upcode’—to bill the government for something more than what you were treating the patient for.” In an effort to rein in the cost of hospital care, the Medicare agency reimburses inpatient hospital treatment on a fixed-fee basis rather than on the more generous cost-based system used to cover outpatient visits. The amount of the fixed fee hinges on which of the approximately 490 diagnoses—each with its own numerical code—a hospital claims the patient suffers from. Upcoding is the practice by which an unscrupulous administrator assigns patients to more lucrative codings than are appropriate.

One day, when Eichenwald and Gottlieb were in a hospital together, they asked the employees determining the codes about the issue. “And one of them said, ‘Yeah, when Columbia took over, they gave us a list of these focus codes they thought could be boosted up,’” Gottlieb recalls.

Based on a second coder’s tip, Gottlieb asked Vladeck, the head of the Medicare oversight agency, to check whether a small Columbia hospital in Spring View, Kentucky, showed signs of upcoding. Vladeck ran analyses on that hospital and four nearby non-Columbia hospitals and returned to Gottlieb with some startling results. The “numbers are definitely a source of concern,” Vladeck told Gottlieb.

In 1995, the Columbia hospital in Spring View had reported treating 191 patients with the most grave (and, therefore, the highest-priced) strain of pneumonia-related illness and only ten patients with less serious conditions. In contrast, at four non-Columbia hospitals, the less serious cases greatly outnumbered the more serious ones, 263 to 117. After obtaining these results from Vladeck, Barbanel then ran far more extensive analyses, using his own data, of hospital coding practices throughout Florida and Texas. Again and again, he found Columbia patients were apparently suffering from significantly more remunerative illnesses than were patients at non-Columbia hospitals. (In an interview with *Brill's Content*, former Columbia general counsel Stephen Braun says, “It might have been a situation where our coding was right and the others’ were not. A lot of hospitals don’t get what they’re entitled to.”)

For Vladeck, Gottlieb’s inquiry about Spring View was eye-opening. In the course of responding to it, Vladeck says, he learned that his agency had stopped requiring subcontracting firms to ferret out upcoding abuses because of budget cuts. The reporters’ conclusions spurred him “to institute a set of policies nationwide” to monitor coding more vigilantly, he says.

That was not the only instance in which Gottlieb’s research had an immediate impact on Vladeck’s agency. In fact, from HCFA’s perspective, Vladeck says, the single most important revelation unearthed by the *Times*’s work was one that never found its way into the published series.

During their probe, Eichenwald and Gottlieb brought to Vladeck’s attention evidence that Columbia was aggressively using an obscure provision in the Medicare law concerning depreciation adjustments. The accounting rules allowed the company to seek Medicare reimbursement for a sizable portion of its costs in acquiring other hospitals. Vladeck hadn’t known about the widespread abuse of the provision until then, he admits. He and President Clinton then asked Congress to plug the loophole, which it did in the Balanced Budget Act of 1997. The government later determined that the loophole had cost Medicare about \$122 million in 1996 alone.

“There was a temptation to print that as of the day we had it,” Eichenwald recalls, “and maybe we should have.” Still, he and Gottlieb held off, planning to include it in the Columbia series. But when they did try to describe the depreciation rules in their early drafts, editors kept tripping over the passage, finding the discussion too technical. What’s more, because the loophole had been exploited by other private, for-profit

Columbia founder Rick Scott: His plan sounded good—cut costs while assuring proper care.



In Hospital Sales, an Overlooked Side Effect

By TAMAR LEWIN
with MARTIN GOTTLIEB

When the not-for-profit Goodhart Hospital in Dickson, Tenn., was sold to a for-profit chain in 1998, the title to a 7,000 people ended up with a brand new \$80 million charitable foundation.

In Palm Beach County, Fla., the John F. Kennedy Medical Center is now a for-profit enterprise, too. But the community got a \$120 million charity in return.

And in Denver, the sale of the R-Medical Center spawned a foundation with \$170 million in good works.

The creation and donors for one of the

HEALTH CARE DIVIDEND

A special report.

has remained upon the success of the recent boom in the conversion of not-for-profit hospitals into corporate profit centers.

In just the last three years—with the Columbia/HCA Health-care Corporation leading a re- profit hospital to 100

organizations, has become the largest transfer of charitable assets in history—nearly \$9 billion in all. And more conversions are likely on the way, as not-for-profit hospitals find that they need to become part of larger enterprises to survive the cut-throat competition for business contracts.

companies besides Columbia, it was not clear that it fit into a story focusing on Columbia. “Finally, we took it out,” says Eichenwald.

Meanwhile, Barbanell’s analysis of the federal billing data was generating further results. By the end of July, he could see that, despite Columbia’s reputation for providing quality care at low prices, treatment at Columbia facilities was generally more expensive than at competing facilities. In Texas, the cost to Medicare for a patient’s course of treatment, from the time of hospitalization until 30 days after discharge, was 9.5 percent higher than at non-Columbia facilities, after adjusting for differences in the severity of illness. Treatment in Columbia outpatient facilities after discharge was especially expensive, costing about 23 percent more per patient. As the *Times* later wrote, “The course of care for patients treated at Columbia hospitals [in Texas] in 1995 cost Medicare at least \$48 million more than if the care had been billed at the state average.”

“That was really breakthrough time,” crows Eichenwald. “We were getting to the point of understanding the company. Suddenly the blasé assurances that you could have your cake and eat it, too—that you could have the highest-quality medical care at a lower price than anybody else and 20-percent growth a year—started to make sense,” he says. “They charge more.”

Later that summer, Eichenwald and Gottlieb interviewed top Columbia executives at the company’s boxy, unpretentious headquarters in Nashville. In a draining series of interviews that lasted two days, Eichenwald and Gottlieb met with numerous officials, including chairman and CEO Rick Scott, president and chief operating officer David Vandewater, senior vice president for operations and finance Samuel Greco, senior vice president for marketing and public affairs Lindy Richardson, and senior vice president for government relations David Manning. (Manning declined to be interviewed by *Brill’s Content*; Vandewater and Greco did not return repeated phone messages. Richardson declined to be interviewed at length, stating she was considering writing her own article.)

Gottlieb already had met with Scott once before, in March. Having expected to confront a swaggering captain of industry, Gottlieb was taken aback by Scott’s soft-spoken, even-tempered style. “He’s a completely engaging guy,” says Gottlieb.

During the August interviews, Gottlieb says, Scott maintained that same unflappable composure. But other executives did not respond so well, he says, especially when Eichenwald was doing the questioning. “Kurt has a very direct manner of interviewing,” says Gottlieb. Both reporters say they believe Columbia’s officials incorrectly assumed that

Eichenwald, because of his aggressive manner, was more skeptical of the company’s claims than Gottlieb. The reverse was often the case.

Indeed, Eichenwald recalls going into the main interviews expecting to hear Columbia propound a defense that he would have considered quite persuasive: that the problems the reporters were finding resulted from a temporary inability to achieve complete control over its far-flung, hastily assembled empire. “I was prepared for them to [say,] ‘The things you’ve shown us are deeply distressing, and that’s not the Columbia way, but come back and see us in a year and we’ll have everything in place.’ . . . And if they had said that, you know, that’s a good argument.”

But that argument was not made. Instead, Eichenwald and Gottlieb heard explanations they found vague, non-responsive, or incredible. Eichenwald left Nashville more troubled by Columbia’s culture than he had been upon his arrival: “It was clear to me that what we had was a system of, ‘We will pay you a lot of money if you hit your numbers; we will fire you if you don’t; and we’re not going to ask questions about how you do it, because we’re an entrepreneurial company, and we want everyone to be entrepreneurial.’ ”

In the months afterward, the reporters had extensive communications with Columbia, continually sharing Barbanell’s statistical results so the company could challenge, critique, or respond to them. “It’s part of reassuring yourself that what you’re doing is reasonable,” Barbanell says.

As Barbanell refined his data analyses, Eichenwald strengthened the story through conventional reporting. Although the reporters had, by this time, amassed statistical data suggesting wrongdoing at Columbia, they had yet to unearth any evidence to cast doubt on the honesty or integrity of any high-level executives. But in the final three months of 1996, Eichenwald tracked down three instances of just that—each of which raised questions about Scott himself.

One lead came from a suit filed against Columbia by a radiation oncologist in Texas. Tape recordings that emerged in court appeared to have captured a senior Columbia official secretly making an improper business overture to the doctor’s partner and advising him, “If you’re subpoenaed, you can deny it.” Other documents in the case suggested that Scott had personally approved the improper deal. Eichenwald found a second troubling item in a Citicorp bank loan file. Papers in the file indicated Scott had told his bankers that Columbia’s doctor investments would boost patient admissions—presumably by inducing referrals—and then wrote letters to a congressman denying the investments would have any such impact. Finally, in December, Eichenwald obtained a copy of a February 1996 internal memorandum from a joint federal-state criminal investigation in Florida detailing allegations that Columbia officials (including, in one

The Cost of Good Journalism

Based on discussions with reporters and editors, *BRILL’S CONTENT* came up with estimates of how much *THE NEW YORK TIMES* spent over a 17-month period to publish its four-part series on Columbia/HCA Healthcare Corp. The costs included:

- Salaries of four dedicated staffers (two for 16 months, one for 11 months, one for ten months) \$390,000
- Share of salaries of senior editors, graphics personnel, stringers, researchers, in-house counsel \$90,000
- Benefits expenses for personnel \$95,000
- Computer data collection and analyses and other extraordinary expenses \$20,000
- Reporters’ travel expenses \$30,000
- Total **\$625,000**

instance, Scott himself) had attempted to bribe administrators at hospitals Columbia sought to acquire by offering them jobs and other perks.

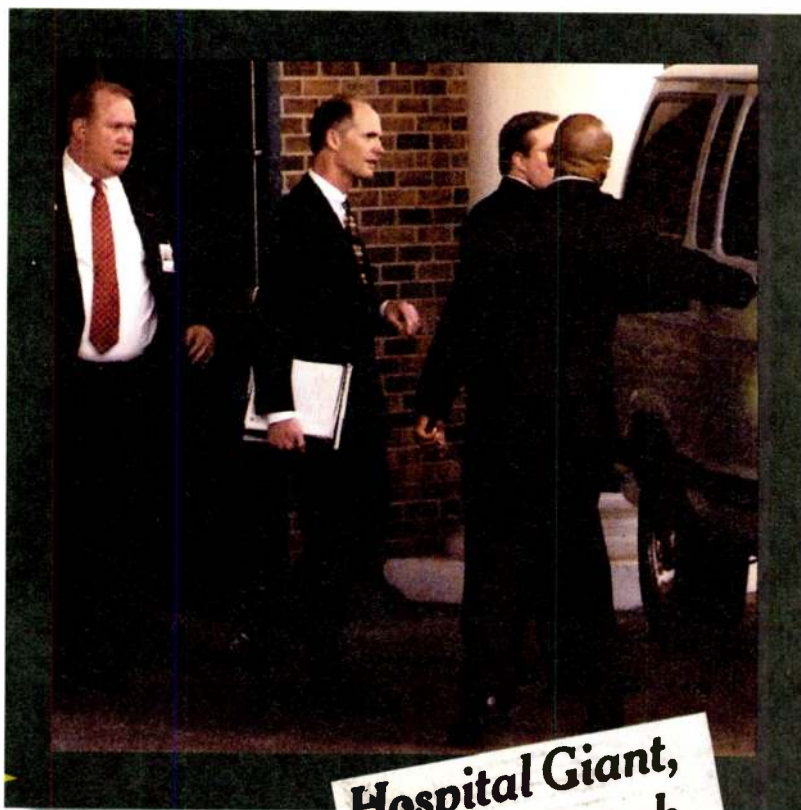
BY JANUARY 1997, GOTTLIEB AND EICHENWALD BEGAN pulling together the results of their sprawling investigation. The task proved maddeningly difficult. "This thing went through five or six top-to-bottom rewrites," says Gottlieb. The chief hurdle was that most *Times* readers had never heard of Columbia, since it operated no hospitals in New York, Connecticut, or New Jersey. The reporters therefore had to present a mountain of explanatory material before they could reach the heart of the matter: that evidence suggested Columbia was breaking the law. While the paper's business readers would have been familiar with Columbia, these stories were not slated for the business section. "You have to raise the accessibility many, many levels when it's on the front page," explains Eichenwald.

The logjam broke dramatically on the March morning when federal agents searched Columbia's El Paso hospitals. The raids instantly solved the problem of finding a peg for the series. "In the barest, most essential journalistic terms, it gave us a hook," says Gottlieb. Events had written the initial headline for them: **Biggest Hospital Operator Attracts Federal Inquiries.**

The first story in the series, a 3,607-word, front-page article focusing on allegations of illegal conduct, appeared nine days after the raid, on Friday, March 28. The second, a 3,537-word, front-page piece on the controversies surrounding doctor investments, ran April 6. Lewin's 3,714-word, front-page article, detailing the questionable diversions of charitable assets that took place when for-profit chains acquired non-profit hospitals, appeared on April 27. The final installment, a 6,020-word story about Columbia's "brass-knuckle" tactics, was published on the first page of the business section on May 11. The last three stories ran in the Sunday *Times*, which has a national circulation of 1.6 million, compared to the daily's more regionally concentrated readership of 1.1 million.

"Beyond exhaustion" is how Gottlieb remembers feeling by the time the final article came out, 17 months after the investigation began. He was grateful, he recalls, to be able to turn to his new duties as deputy culture editor, a post he had taken in January 1997. After the series ended, Barbanel and Lewin also were engaged in new projects. For Eichenwald—whose wife was then pregnant—there would be no rest for the weary. Columbia had turned into a running story, and it fell to Eichenwald to cover it. Working alone in the subsequent months, he kept his paper a step ahead of *The Wall Street Journal* on most of the breaking news, though the *Journal* deployed at least seven veteran reporters to cover Columbia.

Today, Columbia is under federal criminal investigation for allegedly filing fraudulent annual cost reports; fraudulent laboratory billing practices; improper financial relationships with doctors; fraudulent diagnostic coding practices, such as upcoding; and fraudulent filings with the hospital industry's accreditation agency. The company is also under scrutiny by the Securities and Exchange Commission and faces dozens of private civil suits. Although some analysts have recently turned bullish on Columbia, in the hope that regulators will allow it to pay a manageable fine and move on, the company acknowledges in its public filings that setbacks in its various legal pro-



Hospital Giant, Under Attack, Sets Shake-Up

By KURT EICHENWALD
The Columbia/HCA Healthcare Corporation, responding to a wide-ranging criminal investigation, plans to drastically alter or abandon many of the business practices that helped make it the world's largest health care company and a leading advocate of medical care for profit. The changes, described in internal

ceedings could have a "materially adverse impact on the company's liquidity, financial position, and results of operations"—in other words, its survival.

In the end, the achievement of the *Times* was not in pinpointing the precise forms of wrongdoing in which company officials may have engaged, but rather in exposing Columbia's diseased corporate culture, despite the shield of respectability its size and wealth had conferred upon it.

What Eichenwald is most proud of, he says, is the fairness and restraint of the project. "There's a reality here," he says. "When you're writing about a public company, you're talking about an entity that is the employer of a lot of people—a central portion of thousands of people's lives. . . . If you just go for a story out of competitive concerns, or out of any reason other than 'This is true,' then I don't think you've lived up to your duty as a reporter."

Gottlieb hopes the story might make a broader contribution, beyond what it revealed about Rick Scott's Columbia. "I always felt it was absolutely fair game for the media, the think tanks, and the health care experts to take hard looks at the Clinton health plan," he says. What has now effectively replaced Clinton's plan—turning over the problems of health care to giant hospital chains, for-profit insurers, and managed-care entrepreneurs—has not yet received equal attention, according to Gottlieb. "Even though there's been no formal declaration, this is the health care policy of the country," he says. "It needs the same scrutiny anything coming out of Washington needs. If we gave it that, I think we performed a service." ■

Scott (above) shown leaving Columbia's May 1997 annual meeting. Two months later, after the *Times* series, an embattled Scott resigned.

The first in a series about how people in diverse fields use media. Here, we track two Wall Street pros: One a long-view money manager, alienated from the frenzy of information; the other, his stock trader, hard-wired to the digital world.

HEARD, SEEN, AND GLEAINED ON THE STREET

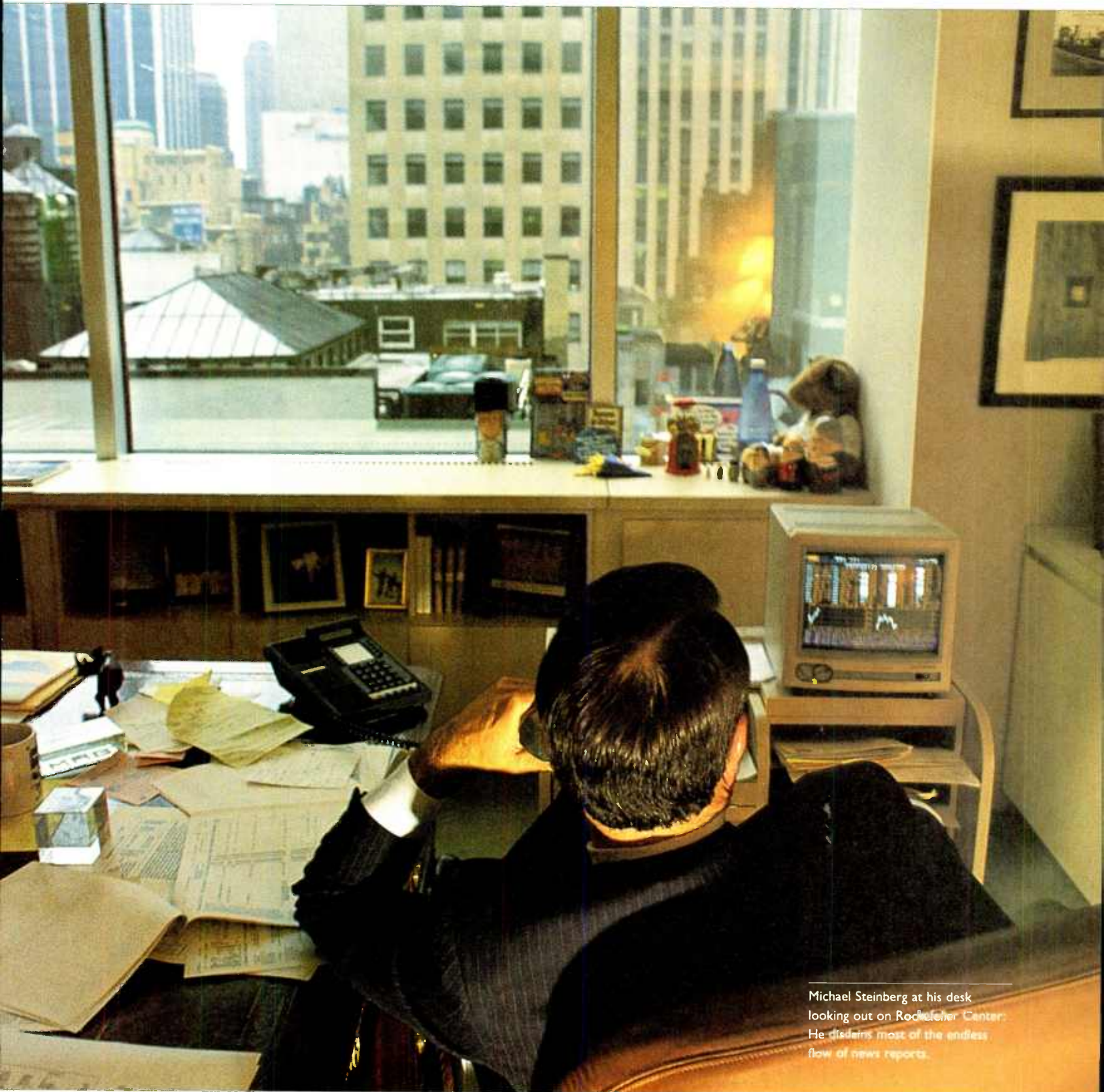
IN THE WORLD OF NEW MEDIA, MICHAEL STEINBERG PROFITS MOST FROM old media. It's Saturday, and after a week of CNBC stock market chatter and flickering Bloomberg screens, Steinberg is nestled in the book-lined den of his Manhattan town house with *Foreign Affairs*, a pre-television, pre-computer journal that began as a quarterly in 1922 and still comes out only six times a year. Steinberg is reading an article about energy in Asia, bolstering his belief that natural gas is a good investment.

From *Foreign Affairs*, Steinberg turns to an even older pre-tech publication, *Barron's*, the rough-hewn, anti-slick financial weekly from Dow Jones. Steinberg smiles at vintage columnist Alan Abelson's musings on the proposed Citicorp-Travelers merger, then examines the latest "sentiment" surveys—polls

BY DAVID McCLINTICK

PHOTOGRAPHS BY MARK PETERSON/SABA





Michael Steinberg at his desk looking out on Rockefeller Center. He dismisses most of the endless flow of news reports.

[MEDIA DIET]

of institutional investor attitudes signaling, Steinberg believes, that the current phase of the strongest bull market in history is near its end.

Putting periodicals aside, Steinberg picks up *The Hostage Brain*, a recent book about brain research out of Rockefeller University that could have financial and commercial ramifications. He reads for two hours. The Mitsubishi television set across the room remains off.

At a time when television and computer screens spew more financial news and information more rapidly than ever before, the 55-year-old Steinberg gets his best investment ideas from older, slower, more elemental forms of communication—reading reflectively on a range of subjects, many of them not explicitly financial, and conferring privately with people all over the world who are expert in fields that interest him. The exploding new media of instant financial journalism, Steinberg has found, are all but irrelevant to the decision-making processes that rank him among the top money managers in the nation.

“These new media don’t change plain-vanilla investing,” he says. “It’s never been easy, and it never will be.”

Steinberg acknowledges, however, that today’s information universe, where everything from futuristic software to retro gossip columns can move stocks, is worlds apart from what it was three decades ago when his career began. A week spent with Steinberg and his head securities trader—who embraces the same new media that Steinberg shuns—reveals a lot about how Wall Street professionals sift, weigh, and deploy the relentless flood of information that engulfs them.

“IT’S ALL SILLINESS,” STEINBERG SCOFFS, GLISTENING WITH sweat as he passes the two-mile mark on his treadmill, Steinberg gazes across his home gym at *Squawk Box*, the

morning chat show on CNBC. “They rarely have anything of substance to say,” Steinberg grumbles as the talkers dissect the big news of this Easter Monday, April 13, the mergers of NationsBank with BankAmerica, and Banc One with First Chicago—deals together valued at \$90 billion. The new wave of consolidation in the financial services industry began a week earlier, when Citicorp and Travelers announced that they were getting together in an exchange of securities worth \$70 billion, the biggest single merger in history.

A lithe man with conservatively coiffed brown hair, Steinberg gets his first news of the morning from CNBC, the leading all-day provider of financial and business news on television, in the United States and worldwide. Not an early riser by the dawn-patrol standards of Wall Street, Steinberg usually switches on CNBC around 7:30 A.M., two hours after its business coverage goes on the air. Now, at 8:10 this Monday, he hears the auctioneer cadence of the network’s star reporter, Maria Bartiromo, from the New York Stock Exchange: “We are looking for a big rally for the broader averages. . . . Merrill Lynch earnings blew away consensus numbers.”

It’s white noise to Steinberg, in a sleepy haze on his treadmill. He is thinking macro thoughts: The stock market is in for a significant correction.

Later, over breakfast, Steinberg peruses *The Wall Street Journal*, *The New York Times*, and the *Financial Times*, which are delivered to his doorstep early each morning. He turns first to the *Journal*’s front-page “What’s News” digest, topped today by the bank mergers. Then he scans the global headlines of the *Financial Times*, the salmon-colored British business paper that now markets itself aggressively in the United States. He pages through each paper, paying little attention to market commentary such as the *Journal*’s “Heard on the Street” column unless

it pertains to his investments. It doesn’t this morning. With newspapers bulging with more business news than ever, Steinberg spends less time reading them. He’s busier and has learned to consume information more efficiently.

At 9:30, after a town car ride to his light, cheerful midtown office looking out on Rockefeller Center, Steinberg settles at his antique mahogany partner’s desk and switches on a computer screen encased in a beige metal box bearing the name Bloomberg in gray. “The Bloomberg” is perhaps the most advanced financial and business information system in the world today and a major reason why Steinberg can spend less time reading newspapers. With a few clicks on a keyboard, the Bloomberg subscriber can take the measure, numerically and graphically, of the entire world of finance or any part of it. He can get news from an array of sources around the globe. He can get price quotes and trading patterns from every securities market in the world. He can listen to digital voice recordings of executives discussing their companies. And he can do all this in a small fraction of the time that gathering such information once required. The Bloomberg system, named for its founder, Wall Street entrepreneur

Making rapid-fire trades, Ginny Clark favors a tightly condensed “cheat sheet” that itself summarizes *The Wall Street Journal*’s brisk news digest.





Michael Bloomberg, also distributes information via television, radio, and other media.

The Bloomberg screen tells Steinberg that the world is quiet this day after Easter. Europe is still on holiday. Steinberg has seen nothing on CNBC, Bloomberg, or in the newspapers—no macro event—that directly or immediately affects his business of managing money.

Steinberg Asset Management Company makes long-term investments for approximately 50 clients such as the Xerox pension fund, the Michigan State University endowment, and wealthy families and individuals. Born into a family that has contributed to medical research and the theater for decades, Steinberg started his firm in 1983 after 15 years as a Wall Street securities analyst and portfolio strategist. As of April 1998, Steinberg Asset's securities holdings are worth about \$600 million. They have risen in value 186 percent over the past three years, a growth rate ranked second in that period among 928 money managers tracked by Thomson Investment Software.

Steinberg and his staff monitor about 200 companies, looking for stocks whose market values haven't yet taken account of events or circumstances likely to enhance them, such as new products, new management, or changing market conditions. In 1993, Steinberg paid \$5 a share for stock in Energy Ventures, a drilling pipe concern with a dominant market position, after discerning that a rising demand for energy and a coming shortage of pipe could drive up the price. Nothing happened for a year or so. Then the stock rose more than tenfold before Steinberg sold part of his holding in late 1997; he still owns the rest.

In addition to his management company, Steinberg runs a small investment partnership, or hedge fund, SAMCO Partners, and a brokerage firm, Michael A. Steinberg & Company, that executes securities transactions for clients in the United States and Europe.

OF STEINBERG ASSET'S HOLDINGS, NEARLY 20 percent, or about \$116 million, is invested in just three companies (including Energy Ventures, now named EVI, Inc.) in the natural gas industry. Another 18 percent, or \$108 million, is in entertainment and cable television stocks such as U S West Media Group and Time Warner. One of Steinberg's favored stocks is Seagram, the beverage giant that owns Universal Studios.

"I love the entertainment industry," Steinberg says, sipping coffee and ignoring his Bloomberg screen for the moment. "Many people don't care for the business. I think it's fabulous. Universal is one of less than ten players in the world that can create what they create. The demand for that product as you look ahead, as we globalize, as you look at what's happening in communications, is going to go up substantially." Steinberg sees

*Contributing editor David McClintick, a former Wall Street Journal writer and the author of *Indecent Exposure* and *Swordfish*, won an Overseas Press Club award last year for writing about business.*

Seagram as possibly a \$70 stock within three years. Today, it trades at around \$37. Steinberg Asset Management owns 221,190 shares.

At 10:30, Steinberg's chief securities trader, Ginny Clark, a slim, stylish woman with short ash-blonde hair, enters his office and hands him a note.

"Do you have any interest in that?" Clark asks about a million-share block of TIG Holdings, an insurance company, of which Steinberg Asset Management owns about 790,000 shares worth \$20.7 million.

"I would buy stock—maybe 50,000 shares," Steinberg replies, "but below 26." The block is being offered at 26-1/2. Steinberg, who played golf with TIG's chairman on Saturday, originally bought TIG between \$22 and \$23 and still regards it as a sound investment.

Back in her office a few steps away, Clark programs her Bloomberg to alert her if TIG dips below 26. Clark, a savvy, skilled veteran of Merrill Lynch and Salomon Brothers, was a blackjack dealer and a horse wrangler earlier in life. She and Steinberg have known each other for 30 years.

Although Steinberg and Clark serve a common bottom

"FROM MICHAEL'S POINT OF VIEW, THE MEDIA PROBABLY DOESN'T HAVE MUCH IMPORTANCE," CLARK SAYS. "WITH ME, I LIVE FOR IT."

line, they approach that objective—and their use of instant media and technology—quite differently. As a long-term investor, Steinberg is interested mainly in movements in the securities markets over the next two to four years. As his trader, Clark worries about the next two to four hours. Speed can be critical in reacting to events that may buffet the large, long-term securities holdings of Steinberg Asset Management. "The long term," Steinberg says, "is nothing but a series of short-term events." Minutes can also spell the difference between profit and loss for the Steinberg hedge fund and for its brokerage clients in New York and Europe.

"From Michael's point of view, the media probably doesn't have much importance," Clark says. "With me, I live for it."

Clark's day began four hours earlier in her Manhattan apartment, when she was awakened by a radio next to her bed tuned to WBBR, a 50,000-watt New York radio station that used to play Sinatra music but is now an arm of the Bloomberg information empire. Clark arrived at Steinberg Asset Management at 7:30 A.M. In contrast to Steinberg's office, where the Bloomberg terminal and a state-of-the-art telephone are the only concessions to high technology, Clark's domain is fully wired to the new world of Wall Street. Arrayed before her are six computer and video screens. To her left is a Quotron screen listing about 150 companies, grouped by industry and displayed in green for rising stock prices and blue for falling, giving Clark a sense of broad market movements. In front of her are two Bloomberg terminals. One provides a scroll of news headlines and an encyclopedic array of information on the securities markets. The other lists the Steinberg portfolio, with white markers next to stocks affected by



breaking news anywhere in the world. To Clark's right are an Instinet terminal, allowing Wall Streeters to trade listed stocks off the stock exchanges, and a Gateway 2000 computer programmed to enable a trader to send an order directly to the floor of the New York Stock Exchange without going through a broker.

Above these screens is a Mitsubishi television monitor, which Clark tunes to CNBC immediately upon arriving at the office. The glib, rhythmic urgency of CNBC is the soundtrack of her day. Unlike Steinberg, Clark values CNBC as a source of instant intelligence on the business world. She prefers it to its two competitors, the financial networks of Bloomberg and CNN. Bloomberg Television, says Clark, puts "too much on the screen"—talking heads and large blocks of data at the same time—and she considers CNBC's business reporters, bolstered by the staff of *The Wall Street Journal*, to be savvier than CNN's.

An alliance of NBC and Dow Jones, the nine-year-old CNBC symbolizes the democratization of financial information over the last couple of decades. This morning it corrals the chairmen of the banks involved in the new mergers for comprehensive live interviews before they speak privately to Wall Street analysts. Twenty years ago, they would have briefed the analysts first.

As she listens to the bankers, Clark leafs through a couple of dozen faxes that have been wheezing into her Panasonic fax machine from Wall Street since dawn—stock recommendations from Goldman Sachs, Merrill Lynch, Bear Stearns, Donaldson, Lufkin & Jenrette.

Discarding most of the faxes, Clark focuses on one distributed early each morning by the securities firm of Cantor Fitzgerald & Co. The firm calls the fax "Morning News." Clark

son who is too busy to go through the *Journal*, scanning headlines and reading a few stories, the *Journal* for decades has summarized its contents in two tightly written, front-page columns. Now, for the person who is too busy even to read the *Journal*'s

digest, Cantor Fitzgerald digests the digest in an even tighter summary. This morning the *Journal* devoted six columns to the two new bank mergers. It summarized its stories in 17 lines on the front page. Cantor, using stock market symbols and abbreviations, summarized the *Journal*'s summaries in seven lines:

NB/BAC + merging in a deal worth \$60B;
will be the biggest US bank with \$570B in
assets, and the closest thing to a national
bank.

ONE/FCN + merging in a stock swap valued
at \$30B; deal creates #2 bank credit card
company.

Having glanced at the cheat sheet's digest, Clark will not bother to look at *The Wall Street Journal* itself until later in the day. She rarely reads *The New York Times* financial section.

What does she read weekly or monthly?

"Nothing that makes me any brighter," she says. "I try to be the first one into a stock, and then half a point later I'm selling to the slow guy," a reference to her trading for SAMCO, the Steinberg hedge fund. "So there's nothing I can read to prepare me for that. . . . If you're trading every day, you don't want to think. You want to react intuitively and instinctively. . . . What I do is the complete antithesis of what Michael does."

Last week, Clark bought 5,000 shares of SmithKline Beecham for SAMCO—not because she learned any substantive new information about the company, but only because she learned from the cheat sheet that SmithKline's chief executive would be speaking at a meeting of Wall Street analysts. "He's known for making great presentations," she says. "I think he'll move the stock. . . . I hope to get a point out of it, and that's all I care about."

The market this morning opens down. Using one of her five direct-to-broker phone lines, Clark covers a short position in the stock of Citicorp. She buys Allergan and sells Canandaigua Brands, rarely lowering her eyes from the screens in front of her. She's also monitoring TIG, which is still trading above 26. For a client in Oslo, Norway, who is watching CNBC at home, she buys 10,000 shares of Yahoo!, the Internet search engine whose stock is soaring.

ALTHOUGH STEINBERG AND CLARK SERVE A COMMON BOTTOM LINE, THEIR USE OF INSTANT MEDIA AND TECHNOLOGY IS QUITE DIFFERENT.

calls it her "cheat sheet." "Cheat" implies nothing improper, just the advantage the fax gives its subscribers over those who don't see it. Cantor Fitzgerald circulates "Morning News," which it started four years ago, to about 1,500 fax machines at financial institutions across the country. The firm estimates that 3,000 to 4,000 people see the fax; a new website edition reaches others.

The fax attempts to meet perhaps the most acute need of the busier-than-ever Wall Street trader: hyperbrief, ultrapithy communication of an exploding information universe. The world of business and finance generates runaway quantities of new information each day. Twice as many companies list their stocks on the New York Stock Exchange and in the NASDAQ markets as did two decades ago. The market value of the shares on the NYSE has risen ninefold, and the volume of trading has gone up 18-fold. *The Wall Street Journal* has doubled in pages in the same period. Other newspapers have similarly increased coverage of business.

Cantor Fitzgerald reduces this vast new world to a daily memo of three pages, sometimes two. Nothing is too complex for Cantor to digest in a few lines. It even digests digests. For the per-

MICHAEL STEINBERG SAVES TIME BY NOT READING a number of prominent business publications—*Business Week* and *The Economist*, among them—and by skipping such popular television fare as PBS's *Wall Street Week* and CNN's *Moneyline*. Although he must scan trade publications bearing on his investments, like the *Oil & Gas Journal* and weekly *Variety*, he doesn't enjoy them. He likes *Forbes*, however ("it's idea-oriented"), and now, in the silence of his office, with his feet propped next to his Bloomberg, he is reading bearish

analyses of the financial crises in Japan and Asia in a Princeton Economic Institute journal and a Morgan Stanley Dean Witter weekly newsletter. Steinberg's reading, together with lengthy conversations over the weekend with a business friend just back from Southeast Asia, bolsters his view that the Asian situation is bearish for the American stock market.

"I've never known anybody who could get rich off of any of this technology," Steinberg says, gesturing at CNBC and the Bloomberg screens in Clark's office. "The people who get rich are the people who make the technology, not the people who use it. Traders can use it, but they're not going to get rich. How many rich traders are there?"

"Quite a few," Clark replies. "What do you call rich?"

"Rich," Steinberg says.

Clark laughs. "Maybe we define it differently, Michael."

"They can live comfortably, but that isn't real wealth."

"That's 'rich' to me."

Clark's Norwegian client, a frequent trader, instructs her to sell his Yahoo!. It later rises another two points. The Dow Jones Industrial Average closes up 17.44, at 9012, just 21 points shy of a record. But the market has meandered for much of the day. Without the bank merger announcements, it would have closed down.

"JEEZ, THIS IS REALLY HORRIBLE AND SCARY—IT'S GOING TO make people want to sell," says Ginny Clark's friend, Scott Magill, at her home that evening. Magill, who works for Citibank and has recently returned from a posting in Asia, is reading aloud to her from *The Economist*. "America's trade deficit is likely to widen sharply as a result of problems in Japan and the rest of Asia. . . . The biggest risk to America, and hence to the world economy, lies on Wall Street. It looks dangerously overvalued."

"If I read that stuff, I wouldn't buy anything in the market," Clark replies, stretched out on her sofa with *People*.

"Some unexpectedly bad news from Japan might just be the event that brings investors back to reality," Magill reads.

"I don't want to hear it," Clark says.

"It's so negative for stocks."

"That's why I don't want to hear it."

"But it's the long term."

"I'm not looking long-term. I'm not trying to figure out what's going to happen even a week from now. I'm trying to figure out what I want to trade tomorrow. I thought the market closed well today, and I think it's a buy tomorrow. If I read articles like that, I don't think I'd walk in and buy anything."

THE DOW SURGES 30 POINTS—WELL INTO record territory—in the first hour of trading Tuesday morning. "The really educated, well-read person isn't going to buy this market—it's way too high," Ginny Clark says, scanning her cheat sheet. "But they're not

thinking like the little guy who's watching CNBC all day. He doesn't care where the yen-dollar is. He's seeing everybody making money, and saying I want to make money, too. Every time it's corrected, it's come right back. I'm only looking at what's going to happen between now and the end of the day and maybe tomorrow morning. Michael is looking for a bear market. That's why I don't read the papers. If I read them, I'd be as negative as he is. If I had read that article in *The Economist* last night, I probably would have come in and wanted to short today, and I'd be wrong."

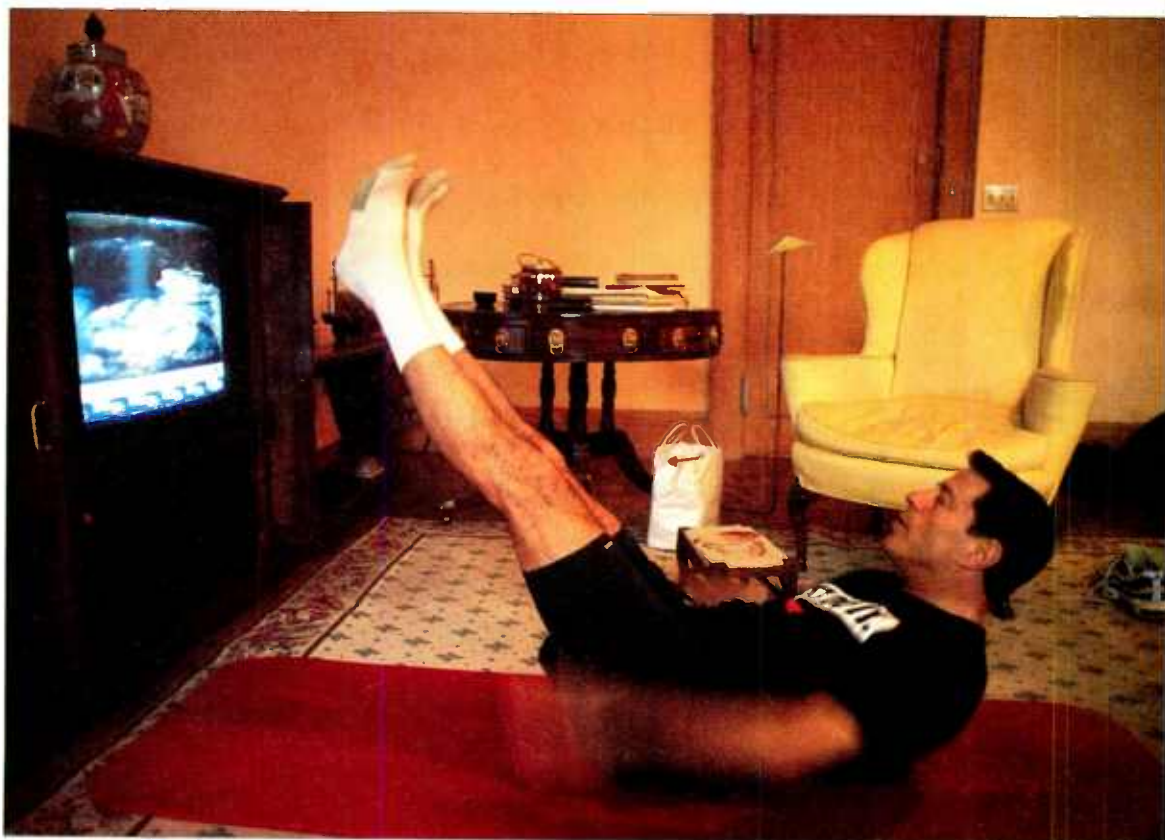
Still holding her SmithKline, she buys Disney, Wal-Mart, Dell, and Boeing for the hedge fund, while monitoring her long-term positions in the Asset Management stocks.

In the silence of his inner sanctum, Mike Steinberg is gazing at his Bloomberg. "If I had to make a living divining the course of the [overall] market, I'd probably be selling apples. But I'm more cautious now than I might normally be. Stocks are up a lot. You can see a lot of things that are about to change."

Steinberg's point-counterpoint with Clark takes him into her trading room. "You look on the screen. The dollar against the yen, the deutsche mark, the Swiss franc," Steinberg says. "The dollar is down against all of them for the first time in a way that feels different." He wanders back to his office. "I don't know whether the market's coming down 7 percent, 10 percent, 20 percent."

"Mike is a real negative person, and he's looking for reasons for the market to be down," Clark says. "I don't look for reasons. That's why the market is still going up. Those are all his concerns, but the public isn't giving a shit about that, and they're the ones driving the market. When I get into a cab, and the cab driver is discussing what stocks he's bought, and when my handyman is asking me what to invest in, and my pool guy says, 'Oh, I

At home, Steinberg works out with the ever-present CNBC on as background noise. He thinks more macro thoughts.



bought two stocks—have you heard of these? I'm going, oh gosh, we're in trouble. But everybody's in it, because it's been such a success story."

"The public *is* the market," Steinberg agrees. "Once you're in a mania, they go on much longer than anybody expects. You don't know when it'll end or what's going to cause it to end. The psychology of the market at the moment is that it's a perfect world and it's going to stay perfect. That's what bubbles and mania are made of. It's dangerous."

Clark sells her Wal-Mart and Citicorp at a profit but loses money on SmithKline, its chief executive's presentation having failed to move the stock. By the end of the day, however, the overall market has closed up 97.90 points, surging above 9100 for the first time.

OMIGOSH!" CLARK GASPS AS SHE CHECKS THE fresh faxes Wednesday morning. "Wait 'til Michael hears this." Pennzoil, of which Steinberg Asset Management owns 187,500 shares, has just issued a release that it will merge its motor oil business, including the Jiffy Lube chain of auto service centers, with rival Quaker State, creating a new firm that could dominate its industry. The announcement, confirming a rumor Clark has been hearing for days, poses a question for Steinberg: Should he buy Quaker State stock to complement his Pennzoil? The decision isn't easy because the deal, as announced, is complex, won't be concluded for months, and faces antitrust scrutiny in Washington.

Quaker State stock opens down, its potential value unclear to the market.

"I may do something later," Steinberg says when Clark gives him the news. Steinberg is listening on his speaker phone as officials of NCR, a computer and automated teller machine company, inform the Wall Street community via conference call that NCR broke even in the first quarter of 1998 on falling revenue. Steinberg Asset Management owns slightly more than 809,000 NCR shares, with a market value of around \$26 million.

"Pretty weak," Steinberg says at the end of the call. "It's stunning to hear the chairman of the company talk and not have a clearly defined strategy to position themselves. . . . Either they'll be successful in realizing the earnings inherent in these businesses, or I believe somebody's going to come along and break this business up, and you get your value out that way."

Steinberg learned little from the NCR report that he didn't know already. "You come to the office every day and you tread water," he says. "But you've got to tread water so that one day you can take a stroke."

Can Quaker State become a stroke? "To get in on the new company, you buy Quaker State today," he says, telephoning Pennzoil's investor relations officer, whom he questions relentlessly about the proposed merger. The company gives him no "inside information"—nothing it wouldn't give a Wall Street analyst or a journalist asking the right questions. "No matter how much information you have analytically, there are only a few things that matter, and that hasn't changed," Steinberg says.

The Pennzoil conversation suggests to him that the post-merger Quaker State can earn \$3 a share by the year 2000. Its shares "can sell at \$45 or \$50, and the stock's now \$20." The immediate trading pattern, however, is too problematic for



Steinberg to risk making trades for clients of his asset management firm. He decides instead to purchase 5,000 shares for his hedge fund.

"I know it's going up," he tells Clark in the trading room after she executes the order.

"Then we shouldn't be just buying five," she says. "Why don't we buy some more?"

"People are going to put the numbers together and see \$3."

"But they'll buy it tomorrow. They're waiting for somebody to do the numbers for them, because the deal was too confusing."

Steinberg reflects.

"Let's buy 5,000 more now and see what happens," Clark suggests. He agrees and she places the order. They buy a total of 20,000 Quaker State shares for SAMCO for \$19 a share, around where it closes for the day, down more than \$3. Steinberg Asset Management's stake in Pennzoil, meanwhile, has appreciated \$562,500, with that stock ahead \$3.

The Dow sets another record, ending the day up 52 at 9162, further ratifying Clark's decision to disregard her friend's bearish fears on Monday night.

On Thursday morning, the media's analysis of the Pennzoil-Quaker State deal turns out to be superficial. *The Wall Street Journal* and *The New York Times*, as well as CNBC and Bloomberg, fail to penetrate the deal's intricacies. Credit Suisse First Boston, however, issues one of Wall Street's first analyses of the deal and estimates Quaker State's year 2000 earnings at \$1.85 a share, well below Steinberg's \$3. The stock fades further.

"Buy 5,000 more Quaker State when you think it's right," Steinberg tells Clark in mid-morning. With the market down, and Quaker State off another \$1.125, they accumulate 10,000 more shares for SAMCO over the course of the day. An analyst on Steinberg's staff says an antitrust challenge seems unlikely.

On Friday, with Quaker State trading at around \$18, Steinberg and Clark decide the stock has "bottomed" and is a better value than it was at \$20. So they stop buying for SAMCO and purchase 42,500 shares for the Asset Management portfolio. Says Clark: "I don't think the Street understands it as well as Michael does, because people don't do his kind of research."

"WHAT'S GOING ON—YOU'RE DEAD IN THE WATER?" STEINBERG asks the Seagram Company's vice president for investor relations, Joseph Fitzgerald, over salad and tuna sandwiches in the Steinberg conference room early Friday afternoon.

"It's a struggle," Fitzgerald replies. "We're just gonna have to throw down some good numbers, particularly at Universal. . . . The performance has been abysmal."

Seagram's stock has been drifting in the 30s in a strong up market, partly because of Universal Studios's poor performance. Several recent movies, including *Primary Colors*, have failed at the box office. Four executive heads have rolled in recent days, under pressure from Seagram chief executive Edgar Bronfman, Jr., but the top executives are still in place.

"What's the problem and who's responsible?" asks Steinberg, seeking insight he couldn't get from the news media.

"Ultimately, Ron Meyer, who's the president of all of Universal, and Casey Silver, who's the president of the motion picture group, have to bear responsibility for the creative malaise that they're in," Fitzgerald says.

"The real question is prospective," says Steinberg. "There's nothing in the record to suggest that this is the guy [Meyer] to make this thing what you'd like it to be."

"That question is being asked very seriously," says Fitzgerald. "Not to imply that there's a noose around his neck as we speak, but it's been extremely disappointing, if not embarrassing. Edgar is aware of this. . . painfully aware. Edgar is not sheltered."

Clark enters the conference room and hands a note to Steinberg, who directs a startled look at Fitzgerald. "You're trading's been halted," Steinberg announces. "There's an imbalance of buy orders." Fitzgerald looks like a deer caught in headlights.

When a sudden influx of orders in one direction—buy or sell—makes orderly trading in a company's stock impossible, the New York Stock Exchange stops trading while trying to determine the reason for the influx. Trading halts are unusual in stocks of companies the size and liquidity of Seagram.

"What's going on?" asks Steinberg. The stock already has climbed three points before the halt.

Fitzgerald disclaims knowledge of any corporate developments that might explain the influx of buy orders. He excuses himself from the meeting to rush back to his office, which, his secretary informs him, is being flooded with calls from Wall Street.

"I'm really pissed," Steinberg says. "I would just like to have been able to go through the exercise analytically. . . know that we have a reasonably good shot at a double" in the stock price.

In the trading room, Clark hears from a Wall Street source that a gossip column in yesterday's *New York Post* reported a rumor that Barry Diller and DreamWorks would take over Universal.* Although gossip columnists dating back to Walter Winchell occasionally have moved stocks, nobody in Steinberg's office saw the *Post* story, and there is no mention of it on the Bloomberg.

Diller is assuming control of Universal's television operations, and the rumor that Bronfman might try to lure him to take over the entire company makes sense to Steinberg. The *Post* column, which turns out to be "Neal Travis' New York," speculated that Diller might combine in a Universal venture with David Geffen, Steven Spielberg, and Jeffrey Katzenberg, whose new DreamWorks studio is thought to be off to a slow start. Travis alluded to *Variety's* Peter Bart, who had mused in his Monday column that Diller might even push Bronfman out of Universal.

"One of us should have seen this or known about it," an angry Steinberg says. He rarely reads the *Post* or its tabloid rival, the *Daily News*, even though both have beefed up their coverage of business, especially media companies.

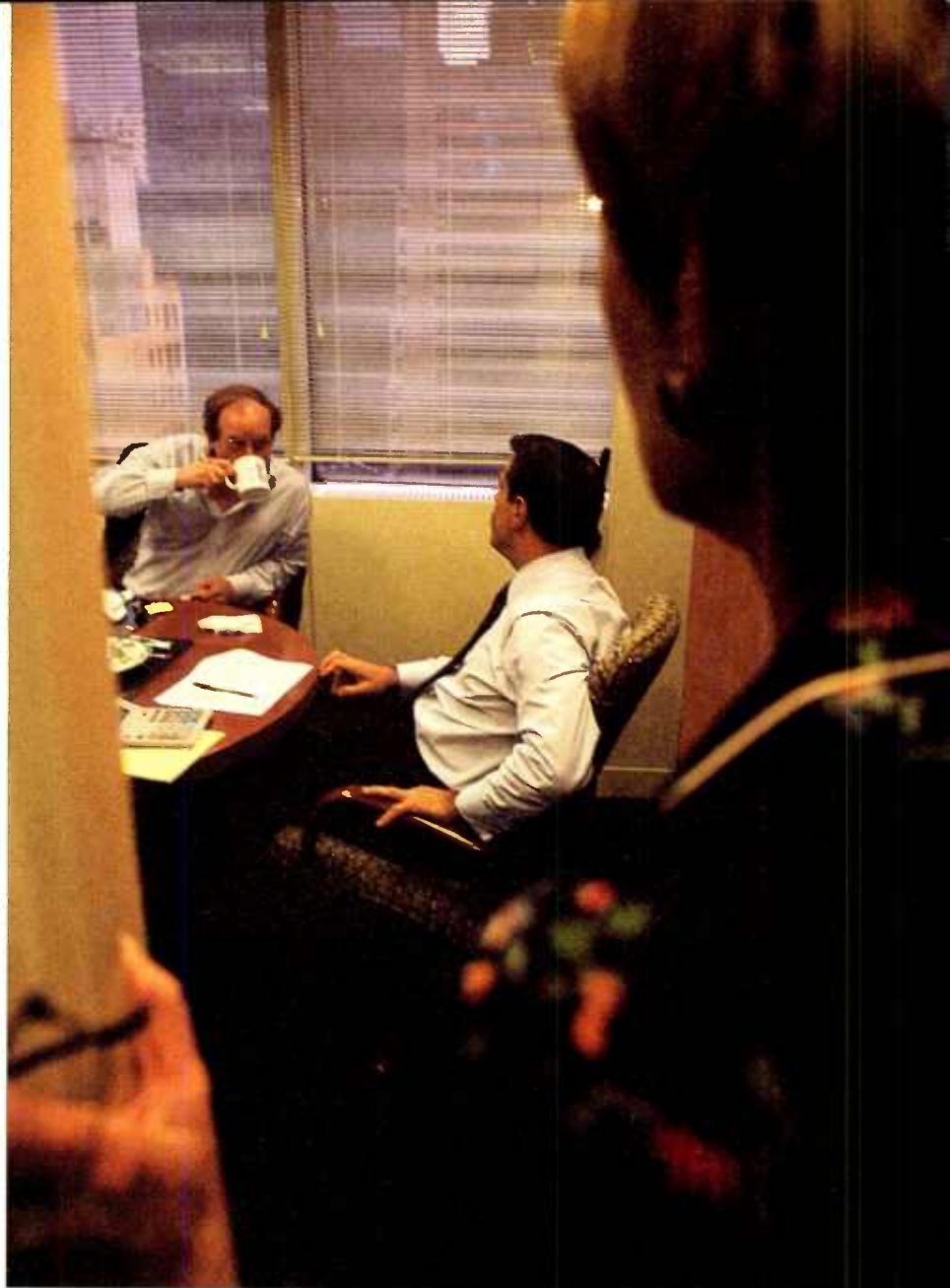
Clark calls the information gap "the worst nightmare. You used to have time to do something. Now you don't have that time." Seagram finally announces it has no news pending, and nearly two hours after the halt, the stock exchange allows trading to proceed. The stock reopens at 40, on heavy volume.

"It was much ado about a small order imbalance," Fitzgerald tells Steinberg by phone.

"What's really going on?" Steinberg asks. "Did you see the piece in the *Post*?"

"Yeah. It was patent bullshit. It's a gossip column, for crissake." Fitzgerald says Diller has turned down previous offers to run Universal.

*Barry Diller is a minority investor in the partnership that owns this magazine.



"Well, is it good gossip or bad gossip? Why isn't it good gossip?"

"We've got nothing to say," Fitzgerald says. "No comment. But the no-comment is in no way meant to be evasive. The no-comment is accurate." Universal and DreamWorks issue denials of the *Post* story.

Steinberg asks Clark to buy 60,000 shares of Seagram for the Asset Management portfolio, swelling its holding by 27 percent, to 281,190 shares. For the week, the market values of Steinberg Asset and SAMCO's portfolios have risen modestly.

Before leaving for the weekend, Steinberg discards extraneous reading matter, mostly Wall Street research: Goldman Sachs on "Asset Management in the 21st Century: New Rules, New Game" (50 pages); Salomon Smith Barney on the publishing and entertainment industries (120 pages); PaineWebber on the lodging industry and real estate investment trusts (44 pages); and Credit Suisse First Boston on housing (51 pages).

Steinberg is savoring instead the new issue of *Foreign Affairs*. And he looks forward to buying *Barron's* at his corner newsstand in the morning. "It's fun," he says. ■

Steinberg meets with Seagram's Joseph Fitzgerald to discuss the beverage and entertainment company's languishing share price.

As consolidation in book retailing accelerates, the blessing of Barnes & Noble's top book buyer, Robert Wietrak, can be the key to an author's fortunes.

The **POWER** Behind The **STACKS**

EVERY SO OFTEN, A TANTALIZING BOOK COMES across the desk of Daniel Simon, owner of Seven Stories Press, an independent publishing house in Manhattan.

Dark Alliance, based on the controversial *San Jose Mercury News* series that accused the Central Intelligence Agency and the Nicaraguan Contras of peddling crack cocaine in South Central Los Angeles, was such a book.

The key to its success, Simon was convinced, would be a hefty purchase order from the superstores of Barnes & Noble, Inc., the country's biggest bookseller. And that meant he needed a lunch date with Robert Wietrak, a vice president of merchandising whose title does not hint at his true influence.

For three months, Simon tried to arrange a lunch so Gary Webb, the book's author, could meet Wietrak. But the hoped-for meeting never took place because of scheduling problems. "Our fortunes are somewhat dependent on Barnes

& Noble," says Simon, "and because of a missed lunch date we may be getting too low a buy from them.

"There's an etiquette," Simon explains. "Having lunch [with Wietrak] means a several-thousand book order. It can make or break that book." (Simon says he had been hoping for a combined initial order from the Barnes & Noble superstores, and the company's smaller B. Dalton outlets, of between 5,000 and 6,000 copies; he got less than half of that.)

Such is the perceived power of Bob Wietrak, who has the final say over most of the mainstream books—in categories like fiction, mystery, romance, sports, and self-help—stocked by the chain's 481 superstores. As the bookselling industry becomes increasingly consolidated, more and more buying decisions are falling into the hands of fewer and fewer people. "It used to be that book-buying decisions were made by thousands of sales representatives meeting with thousands of booksellers around the country," says Colin Robinson, pub-

BY RIFKA ROSENWEIN

PHOTOGRAPHS BY KENNETH CHEN

World Radio History

Barnes & Noble



The man behind the titles: Chief buyer Robert Wietrak stands in the window of a Barnes & Noble superstore in the Chelsea section of Manhattan.

lisher of Verso, a small press with offices in New York and London. "It was a rich and diverse purchasing base. That's been replaced by a much more centralized system, which means a much less rich and diverse base."

At the top of this publishing food chain stands Barnes & Noble. The New York-based company accounted for 13 percent of the 1.06 billion consumer books sold in the U.S. in 1996, according to statistics from the bookseller and the American Booksellers Association, respectively. In the industry's fastest-growing category—the superstore—Barnes & Noble operates more than double the 207 stores run by its closest competitor, Borders Group, Inc. And within the superstore division, Wietrak wields enormous influence over not only which books are bought and in what volume, but also over where those books are positioned in stores and how heavily they are promoted.

Wietrak says he does not attempt to foist his own tastes on the world. He obeys a different force—the desires of his

skills; his students included veterans, non-English speakers, and poorly educated convicts bused in from a local prison.

In July 1977, having moved to Florida, Wietrak decided it was time for a career change. He walked into a Waldenbooks in Hollywood and told the manager, "I would like to be a bookseller."

In a later interview, Wietrak elaborates: "I loved hanging around bookstores as a kid. I would watch the booksellers. I liked the one-on-one communication they had with me."

Wietrak still gets animated when discussing his seven years as a hands-on bookseller. "I've always been a reader," he says, "and that to me was the most fun: giving someone a book. Nothing sells a book like somebody handing it to you and recommending it." He recalls one customer who would drive in from a neighboring Florida town each Saturday because Wietrak would have five books ready for her, chosen on the basis of what she had confided in him about her likes and dislikes. And every weekend, she'd grade his choices from the previous Saturday.

After a year working for publisher Macmillan & Scribner as a marketing manager, Wietrak joined Barnes & Noble in 1990. He's worked in the company's New Jersey distribution center and in its B. Dalton mall-store operation. His promotion to the superstore division came in September 1997,

Wietrak and his crew wield enormous influence over not just which books Barnes & Noble purchases, but over where those titles are positioned in the stores and how heavily they are promoted.

customers. "His personal interest is in books that sell," says Spencer Gale, of the National Book Network, which represents small- and medium-sized publishers in their dealings with bookstores and wholesalers.

But part of what makes Wietrak so successful is that many of his own tastes mirror those of his customers'. He adores Oprah Winfrey, reads health and diet books for pleasure, and revels in simply watching customers browse through his stores. And his pop-culture antennae help make him a master at divining the prospective top-sellers on a publisher's list—some even before he has read them, as was the case with John Grisham's breakthrough novel, *The Firm*.

"What I like best about him, given how much power he wields, is that he carries his scepter very lightly," says Laurence J. Kirshbaum, chief executive officer of Time Warner Trade Publishing, home to Warner Books and Little, Brown. "He's very down-to-earth and modest. He still has a sense of wonder about the business."

WIETRAK, A SOFT-SPOKEN, SELF-EFFACING man of 50, resembles neither a bookworm nor a publishing mogul. His passion for books dates from his childhood, when, each Friday, his mother would give him a Golden Books title. Wietrak grew up the oldest of three children in Meriden, Connecticut, where both of his parents worked in a nearby silver factory. After receiving a bachelor's degree in history from the University of Connecticut in 1971, Wietrak joined a government-sponsored program to teach communications

and he's already had an impact.

You can thank him for some of the flood of recent books about the *Titanic*. Robert Miller, head of Disney Book Publishing, says Wietrak was the inspiration for his company's decision to reissue a hardcover edition of a 1992 book, *Titanic: The Illustrated History*, in time for the movie's release last year. So far, Disney has sold 57,655 copies of the new \$39.95 edition. Wietrak also urged Disney to publish *Last Dinner on the Titanic*, a recipe book that has sold 67,716 copies.

Wietrak was bullish on the subject even when the Hollywood buzz machine, in the months preceding last December's opening, was predicting that *Titanic* would be a \$200 million bust. "Books on the Titanic have been published for years and have always sold well at Barnes & Noble," he says. "While it is true that the movie, in early summer, was getting some negative publicity, we in the book business have seen that even if the movie is not a success, the books often are. Case in point is *Midnight in the Garden of Good and Evil*, by John Berendt, where the movie was given mediocre reviews but the book got a surge and became one of our top-ten non-fiction titles for 1998."

Wietrak's ability to sense a book's hit potential was apparent shortly after he arrived at Barnes & Noble, when Grisham's *The Firm* was about to be published by Doubleday. In the late 1980s, while still at Waldenbooks, Wietrak had been the buyer on Scott Turow's best-seller, *Presumed Innocent*, and had been impressed by the water-cooler talk it generated. "So when *The Firm* came in, in '91, I knew lawyer books could sell," he says. "But Scott only came out with a book once every three years. The Cold War was over. So what would be next?" He decided it just could be Grisham. "It had all the reasons to work—good reviews, other people reading it and telling me how good it was, the genre was hot, the publisher was a really good publisher. They were really behind it."

Contributing editor Rifka Rosenwein was most recently senior editor at the TJFR Business News Reporter. She previously was a reporter at The American Lawyer and The Wall Street Journal.

Wietrak also has a yen for celebrity books. "Publishers know that and try to get him involved in that," says a former Barnes & Noble employee who worked with Wietrak and requested anonymity. "He *loves* Oprah." Wietrak once flew to an American Booksellers Association dinner in Chicago just to witness the introduction of a new Oprah book, even though Barnes & Noble was not a convention participant, Miller recalls.

"I'm in awe of the person," Wietrak says of Oprah. Her *Make the Connection*, written with her trainer, Bob Greene, is not just a diet book, he says: "It's inspirational." Wietrak's hunch about what could be seen as a vanity project paid off. The book has sold more than two million copies overall, and Barnes & Noble accounted for a "substantial" piece of that, according to Disney's Miller.

Wietrak keeps up with the national *zeitgeist* by consuming all sorts of media in huge helpings. He wakes up every morning at 3 A.M. to watch television and read magazines. "I tape *Oprah*. I tape *Rosie O'Donnell*. I have every magazine," he says. If an author he is interested in is on any other major talk or newsmagazine show, he'll watch those, too. He considers this all part of his job. "I do it so I can know stuff," he says. "It helps me. I do it for work, but I love to do it."

David Cully, president of Barnes & Noble Distribution and the man who was instrumental in hiring Wietrak eight years ago, recalls 3 A.M. e-mails from Wietrak raving about something he had seen on *Larry King Live* that might help market one of their books.

Wietrak's day begins with a 6 A.M. visit to the gym, and he is at his office across from the original Barnes & Noble store on lower Fifth Avenue in Manhattan two hours later. He scans the previous day's sales information, and, on most days, visits at least one Barnes & Noble store to study the customers and scrutinize the books on display.

During an early May interview in his modest office—filled, not surprisingly, with books and a few photographs (including one of him with author Jackie Collins)—Wietrak nervously untwists a succession of paper clips and discusses his book interests.

He's mainly partial to nonfiction books and is "fascinated" by diet and health books. About three years ago, Wietrak lost 60 pounds following the regimen prescribed by Dr. Dean Ornish in *Eat More, Weigh Less*. He remains enthralled by the subject of losing weight and staying healthy, and believes his fellow baby boomers feel the same way. He also enjoys history, biography, and memoirs. (*Angela's Ashes*, by Frank McCourt, and biographies of Lena Horne and Josephine Baker are among his recent favorites.)

But Wietrak says he never lets his own interests get in the way of his buying decisions, deferring instead to the eight national, category-specific buyers who report to him. "I haven't sat with 20 sales reps this month to look at the cookbooks, so I don't know and I'm not an expert in the area," explains Wietrak. "They're the experts." He says he tells his buyers, "If you think this is great, then we are buying it. We're going with you."

So when fiction buyer Sessalee Hensley wanted to champion Elizabeth Berg's *Talk Before Sleep*, or boost the national profile of a regional writer like Jan Karon (author of *At Home in Mitford* and *A Light in the Window*), Wietrak went along. Berg's book became a best-seller, while Karon is one of Barnes & Noble's top ten novelists when it comes to selling backlist books, an industry term for an author's still-in-print work that is more than a year old. (Such books represent 70 percent of Barnes & Noble's sales, Wietrak says.)

The former Barnes & Noble employee confirms Wietrak's decentralized management style, as do most of the

Publishers often pay for the privilege of being featured on a "New Releases" table in a Barnes & Noble store.



publishing executives interviewed for this article. This, of course, belies Wietrak's more informal involvement in many decisions. "He has some of the longest tenure in the business, and he's been on both sides of the fence," notes his old boss, David Cully. His colleagues "use him as a resource. A lot of people are constantly asking him, 'What do you think?'"

Wietrak usually gets involved in decisions about individual books only when they stand out, usually because of the size of the order. "Anything over 20,000 books purchased, he's in," says the former Barnes & Noble employee. Titles from such publishing titans as Tom Clancy and Michael Crichton fall into this category, as do books expected to appear on *The New York Times* best-sellers list.

Wietrak's crew doesn't do all of the buying for Barnes & Noble's superstores, which carry more than 175,000 titles from more than 10,000 publishers. Two other merchandising managers, below Wietrak in the hierarchy, oversee four buyers apiece. One group buys literature, poetry, drama, and scholarly works; the other focuses on business, computer, and reference books. At B. Dalton, which encompasses the 520 smaller stores within Barnes & Noble, Inc., there are about another 16 buyers. And there are buyers at both divisions who focus on children's and specialty books.

Nevertheless, publishers deem it vitally important to stay in touch with Wietrak. His group handles the biggest-selling categories; an enthusiastic reaction from Wietrak will often translate into a bigger buy from B. Dalton. "I try to have dinner with him a couple of times a year," says Warner's Kirshbaum. "If I think something's awry [with a purchase order placed by a buyer], I'll call him on a book."

Having a chain such as Barnes & Noble on one's side is a necessity in today's publishing world. In 1996, the latest year for which statistics are available, the eight largest bookstore chains controlled 25.6 percent of the American bookselling market, while independents had an 18.6 percent market share, according to a study by the publisher-supported Book Industry Study Group. (Just six years ago, independents surpassed the chains in market share, 24.9 percent to 24 percent.) The rest of today's pie is split among book clubs (18 percent), discount stores (8.7 percent), warehouse clubs (6.2 percent), food and drug outlets (4.7 percent), and used bookstores (3.6 percent).

When asked how he and his assistants decide which books to buy and in what quantity, Wietrak takes out some notes and play-acts the buying session: "What is different about this book?" is his first question. He has to compare a

new tennis book, for example, with the four other tennis books already in stock. "Is my subject trending up or down?" he asks. If it's on the rise, he will order more books. If it's a book from a previously published author, he will look at that person's track record. Although Wietrak insists previous sales figures play only a small role in the purchasing decision, stories abound of authors being urged by publishers to use pseudonyms on succeeding books if their first ones have sold poorly, lest the chains shun them. Wietrak says such tales are apocryphal: "We judge each book on its own merits."

After one of his buyers decides he likes a book, Wietrak steps in to help determine Barnes & Noble's handling of the purchase. "What are the publisher's expectations for this book?" he asks. "What are their marketing plans? What do you want to do in our stores for this book? And [maybe] it's not for all the stores. Would you put one book in 1,000 stores or 10 books in 100 stores?"

Since bookselling is an intensely local business, according to Wietrak, Barnes & Noble tailors its purchases accordingly. Many books start out in one region and then expand nationally through word of mouth. *Sugar Busters*, a diet book self-published in 1995 by four Louisiana authors, sold exceptionally well in the Southeast. In 1996, just 12 of those regional Barnes & Noble stores accounted for 90 percent of the 36,000 copies sold by the chain. After being alerted to the sales spurt by a B. Dalton buyer, Ballantine, a major publisher, bought the book's rights and poured money into marketing. It is now a national best-seller.

Certain books—those Wietrak deems "important," from critically acclaimed writers such as Don DeLillo—will get orders of between 10,000 and 20,000 copies, said the former Barnes & Noble employee. A Tom Clancy thriller will typically receive an order of 100,000 copies.

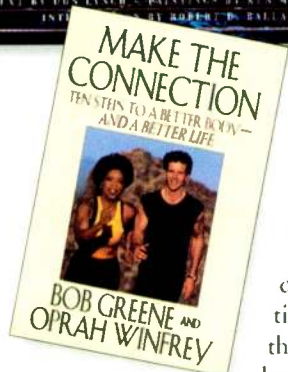
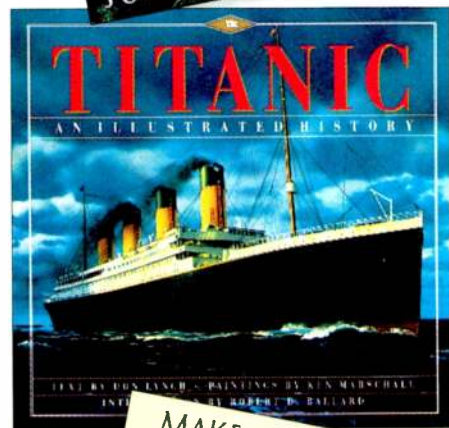
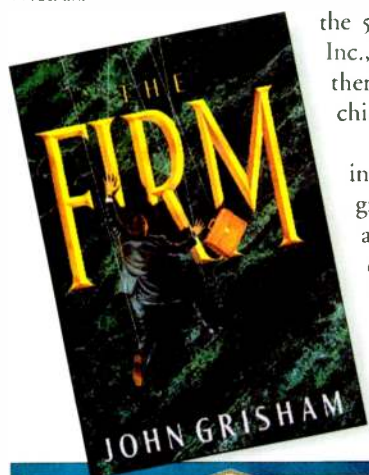
"More and more, the media is very, very key to alerting customers," Wietrak adds. "The publisher tells us when an author will be on a major TV show, like *60 Minutes* or *Prime Time Live*," and that will play into his decision-making. "Oprah, of course, is the queen."

But Wietrak is not just stocking the commercial wonders and the high-profile authors. As Barnes & Noble has expanded its number of superstores and moved into the on-line retailing world, the company has been able to stock more titles from small- and mid-sized publishers. Consumers have responded to the greater choice in a way Barnes & Noble can understand: They're buying more of those books. Five years ago, the top ten publishers accounted for 75 percent of the titles purchased by Barnes & Noble; today that number stands at 46 percent. So keeping the smaller publishers happy is good business.

"Barnes & Noble has been very easy to deal with; they're always accommodating," says John O'Brien, publisher of Dalkey Archive Press, a nonprofit literary house in Normal, Illinois. "They could eliminate a small press. They could push aside a small press and say, 'Just send us your catalogue.' But they see it as good business."

To help promote new writers, Barnes & Noble has at least a dozen staffers from various departments (including the buying group) sift through publishers' submissions and choose writers to be featured in store displays under a "Discover New Writers" sign. Dalkey Archive Press's O'Brien recalls that last year, Hensley, the fiction buyer, took a personal interest in Scott Zwirn's *God Head*, a book about depression. "She was

These three books owe part of their success to the publishing savvy of Robert Wietrak.



instrumental in getting the book into the 'Discover' program" because a friend was suffering from the disease, says O'Brien. That led to a 2,500-book order (42 percent of the 6,000 print run) and prominent display space at Barnes & Noble. The first run sold out and Dalkey Archive Press printed another 2,000.

But Simon, of Seven Stories Press, complains that too often Barnes & Noble's handling of books does not distinguish between the blockbuster and the title that needs time and word-of-mouth to attract an audience. "They're too much of a retailer and not enough of a bookseller," he says. "They order a lot, then after three months, they return them. I can't tell you how much pain this causes a publisher." (In the book-publishing business, retailers receive books on consignment; once the books are returned, they're unlikely to be sold, and the publisher has to eat the cost.)

Simon's recent experience with his company's *The More You Watch, The Less You Know*, by Danny Schechter, confirmed his perception. Barnes & Noble did not order the book at first, but once the media began hyping this jeremiad against television news, the bookseller asked for an order of 1,000 copies. At first, all was fine, says Simon. The book got face-out treatment, so customers could see the whole book jacket and not just the spine. "But after three, four months, they return it. They treat it like a celebrity bio," which is usually hot for a short time, says Simon. "None of our other accounts do this. It's in and out with Barnes & Noble."

Wietrak denies this charge, arguing that Barnes & Noble's overall return rate of 19 percent is well below the industry average of 36.3 percent for hardcover titles and 25 percent for trade paperbacks (the pricier kind sold in bookstores, not in mass-merchandising outlets like drugstores and airport kiosks). "As this is a returnable business, there will inevitably be returns on residual inventory," he says. But despite the chain's better-than-average showing, it still falls short of independents such as City Lights, a well-known book store in San Francisco with a miniscule average return rate of 2.8 percent.

Wietrak and his buyers are also involved in determining which books—often for a fee—get the best display in their stores. Publishers routinely pay for the privilege of being promoted by Barnes & Noble and other chains through the use of what are called "co-op dollars." Both Wietrak and publishing executives are uncomfortable talking about this arrangement, but it is a long-standing practice, mostly among larger chains. "The interior of the store is for sale," says John Oakes, publisher of Four Walls Eight Windows, a small press in Manhattan.

(One of the reasons many in the industry are reluctant to discuss co-op dollars is because of a pending suit against Barnes & Noble and Borders. The American Booksellers Association, in conjunction with more than 20 independent bookstores, alleges that the chains are using their clout with publishers to obtain preferential treatment, such as extra discounts and better payment terms, thereby endangering the future of the independents. A Barnes & Noble spokeswoman says it will "vigorously defend" itself against the charges.)

Co-op dollars work like this, says Barnes & Noble's Cully: Say the chain bought \$1 million worth of books from a pub-

lisher in 1997. This year, that publisher has to rebate between 2 and 4 percent of the total to Barnes & Noble, and the pool of money is used for advertising the publisher's upcoming books. Although the retailer and the publisher together concoct the promotional ideas, the publisher must approve the plans before they're implemented.

Barnes & Noble charges anywhere from about \$400 for a spot in its catalogue to \$35,000 for a package deal that may involve placing the book near the front of the store during Christmas and advertising it in Barnes & Noble newspaper ads.

Most of a store's prominent spots are bought with co-op cash, such as those books stacked up near the cash register, piled on tables, or featured in the store's "Discover" section of new writers. Sometimes it can get "a bit crass," says the former Barnes & Noble employee; even the little standees that sit on the tables of the stores' cafes can feature ads.

Oakes says he was asked for about \$3,000 to put a book into the "Discover" program—a price he could barely afford. But Seven Stories Press's Simon says that because his publishing house is small, Barnes & Noble is more generous. "Often,

Every Monday morning, publishing executives call Wietrak for a schmoozefest, to find out how their own books are faring, and to gossip about the business. "They like to talk about what's hot," he says.

with us, they won't take co-op money," says Simon.

Wietrak disputes the notion that publishers can pay to be featured prominently in his stores. "We're the driver," he says. "We're the ones who go to the publisher and tell them we want to promote a book." Of course, when a major publisher is putting all its marketing muscle behind a book, Barnes & Noble is unlikely to insist otherwise, says the former employee.

Wietrak also maintains that individual stores have a "significant amount" of autonomy, running promotions for local authors or local events. The former Barnes & Noble staffer confirms that this is so; he says only about 10 percent of the overall store space is dictated from New York. Window displays, he adds, are not usually "for sale" with co-op dollars, and individual stores get to tailor their look to local interests.

In all co-op dealings, and in the other decisions that go into choosing and promoting a book, Wietrak acknowledges that he is "the point person." So every Monday morning, top publishers call him for a schmoozefest, to find out the weekly sales figures for their own titles and for some big books put out by their competitors. "They like to talk about what's hot," Wietrak explains.

"What was the number one book?" publishers will ask him on a Monday morning, says Wietrak. "'Christopher Reeve,' I'll say," referring to the paralyzed actor's memoir that was released this spring. "And they'll say, 'Why do you think that happened?'"

He confidently ticks off the reasons; ironically, the medium that was supposed to have killed off reading is the one he cites most. "Well, Barbara Walters last Friday, Oprah Monday, *Today* show Tuesday and Wednesday, Larry King Tuesday night. How could you not love this man? And his wife is magnificent." ■



Independent
Counsel Kenneth
Starr in a rare
public session
with the press.

RICHARD ELLIS/SPY/MA

PRESS

WHAT MAKES THE MEDIA'S PERFORMANCE A TRUE SCANDAL, A TRUE EXAMPLE OF AN INSTITUTION BEING CORRUPTED TO ITS CORE, IS THAT THE COMPETITION FOR SCOOPS SO BEWITCHED ALMOST EVERYONE THAT THEY LET THE MAN IN POWER WRITE THE STORY—ONCE TRIPP AND GOLDBERG PUT IT TOGETHER FOR HIM.

BY STEVEN BRILL



It began with high fives over the telephone. "It's breaking! It's breaking! We've done it," Lucianne Goldberg screamed into her phone in Manhattan to her son in Washington. It was 7:00 A.M., Wednesday, January 21.

"This was my mom's day," says Jonah Goldberg, 29, referring to the controversial New York literary agent who had now shepherded the Monica Lewinsky story into the world's headlines and onto Independent Counsel Kenneth Starr's radar screen. "Here was everything we'd done since the fall breaking right there on *Good Morning America*, with Sam Donaldson standing in front of the White House and George Stephanopoulos talking . . . impeachment."

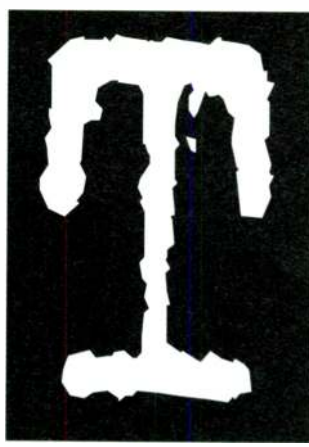
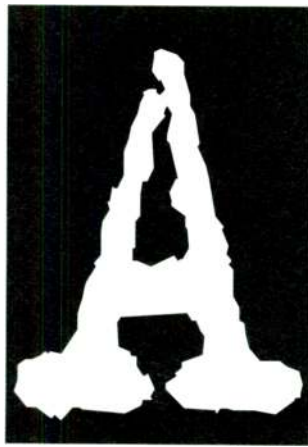
"For five years I had had all kinds of Clinton stories that I had tried to peddle," Lucianne Goldberg recalled during a series of interviews. "Stories from the state troopers, from other women, you name it. And for five years I couldn't get myself arrested. Now I was watching this [and] I was lovin' it. Spikey and Linda and us had really done it."

"Spikey" is Lucianne Goldberg's pet name for Michael Isikoff, the relentless *Newsweek* reporter whose stories about President

Clinton's alleged sexual misconduct—from Paula Jones to Kathleen Willey and now to Monica Lewinsky—had led the way on this sometime lonely beat. "Linda" is Linda Tripp, the onetime White House secretary now known more for taping than typing. For four years she had been a frustrated client of Goldberg's, hoping to sell a White House scandal memoir.

As of this morning, Tripp, under Lucianne Goldberg's tutelage, had constructed the material for Isikoff's greatest scoop—often according to his probably unwitting specifications. The two women had even steered it in a way that now allowed Ken Starr to hone in on the president and the intern. Then, by leaking the most damaging details of the investigation to a willing, eager press corps Starr was able to create an almost complete presumption of guilt. Indeed, the self-righteousness with which Starr approached his role—and the way he came to be able to count on the press's partnership in it—generated a hubris so great that, as detailed below, he himself will admit these leaks when asked.

The abuses that were Watergate spawned great reporting. The Lewinsky story has reversed the process. Here, an author in quest of material teamed up with a prosecutor in quest of a crime, and most of the press became a cheering section for the combination that followed.



As such, the Lewinsky saga raises the question of whether the press has abandoned its Watergate glory of being a *check* on official abuse of power. For in this story the press seems to have become an *enabler* of Starr's abuse of power.

An examination of the Lewinsky story's origins and a day-by-day review of the first three weeks of the media coverage that followed, suggest that as it has careened from one badly sourced scoop to another in an ever more desperate need to feed its multimedia, 24-hour appetite, the press has abandoned its treasured role as a skeptical "fourth estate." This story marks such a fundamental change in the press's role that the issues it raises will loom long after we determine (if we ever do) whether the president is guilty of a sexual relationship with the intern, obstruction of justice, or both.

Looking For A True Crime Story:

It started with the 1993 death of Deputy White House Counsel Vincent Foster, Jr. In some anti-Clinton circles, Foster's suicide became what Lucianne Goldberg calls "the best true crime story out there. . . . I was interested in getting a book out about Foster's death, and Tony Snow [the conservative columnist and now-Fox newsman] suggested I talk to Linda Tripp."

A veteran government secretary, Tripp, then 43, had been assigned to work for White House Counsel Bernard Nussbaum. Tripp claimed to have been the last person to see Foster alive, and, as with many aspects of her job, she made more of this Jeopardy-like fact than it was worth.

Following Nussbaum's resignation in 1994, Tripp was moved to a job at the Pentagon. She got a raise, but, in terms of status, it was a comedown.

Goldberg was a good match for Tripp. A gravelly-voiced, chain-smoking 63-year-old with a self-described "big mouth," Goldberg is a West Side Manhattanite who takes delight in defying her neighborhood's liberal chic. She runs in conservative circles, makes no secret of her disdain for the president, and her acknowledged past includes doing dirty tricks for the Nixon campaign.

Yet the reception Tripp got from Goldberg was a letdown. "She had been the last person to see Vince Foster, and she hated the Clinton people and told me stories about the clothes they

wore and how they f--ked around with each other. . . . But was that a book? Come on," says Goldberg.

"I kinda liked her," Goldberg continues. "So we kept in touch, and we did put a proposal together."

As *The New Yorker* reported in a February article by Jane Mayer that deserves credit for being the first to spot the Goldberg-book deal impetus for the Tripp-Lewinsky story, the proposal contained a purported but nonspecific chapter on sexual hijinks.

The 'Pretty Girl':

In May of 1996, Tripp told Goldberg about a former White House intern who had been transferred to the Pentagon and was working with Tripp in the public affairs office. "One day Linda called and told me about what she called 'the pretty girl,' who'd become her friend," Goldberg recalls. "She said the pretty girl said she had a boyfriend in the White House. Linda was excited. This might be material."

"A few weeks later," says Goldberg, "Linda told me the pretty girl's name [Monica Lewinsky] and said the boyfriend was Clinton."

But, says Goldberg, "even with proof, which she didn't have, it was just another Clinton girlfriend story. Maybe the girlfriend could do a book, but not Linda."

"I remember for a while my mom thinking Linda could get us Monica as a client," says Jonah Goldberg, a television producer who also runs a Washington office for his mother.

Nonetheless, according to the two Goldbergs, Tripp repeatedly rebuffed their hints that they meet the former intern.

Although Tripp and Lucianne Goldberg kept up their relationship through 1996, Goldberg did not push the book idea. "It wasn't high on my list," says Goldberg. "No one seemed to care about this guy screwing everything in sight."

On The Radar Screen:

Perceptions about the president and sex changed markedly as 1997 began. In January, *Newsweek* published a cover story on the Paula Jones suit declaring that the case deserved to be taken seriously. The *Newsweek* story—along with the Supreme Court's hearing (also in January) of the Jones lawyers' appeal that their case not be delayed until after President Clinton had left office—suddenly made the president's alleged sexual misconduct and his resulting legal troubles topic A.

Isikoff On The Hunt:

Newsweek now allowed Isikoff, its lead reporter on the Jones story, to add the Clinton sex allegations to a beat that already included not only Whitewater, but also the blossoming controversy surrounding the funding of the 1996 Democratic campaign.

A native New Yorker who grew up on Long Island, Isikoff, 46, started in journalism as a reporter for a Washington-based news service initially funded by Ralph Nader. "It was the Woodward and Bernstein era," he says. "Being a reporter was exciting."

For him, it still is. A journalist's version of Columbo, with a perpetually whiny voice and an awkward, nervous look, Isikoff instinctively distrusts power. Now, as he patrolled his

Reporting assistance provided by assistant editor Michael Kadish

Jonah Goldberg:
He calls the
Lewinsky story
a "Goldberg
conspiracy."



expanded beat in early 1997. Isikoff got a tip from one of Jones's lawyers, who had heard that there was a volunteer White House worker who had been groped by the president in 1993 when she'd met with him seeking a job.

Isikoff eventually tracked down Kathleen Willey, and after he had pestered her over a period of several months, she talked about the incident but refused to be quoted. According to Isikoff, Willey suggested that he "go ask Linda Tripp" for confirmation, because Tripp had seen Willey after she'd left the Oval Office on the day of the alleged incident.

Yes, she had seen Willey emerge from the Oval Office disheveled. Tripp told Isikoff, according to his subsequent story. And yes, Willey claimed the president had kissed her and fondled her. But, no, Tripp declared, Willey was not upset; she seemed happy about the president's attention.

Isikoff says that he and his editors were reluctant to go with that confusing account, until they learned in late July that the Jones lawyers had subpoenaed Willey (but not Tripp, whom they did now know about). Now *Newsweek* had a hook—a legitimate more-than-just-sex hook—for the story.

The result, entitled "A Twist In Jones v. Clinton," was a tortured account of the potential role that a new but reluctant accuser, Kathleen Willey, might have in the Jones case. Isikoff quoted Tripp as confirming the incident but disputing whether Willey had seemed unhappy about it.

In the days that followed, Isikoff says, he was surprised that the rest of the press largely ignored the article, seeing it as just part of the detritus of the smarmy Jones suit.

Linda Tripp did not ignore it.

"Linda tends to view her role in things as much more important than it is," says Jonah Goldberg. "And she was both thrilled and terrified by the play Isikoff gave her in this piece. She thought the whole world was now watching her. And she thought she also could now come to center stage with what she knew about Monica."

In fact, according to Isikoff, from the moment he had first talked to Tripp in March 1997 about Willey, "she was telling me that I had the right idea but that I was barking up the wrong tree with Kathleen Willey. She kind of steered me away from Willey."

At a meeting in a bar near the White House in April 1997, Tripp again pushed Isikoff to consider a better story, one about an intern and the president. But Isikoff remained focused on Willey. Why? Because, he says, he knew that there was a link from her to a story that was about more than sex: the Jones trial. He also says that he made no bones about the importance of that link to Tripp.

For Tripp, the motive for filling that need was unambiguous. "I always told Linda that for her to have a real book deal she had to get some of what she knew into a mainstream publication of some kind," recalls Goldberg. "I drummed that into her. Without that, she was just another kook."

According to Goldberg, it was soon after the *Newsweek* article appeared that Tripp—at Goldberg's urging—went to a Radio Shack store and bought a \$100 tape recorder so that she could begin gathering her proof.

The Tapes:

In October, the Goldbergs tried to advance the story by getting Isikoff to listen to Tripp's tapes of Lewinsky talking to her about sex with Clinton. Saying she was Tripp's



"One day Linda called and told me about what she called 'the pretty girl,' who'd become her friend," Goldberg recalls. "She said 'the pretty girl' said she had a boyfriend in the White House. Linda was excited. This might be material."

"media adviser," as Isikoff recalls it, Goldberg invited him to a meeting at Jonah Goldberg's apartment. She told him he wouldn't regret it.

According to all who were present (except Tripp, who would not comment for this article), Isikoff was told Lewinsky's name. Two tapes were on the coffee table. Lucianne offered to queue up the first one.

Isikoff declined.

"I knew that if I listened to these tapes I would become part of the process, because I knew the taping was ongoing," explains Isikoff, who also adds that he was in a hurry to get to CNBC, where he was a paid Clinton sex scandal pundit.

Get Me Something Tangible:

But Isikoff heard enough of a description of what was on the tapes to request more. He wanted "a tangible way to check this out with some other source," recalls Jonah Goldberg. "And he needed more than just sex. He said he needed other sources and he needed for this to relate to something official." Isikoff confirms this conversation.

To Isikoff, he was simply musing aloud about what would make a legitimate *Newsweek* story. To the Goldbergs and Tripp, he was writing out specs. And by the end of October, Isikoff's hopes had been fulfilled on both counts.

First, they produced something tangible. Lewinsky began sending letters and one package to presidential secretary Betty Currie at the White House, allegedly so that Currie could pass them to the president. What was in that package? Tripp and Goldberg told Isikoff it contained a lurid sex tape. Goldberg then told Isikoff how to get copies of the receipts for those letters and the package. It was easy—because the courier service employed by Lewinsky is owned by Goldberg's brother's family.

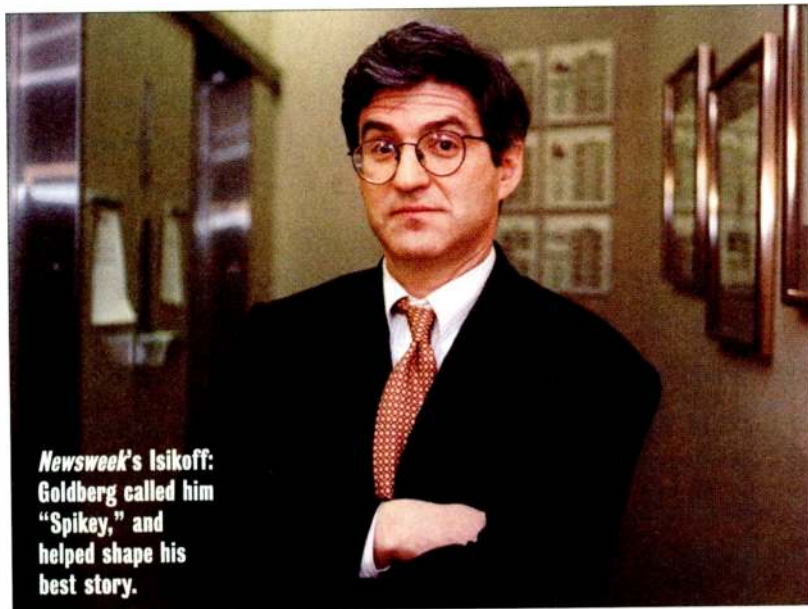
"We told Linda to suggest that Monica use a courier service to send love letters to the president," says Lucianne Goldberg.

“And we told her what courier service to use. Then we told Spikey [Isikoff] to call the service.” (Isikoff says he later found out that the service was owned by Goldberg’s brother’s family, but that for him the only issue was the fact that Lewinsky had, indeed, sent the letters and, in one case, a package that seemed like a tape, according to the courier who delivered it to the White House—and who was made available for Isikoff to interview by the eager-to-be-helpful courier service.)

As for something “official,” Tripp and Lucianne Goldberg told Isikoff that Lewinsky, who was planning to move to New York with her mother, was going to get a job there working for U.N. ambassador Bill Richardson. In fact, Richardson himself was going to meet with the lowly former intern at the Watergate over breakfast in a few days to talk about the job, Tripp and Goldberg reported. In other words, they contended, the president was getting his girlfriend a government job.

“That was interesting enough that we sent a reporter—not me, because I was now recognizable from all my TV stuff—to stake out the Watergate for breakfast,” says Isikoff.

Newsweek’s Daniel Klaidman waited from 7:00 until 11:30 A.M., but Richardson and Lewinsky never appeared. “That real-



Newsweek’s Isikoff: Goldberg called him “Spikey,” and helped shape his best story.

ly worried my editors. . . . We didn’t know that Richardson had an apartment there and they were meeting there,” says Isikoff.

It was at about this time—October 1997—that the new Paula Jones legal team started getting anonymous calls from a woman saying that Linda Tripp and Monica Lewinsky would be well worth subpoenas. Each of what one member of the Jones team estimates were three or four calls got increasingly less vague.

Who made those calls?

“My mom didn’t do it,” Jonah Goldberg says. “Linda did, but I can tell you that she didn’t get the idea on her own.”

Lucianne Goldberg says she isn’t sure Linda called them, “but it wouldn’t surprise me, and it made sense, didn’t it?”

Did Lucianne encourage her to make the calls? “Do you think I had to?” asks Goldberg.

Did she encourage her? “Not exactly, but, hell, I guess you could say so.”

What seems clear is that no one other than one of the Goldbergs or Tripp would have had the knowledge or the

motive to have tipped off the Jones lawyers. And whoever made the calls, they were persuasive enough that by just before Christmas both Lewinsky and Tripp had been subpoenaed.

“That’s when this heated up,” says Isikoff. “When I found out that they had been subpoenaed, I could see the perjury possibilities and everything else. It was starting to be a real story.”

In short, the exact dynamic that had made the Willey tale a publishable story for Isikoff—that it was part of the Jones trial—had now apparently been engineered by the Goldberg-Tripp book-deal team. Moreover, those similarly orchestrated “receipts” from the courier service gave Isikoff the tangible proof he said he needed.

“I guess I’d like to think this was more a Goldberg conspiracy than a right-wing conspiracy,” Jonah concludes when asked about this orchestration.

Monica Becomes Hysterical:

According to the Goldbergs’ accounts of the Lewinsky-Tripp tapes and to Isikoff’s account of the tapes he eventually heard, when Lewinsky got her subpoena in December she became hysterical. On the tapes her hysteria comes off as a fear of how to decide whether to rat on the president or risk perjury—a fear exacerbated by Tripp’s declaration to her that she, Tripp, was going to tell the truth about what Lewinsky had told her about the relationship.

As 1997 drew to a close, Isikoff says he knew he’d be coming back from his Christmas vacation in January to what might be a major story.

‘Clowns In A Car’:

“That first week in January,” recalls Lucianne Goldberg, “we were kind of panicked. You had [Lewinsky] on the phone to Linda . . . saying she didn’t know what to do and that she was gonna sign an affidavit saying she had never had any sex with the president”—an affidavit that Lewinsky did in fact sign on January 7. “And you had Linda worried about her own testimony and about what Isikoff was going to do.”

Goldberg says that Tripp was now worried enough to consult Kirby Behre, the lawyer she had used when she had testified in the Whitewater hearings. But when Behre (who declined all public comment for this article) was told about the tapes, his suggestion, according to Goldberg, shocked Tripp and Goldberg: “He told her he was going to go to Bob Bennett”—the president’s defense lawyer in the Jones case—. . . and get Bennett to settle the Jones case and avoid all this.”

In fact, Tripp and the Goldbergs wanted anything but a settlement that would see Tripp’s cameo role in history evaporate. They were headed in the opposite direction. What they had pushed from a tale about a presidential affair to a story about a new witness in a civil suit they now wanted to push to the next step—a criminal case. “We wanted a [new] lawyer so that Linda could go to Ken Starr,” explains Lucianne Goldberg.

By Friday, January 9, Goldberg had found James Moody, a relatively unknown Washington attorney who had been active in taxpayer rights and other conservative causes.

Tripp Goes To Starr:

Why the rush for a new lawyer? “Because we wanted someone to get the tapes back from Behre so we could take them to Starr,” says Lucianne Goldberg.

In fact, while Moody ended up getting the tapes back quickly (apparently by Monday, January 12), even that wasn't fast enough for Tripp. "Linda," says Jonah Goldberg, "was in a frenzy."

"I told her to call Starr Monday night," says Lucianne Goldberg. "She was afraid Isikoff was going to do a story and she wanted to make sure she got to Starr first. . . . Neither of us wanted Starr to read about her in *Newsweek*. We wanted to be at the center of it."

But didn't her going to Starr also insure that Isikoff would have a story? "Yes, that's true, too," says Goldberg with a laugh. "We knew this would never *not* be a story for Spikey [Isikoff] once Starr had it."

"Linda called Starr's people Monday night," Goldberg continues. "And after a few minutes they asked her where she was, told her to stay there, and piled in a car and drove out to her house. She told me it was like that Charlie Chaplin movie or something with all those cops like clowns stuffed into a car coming out to see her. . . . We never knew they would pounce like that."

Starr says that his staff spent that night and the next day, Tuesday, January 13, debriefing Tripp.

According to Goldberg—who was in contact with Tripp through Wednesday night, January 14—Starr's lawyers and FBI agents told Tripp that they needed more than was on her tapes to prove both the president's alleged effort to get Lewinsky to lie and Washington lawyer and Clinton friend Vernon Jordan's supposed obstruction of justice, via his help getting a job for Lewinsky. Their plan? They wanted Tripp to meet with Lewinsky and wear a wire while she walked Lewinsky through a conversation that they would script.

Getting more about Jordan on tape was crucial for Starr. Because his office had been established to investigate Whitewater, his people had already concluded that extending their jurisdiction to the Lewinsky affair required their arguing that Jordan's role with Lewinsky paralleled his suspected but unproven role in helping disgraced former Associate Attorney General Webster Hubbell obtain lucrative consulting assignments in exchange for Hubbell's remaining silent about the Clintons and Whitewater.

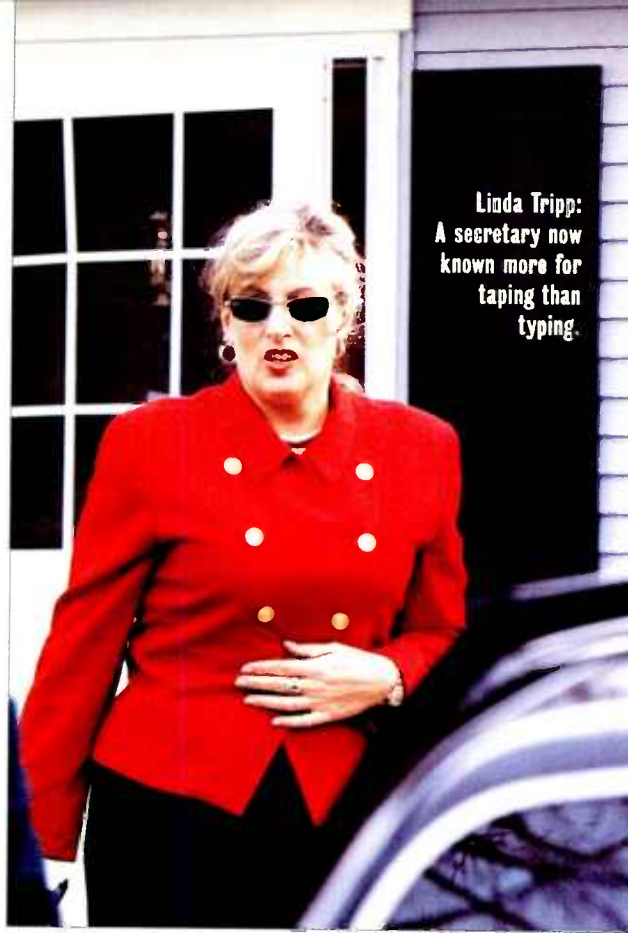
On Tuesday, Goldberg or Tripp (Goldberg and Isikoff won't say who) called Isikoff and told him that Tripp had gone to Starr and that Starr was planning to do his own taping of Lewinsky. "That call knocked my breath out," says Isikoff.

On Wednesday, Isikoff got a full report from Goldberg (according to both) and prepared to confront Starr's office the next day with what he knew.

The Sting:

Later that night, says Goldberg, Tripp told her that "Starr's people were shutting her down . . . she was being moved and her phone number was being changed and all that."

Isikoff says that when he talked to Starr deputy Jackie Bennett, Jr., on Thursday, Bennett begged him to wait until Friday before trying to call Jordan, the White House, or Lewinsky about his story. Why? Because Starr was not only going to confront Lewinsky with the new tape his team had just recorded of her and Tripp as they met in a dining room at the Ritz-Carlton, Pentagon City (in Arlington); they were also going to try to get Lewinsky to wire herself and get Jordan and



Linda Tripp:
A secretary now
known more for
taping than
typing.

maybe even the president on tape obstructing justice. Isikoff says he agreed to hold off in exchange for getting a full report on how the stings had gone. Bennett refuses to comment on any discussion he had with Isikoff, except to say that "what Isikoff knew put us in a difficult position."

Also on Thursday, Starr's deputies met in the afternoon with Deputy Attorney General Eric Holder to request that Attorney General Janet Reno expand Starr's authority beyond Whitewater to include charges of an attempt to cover up Lewinsky's affair with the president. Again, their hook to Whitewater was Jordan's supposed role, a role that was murky at best on the original Tripp tapes.

Now, according to Bennett and to a Justice Department official, the Starr people talked about their own tapes of Tripp and Lewinsky, though no tapes were played at the meeting with Holder.

According to the Justice Department source, while Starr deputy Bennett made much of Jordan's job hunt for Lewinsky, he failed to mention what he knew from the earlier Tripp tapes—that Jordan had begun offering that help at least a month before Lewinsky was subpoenaed in the Jones case. Bennett says he does not remember "if I mentioned that."

Bennett does confirm that he mentioned repeatedly that *Newsweek* was working on an article that would be public by Sunday. "This was meant as a way of explaining why we had to act fast," says a Justice Department participant. "But the way he said it and kept saying it, it also was clear to us that if we turned down the request, *Newsweek* would know about that, too. We had no choice."

Another reason that Reno was in a bind was that under the independent counsel law, Starr could have appealed a turndown to the mostly conservative three-judge panel that had appointed him in the first place. That probably would have meant that

Starr would have gotten his jurisdiction after all, while Reno got a story in *Newsweek* saying she had rejected it.

On Friday afternoon, January 16, Reno approved the expansion of Starr's jurisdiction.

Also on Friday, Tripp met again with Lewinsky at the Ritz-Carlton in Arlington, where FBI agents and Starr deputies descended on the former intern. They stayed with her until late that night trying to get her—and later, her and her lawyer, William Ginsburg (who was conferring with them by telephone)—to agree to help them get Jordan and the president on tape in exchange for immunizing her from a perjury prosecution for having sworn in an affidavit in the Jones case that she and Clinton had not had a sexual relationship. No agreement was reached.

Starr Begg *Newsweek*:

That snag in dealing with Lewinsky forced Starr's people to beg Isikoff to hold off until Saturday before trying to call anyone whom his story would implicate. Any call by Isikoff to the White House or to Jordan asking about the former intern would kill any chance of Jordan or the president being stung by her. "You want to report what you know," Isikoff says. "But you don't want to influence what happens." Isikoff agreed to wait until Saturday (his deadline was Saturday evening), but admits, "This was making me crazy. How was I gonna reach Jordan on a Saturday?"

It was also not clear on Friday that *Newsweek* was going to run any story at all. "New York was sounding like they thought this wasn't enough," says Isikoff, referring to *Newsweek's* New York-based top editors.

"Friday night, Spikey called and told me there were some problems," Goldberg recalls. "But he said it looked like they would go with it."

Soon after that call, Isikoff finally heard some of the original tapes. According to Lucianne and Jonah Goldberg and one source at *Newsweek* in a position to know, at 12:30 A.M. on Saturday, Tripp's new lawyer, Moody, showed up at the *Newsweek* offices with two tapes that he had selected because, he told the *Newsweek* staffers, they most pertained to Jordan and a possible cover-up.

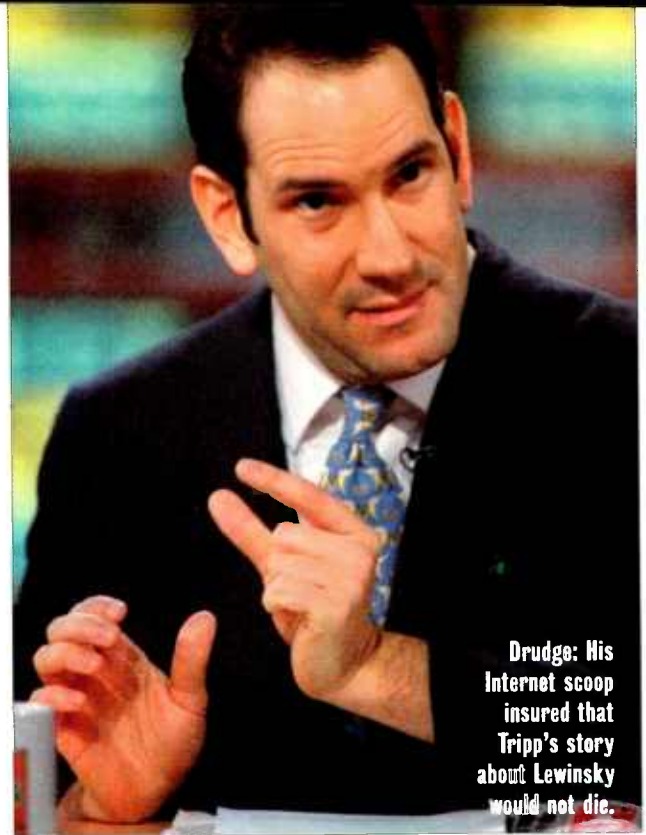
"I had to fight with Moody until the last minute to let *Newsweek* hear those tapes," says Goldberg. "He just didn't get it." Moody says he "never played any tapes for *Newsweek*," but declined to comment on the account by the Goldbergs or the *Newsweek* source that he made the tapes available for them to play.

Lucianne Goldberg says that at her direction, Moody selected the tapes that would most implicate Jordan and the president in obstructing justice, because they contained the non-sex material that Isikoff said he needed to publish a story.

Isikoff, along with Washington bureau chief Ann McDaniel, deputy bureau chief Evan Thomas, and investigative correspondent Daniel Klaidman, listened for four hours as Lewinsky talked and cried and complained about a man whom she called names like "the big creep," but who she clearly meant was the president. The sexual talk was explicit, and it did not seem contrived.

"We were all pretty convinced," says Thomas. "Within five or ten minutes it was clear to everybody that this was compelling stuff."

Nonetheless, Isikoff concedes that the material they had



Drudge: His Internet scoop insured that Tripp's story about Lewinsky would not die.

hoped for about Jordan or the president being complicit in an obstruction of justice just wasn't there.

"What we didn't have here was Monica saying, 'Clinton told me to lie,'" says Isikoff. "In fact, there is one passage where Linda, knowing the tape is going, says, 'He knows you're going to lie; you've told him, haven't you?' She seems like she's trying to get Monica to say it. But Monica says no." That, concludes Isikoff, "made New York real queasy when we told them."

Unknown to Isikoff, while he was listening to the tapes, Tripp had been released by Starr's investigators so that she could go home. Waiting for her there were Jones's lawyers—who were scheduled to question President Clinton the next morning in a deposition. Starr would later tell me that he did not know why she was released from her extensive debriefing at that particular time.

Thus, the president's criminal inquisitors, having just finished with Tripp, had now made it possible for his civil case opponents to be given ammunition with which to question the president in his sworn testimony—from which Starr, in turn, might then be able to extract evidence of criminal perjury.

And we now know that the next morning President Clinton was questioned as closely about Monica Lewinsky as he was about Paula Jones.

On Saturday morning, Klaidman of *Newsweek* found out that Starr had gotten authorization from the Justice Department to expand his investigation to include Lewinsky. "That tipped me off the fence," says deputy Washington bureau chief Thomas. "Just that was a story."

Isikoff, Thomas, and Klaidman were now pushing New York to publish. Meantime, Starr's people again begged Isikoff to hold off, first for a few hours, then for another week.

"What followed," says Isikoff, "was an incredible seven-hour dialogue. It went back and forth. I couldn't believe we were still debating this when I've got to try to reach Vernon Jordan."

'Spiked':

At about 5:00 P.M. *Newsweek* chairman and editor in chief Richard Smith decided to hold the story. Smith's decision, he says, was based on three factors: an uneasiness with what they had heard and not heard about Jordan on the tapes, their inability to question Lewinsky directly, and an inclination to take Starr up on his offer of waiting and not impeding the investigation while also getting a better story. "Hell, it's not like this was the Bay of Pigs," says Isikoff, who argued against delay. "We don't have any obligation to work with the government. This was as much a story about Starr as anything else. And we knew that part cold."

"We talked about just doing an item on the expanded investigation [without naming Lewinsky], but we thought we knew too much for that," says Smith. "It wouldn't have been leveling with our readers."

Goldberg says that she learned from Isikoff at about 6:00 that the story was killed. At 1:11 A.M. on Sunday, Internet gossip columnist Matt Drudge (who the prior summer had spilled the beans on his website when Isikoff's Willey story had been delayed) sent out a bulletin: *Newsweek* had spiked an Isikoff story about a presidential affair with an intern.

Drudge's report made Lewinsky radioactive. She could no longer be used to sting Jordan or the president, and the immunity negotiations her lawyer was having that night with Starr abruptly ended.

Who leaked to Drudge? Although Lucianne Goldberg concedes readily that she took a call from Drudge that night and confirmed everything that Drudge knew, she adamantly denies being his original source and offers an elaborate recitation of the circumstance and time of her conversation with Drudge that evening.

"Besides," she adds, "what Drudge reported wasn't really complete; there was nothing about the sting."

Which is true, but it's also a giveaway, because in fact Goldberg had no way of knowing about the planned sting of the president and Jordan, which means that she seems a likely source. Asked about that, Goldberg laughs and says, "I'm sticking to my story."

As for Drudge, he supplied a similarly detailed explanation of why his source was not Goldberg.

"It would make sense for my mom to have talked to Drudge," says Jonah Goldberg. "She really was mad that *Newsweek* was killing it and she didn't believe [*Newsweek*] would print it the next week. So, she may . . . be afraid to admit it because the leak seemed to blow up in Starr's face even though she had no way of knowing that at the time."

Actually, the leak did work for Linda Tripp and the Goldbergs. For it assured that the *Newsweek* story would be anything but buried.

Sunday Gossip:

At 10:30 Sunday morning, William Kristol, the editor and publisher of the conservative *Weekly Standard* (and Dan Quayle's former chief of staff), who is a regular panelist on ABC's Sunday morning show *This Week with Sam Donaldson & Cokie Roberts*, became the first person to mention the intern scandal on any outlet beyond Drudge. Toward the end of the program, Kristol said: "The story in Washington this morning

Who leaked to Drudge? "It would make sense for my mom to have talked to Drudge," says Jonah Goldberg. For the leak did work for Tripp and the Goldbergs; it assured that the *Newsweek* story would be anything but buried.

is that *Newsweek* magazine was going to go with a big story based on tape-recorded conversations, which [involve] a woman who was a summer intern at the White House."

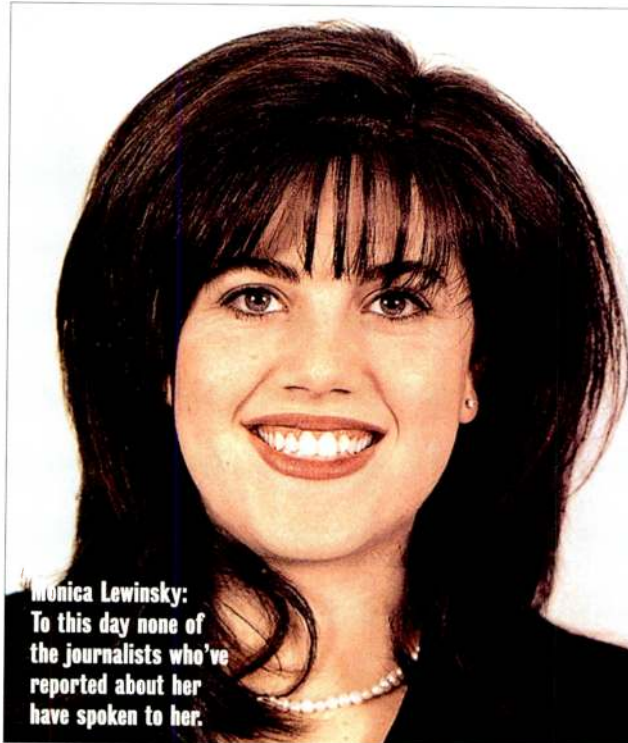
Former Clinton aide George Stephanopoulos, also an ABC pundit, interrupted and said, "And Bill, where did it come from—the Drudge Report?"

As Kristol began to answer, Sam Donaldson jumped in, with what would turn out to be one of the rare moments in the whole intern affair of a TV reporter exercising good on-air instincts: "I'm not an apologist for *Newsweek*," Donaldson said, drowning out Kristol with his trademark voice, "but if their editors decided they didn't have it cold enough to go with, I don't think we can here."

"I hadn't heard anything about Drudge or anything else about this story," Donaldson would later recall. "I just decided we shouldn't go on our air with a story that *Newsweek* had decided it couldn't go with."

But the story had now moved far beyond Drudge, and the race was on to get there first.

The principal contestants were Jackie Judd, a general assignment correspondent for ABC, and Susan Schmidt of *The Washington Post*, with *Time* and the *Los Angeles Times* also in the hunt. What Judd and Schmidt had in common with Isikoff was that they had been covering Whitewater—and Ken Starr and his deputies—for years, when almost everyone else was ignoring that beat. Schmidt recalls that the previous Friday she had



Monica Lewinsky:
To this day none of the journalists who've reported about her have spoken to her.

“heard from sources in Starr’s office something about Vernon Jordan and coaching a witness.” The Drudge item, she says, gave her “more direction.”

“By Tuesday mid-day, Sue Schmidt came to me with an outline of the story,” recalls *Washington Post* executive editor Leonard Downie. “We still waited late into the afternoon and evening,” he adds. “It wasn’t anything we were missing as much as what would make us feel better. We have a high threshold on private lives around here.”

Downie and the *Post*’s top editors stayed through the evening, missing the deadline for the paper’s first edition at about 9:00 because they still weren’t comfortable. Then, says Downie, Peter Baker, Schmidt’s reporting partner on this beat, “reached the wonderful Mr. Ginsburg, who gave us an on-the-record quote about the investigation, including the classic quote about the president either being a misogynist or Starr having ravaged Monica’s life.”

The article finally ran in the second edition, using the words “source” or “sources” 11 times.

Citing “sources” who could only be people in Starr’s office, the article’s fifth paragraph said that Lewinsky can be heard on Tripp’s tapes describing “Clinton and Jordan directing her to testify falsely.”

That is exactly the material that had been missing from the tapes that *Newsweek* heard, which, in part, had caused the magazine to hold its story, as Isikoff concedes. And, remember, Tripp’s lawyer had selected what he said were the most incriminating tapes for *Newsweek* to hear that night.

Which means that this damning material was either on the new tapes that Tripp had just made of Lewinsky for Starr the prior week, or it is the Starr side’s extreme spin on the tapes *Newsweek* heard.

This is not a minor point: The charge that Lewinsky had been instructed to lie was not only the linchpin of Starr’s expanded jurisdiction, but would also be the nub of any impeachment action against the president—and the premise of all of the front-page stories and hours of talk show dialogue that would follow that speculated about impeachment. That such charges would stem secondhand—from one person’s talking on a tape about what other people had said to her—is weak enough. Weaker still is that the only tapes heard by any reporters clearly didn’t say that. In fact, they seemed to say just the opposite. The tapes, if any, that *do* have Lewinsky claiming she had been told to lie were based on a script provided by prosecutors and not heard by any independent party to verify if Lewinsky had said so, or if she was led too far into saying it.

Have That Scotch:

Lanny Davis, then a White House counsel in charge of dealing with press inquiries related to the various investigations of the president, recalls that at about 9:00 that Tuesday night, January 20, he returned a call to the White House from Peter Baker of the *Post*. “I told him he was interrupting a good scotch. He said ‘You’re gonna need that scotch.’ Then he laid it all out for me. It was breathtaking.”

Davis drove back to the White House, where he and other top aides assembled in White House Counsel Charles Ruff’s office and waited for a messenger to bring them the *Post* from its loading dock a few blocks away. By the time the *Post* came out on its website at 12:30 A.M., “all hell broke loose on my

pager,” Davis recalls. “It was surreal. Everyone was calling, and meanwhile Clinton is right below us in the Oval [Office] with [Israeli Prime Minister Benjamin] Netanyahu.”

Over at ABC, Jackie Judd’s story was ready for the 11:30 P.M. *Nightline* broadcast, which meant she would have beaten the *Post*. But *Nightline* host Ted Koppel, who was in Cuba doing a special on the Pope’s visit, decided to hold it rather than shoehorn it in at the last minute.

Later that night, Judd managed to get the story onto the ABC radio network (as well as its overnight television news show and its website) and then led with it on *Good Morning America* the next morning—which is what caused Lucianne Goldberg to whoop into the phone on January 21.

From that point, says Bob Woodward, the *Washington Post* reporter who teamed up with Carl Bernstein in Watergate, there was “a frenzy unlike anything you ever saw in Watergate....We need to remember that for the first eight or nine months of Watergate, there were only six reporters working on it full time.”

What follows is a log of the first—and most furious—three weeks of that frenzy. It should be read with one often-overlooked reality in mind: All of it—every bulletin, every hour of talk radio, every segment of cable news specials, every Jay Leno joke, every website page, every Congressional pronouncement—would be based on a woman looking for a book deal who had surreptitiously taped some of her conversations with a 23-year-old “friend” whom none of the reporters or pundits had talked to.



DAY 1: Wednesday 1/21/98

The Speculators:

Jackie Judd’s 7:00 A.M. *Good Morning America* report is a bombshell. Citing “a source,” Judd says Lewinsky can be heard on a tape claiming the president told her to deny an affair and that Jordan “instructed her to lie.” Again, those can’t be the tapes Tripp made on her own, because *Newsweek* would have heard that.

Switching to the pundits, ABC’s Stephanopoulos, the former Clinton aide, seconds a notion brought up five minutes earlier by Sam Donaldson, saying: “There’s no question that . . .

if [the allegations] are true . . . it could lead to impeachment proceedings." It has taken less than 70 minutes from the breaking of the story of an intern talking on the phone for the discussion to escalate to talk of impeachment.

At 7:30, the show's newscaster says that "two sources" have told ABC's Jackie Judd that both Jordan and the president "instructed her to lie under oath." Asked later what happened in that half hour to double her sources, Judd says, "I think I was trying to be extra-careful the first time. We actually had a lot of sources."

Visit To A Museum, Then Payback Time:

For *The New York Times*, the intern story began the way Watergate had: *The Washington Post* had caught the Paper of Record asleep.

"Drudge was just not something on our radar screens," one *Times* Washington reporter recalls. And while some in the bureau had noticed Kristol's comment on *This Week*, they hadn't paid much attention to it, much less allowed it to mar the three-day Martin Luther King Day weekend.

Worse, when the *Times* people awoke on Wednesday and saw the front-page *Post* story or caught the news on *Good Morning America*, there was little they could do to get an early start on catching up. The office had arranged a special tour of a new exhibit of old *Times* front pages at Washington's Corcoran Gallery of Art, and two reporters would later recall that there was pressure on them to turn out in good numbers. So until about 10:00 that morning, most of the *Times's* talent was on a museum tour.

Not Jeff Gerth. He skipped the tour.

In terms of being a sleuth, Gerth is more Isikoff than Isikoff. Now 53, he has covered everything from organized crime, to global business regulation, to campaign finance, to food safety in his 21 years at the *Times*. And in 1992, he had broken the first Whitewater story.

Now, recalls another *Times* reporter, Gerth got "hold of his Ken Starr people and played a real guilt trip on them. They'd just made him look bad and he was Mr. Whitewater." (Gerth now refuses to comment on his sources, except to say that "you can imply what you want, but I always have multiple sources." He adds: "I didn't feel bad about missing this because I was never interested in touching the sex stories.")

Getting leaks from law enforcement officials—especially information about prospective or actual grand jury proceedings, where the leaks are illegal—is usually a cat-and-mouse process. The prosecutors know they are doing something wrong, and they worry about whom they can trust. You run a guess by someone. They answer vaguely but encouragingly. You push a little bit more, and they let on a bit more. Then you try someone else, again stretching what you think you know with a guess or two to see if that person will confirm your suspicion by saying something like, "You're not far off." Then you go back to the first person for confirmation. It's almost never as easy as it seems when a story is published or broadcast that says, "sources say."

But this morning, while he did not, he later asserted, simply call one "magic phone number" and get it all, Gerth had an easier, faster time of it. "By about midday, Jeff had a memo that was about as comprehensive as you could imagine, which he kept supplementing," recalls Michael Oreskes, the *Times's* Washington bureau chief. Gerth freely shared his memo with everyone in the office.

The anchors are with the Pope in Havana but the headline is Lewinsky, and the heart of all three reports features a correspondent who, citing anonymous sources, has clearly been given extensive information by Starr's office.

All Monica All The Time:

At 6:00 P.M. the MSNBC Internet news service, which beginning at 11:00 A.M. had headlined the Lewinsky story "A Presidential Denial," is now calling it "Crisis at the Top," with the sub-headline "Sex allegations threaten to consume White House." Meantime, MSNBC's sister cable-TV channel is talking about the intern allegations almost nonstop. For the next 100 days, the fledgling cable channel would become virtually all Monica, all the time.

Newsweek Goes On-Line:

The *Post* and ABC stories (plus a front- pager in the *Los Angeles Times* that has almost as much information as the *Post*) have now made a joke out of the idea that Isikoff's story can hold until next week. So, at about 7:00 P.M., *Newsweek* goes on-line.

Isikoff's furiously typed story loads up everything he knows. What's notable is that he now doesn't mention what he later says was a key exchange on the tapes he heard, the question-and-answer that had caused his editors to hold the story: the fact that on those tapes Lewinsky answers, "No," when Tripp asks, "He [the president] knows you're going to lie. You've told him, haven't you?"

Live From Havana:

Each of the three broadcast network news anchors is live in Havana for the Pope's visit, but the headline for each show is Lewinsky—and the heart of all three reports features a correspondent who, citing anonymous sources, has clearly been given extensive information by Starr's office.

Starr And Leaks:

On April 15, during a 90-minute interview with Starr, I am reminded of the kind of old-world straight arrow that he is. Starr is the opposite of slick—which in this case means he doesn't lie when asked a straight, if unexpected, question. After he expresses disappointment with my insistence that our conversation not be off the record or on background, I ask a series of questions not about his investigation, but about discussions he or his deputies might have had with reporters. I make clear that these questions are based not only on the obvious fact that many of the stories about the investigation seem to have only been able to have come from his office, but also on what reporters or editors at six different news organizations have told me and, in three cases, on documents I have seen naming his office as a source for their reporting about the Lewinsky allegations.

Details of his answers are reported below. As a general matter, in response to an opening "Have you ever . . . ?" question, Starr hesitates, then acknowledges that he has often

talked to various reporters without allowing his name to be used and that his prime deputy, Jackie Bennett, Jr., has been actively involved in “briefing” reporters, especially after the Lewinsky story broke. “I have talked with reporters on background on some occasions,” he says, “but Jackie has been the primary person involved in that. He has spent much of his time talking to individual reporters.”

Starr maintains that there was “nothing improper” about him and his deputies speaking with reporters “because we never discussed grand jury proceedings.”

If there was nothing improper, why hadn’t he or Bennett ever been quoted by name on the record?

“You’d have to ask Jackie,” Starr replies.

Aren’t these apparent leaks violations of the federal law, commonly referred to as “rule 6-E,” that prohibits prosecutors from revealing grand jury information?

“Well, it is definitely not grand jury information, if you are

“I have talked with reporters on background on some occasions,” says Starr, “but Jackie [Bennett] has been the primary person involved in that. He has spent much of his time talking to individual reporters.”

talking about what witnesses tell FBI agents or us *before* they testify before the grand jury or about related matters,” he replies. “So, it’s not 6-E.”

In fact, there are court decisions (including one in early May from the Washington, D.C., federal appeals court with jurisdiction over this Starr grand jury) that have ruled explicitly that leaking information about prospective witnesses who might testify at a grand jury, or about expected testimony, or about negotiations regarding immunity for testimony, or about the strategy of a grand jury proceeding all fall within the criminal prohibition. And Starr himself has been quoted on at least one occasion saying the same thing. On February 5, during one of his sidewalk press conferences, Starr refused to comment on the Lewinsky investigation’s status. He couldn’t talk, he said then on camera, “about the status of someone who might be a witness [because] that goes to the heart of the grand jury process.”

Moreover, whether or not the criminal law applies to these discussions between reporters and Starr and his deputies, it is clearly a violation of both Justice Department prosecutorial guidelines and the bar’s ethical code for prosecutors to leak substantive information about pending investigations to the press.

What about that? I ask Starr. Was he conceding unethical but not illegal leaks?

Perhaps realizing that he has already conceded too much, Starr reverts to a rationalization so stunning that two days later I called his just-hired spokesman, Charles Bakaly, who sat in on much of the Starr interview, to make sure I heard it correctly. (Bakaly said that I had.)

“That would be true,” Starr says, “except in the case of a situation where what we are doing is countering misinformation that is being spread about our investigation in order to discredit our office and our dedicated career prosecutors. . . . I think it is our obligation to counter that kind of misinformation...and it is our obligation to engender public confidence in the work

of this office. We have a duty to promote confidence in the work of this office.”

In other words, Starr is claiming a free pass. For even assuming that his leaks are not illegal under 6-E—which, again, is a huge assumption—he’s saying that they are not unethical either, because they are aimed at negating attacks and promoting confidence in the work of his office. Which, of course, could be said about any leak from any prosecutor that attempts to show that an investigation is making progress in going after the bad guys.

Asked two days after the Starr interview about this apparent loophole in the ethical prohibitions against leaks (again, even assuming they are not illegal), Starr’s deputy, Bennett, says, “It is true that Ken’s view is that . . . the public has a right to know about our work—to the extent that it does not violate legal requirements.”

As for why, if all of this is proper, Starr or he had not been quoted by name on the record countering all this misinformation, Bennett says, “I think I have been quoted on occasion.”

A NEXIS check of all stories by major newspapers, magazines, and network news organizations concerning the first month of the Lewinsky story did not turn up any examples of Bennett being quoted by name talking about the progress or particulars of the investigation.

As for the comprehensive network reports about the Lewinsky investigation aired on the first night the story broke, Starr confirms in our interview that Bennett had spent “much of the day briefing the press.” But he asserts again that Bennett had done nothing improper because his efforts were directed at countering the impression that Starr’s office had improperly exceeded its jurisdiction or had mistreated Lewinsky. In none of these reports is Bennett quoted by name.

Asked if he had spoken to the network correspondents, or to Schmidt of the *Post*, or to Gerth of the *Times*, Bennett said, “Ken has said what he said . . . but I am not going to answer any questions about any particular conversations I had with any members of the press. . . . I don’t think it’s any of your business.”

The reporters involved declined all comment on their sources—which, of course, is what they should do if they have promised their sources anonymity.

Applying The Pressure:

There is a purpose to these January 21 leaks beyond glorifying Starr and embarrassing the president. On this day, the day that the story breaks, Starr’s people are again negotiating with Lewinsky’s lawyer, William Ginsburg. “The more they can make me feel like they have a strong case without me,” says Ginsburg, “the more pressure they figure I’ll be under. And the same I guess is true for Vernon Jordan. They want him to flip, too.”

The most laughably lapdog-like work comes from NBC’s David Bloom who, throughout this story, would perform as a virtual stenographer for Starr. In a report lasting about two minutes, he uses the terms “sources say” five times and “law enforcement source” twice, ending ominously with this: “One law enforcement source put it this way, quote, ‘We’re going to dangle an indictment in front of her [Lewinsky] and see where that gets us.’” Bloom is clearly helping Starr fulfill his duty to “engender confidence in the work of” his office.

CBS’s Dan Rather and the network’s chief White House correspondent, Scott Pelley, are more circumspect. Rather

characterizes Clinton's comments on National Public Radio and *The NewsHour with Jim Lehrer* as "flat-out" denials, and he repeatedly emphasizes that none of the allegations have been proven.

At ABC, Sam Donaldson dissects what he sees as the tentativeness of the president's denials. Then, Jackie Judd, citing a "source who has heard the tapes" that Tripp made at the Ritz-Carlton under the Starr people's direction (which means at this point that only Starr's office can possibly be the source), says that Lewinsky can be heard on the tapes saying that "Jordan instructed her to lie under oath." The Starr people are clearly using one of the three reporters they know best and trust the most (the other two being Isikoff and the *Post's* Susan Schmidt) "to engender public confidence" in their work—and to step up the pressure on Lewinsky and Jordan.

When asked specifically about these three reporters during our interview, Starr acknowledges that his deputy, Bennett, has talked "extensively" to each. He then refers me to Bennett for details. Bennett refuses to comment on any talks he had had with the favored three. In none of their reports is Bennett ever quoted by name.

Feeding The Furnace:

Twenty years ago a story of this scope would have had a chance to catch a breath after the network evening newscasts. The next round of coverage would not come until the morning papers. Now it is only after the networks' evening news that the story achieves maximum velocity. It's then that talk television gets to use it to fill its need for the news that is gold—the type that can generate ratings with inexpensive talking heads rather than expensive reporters in the field.

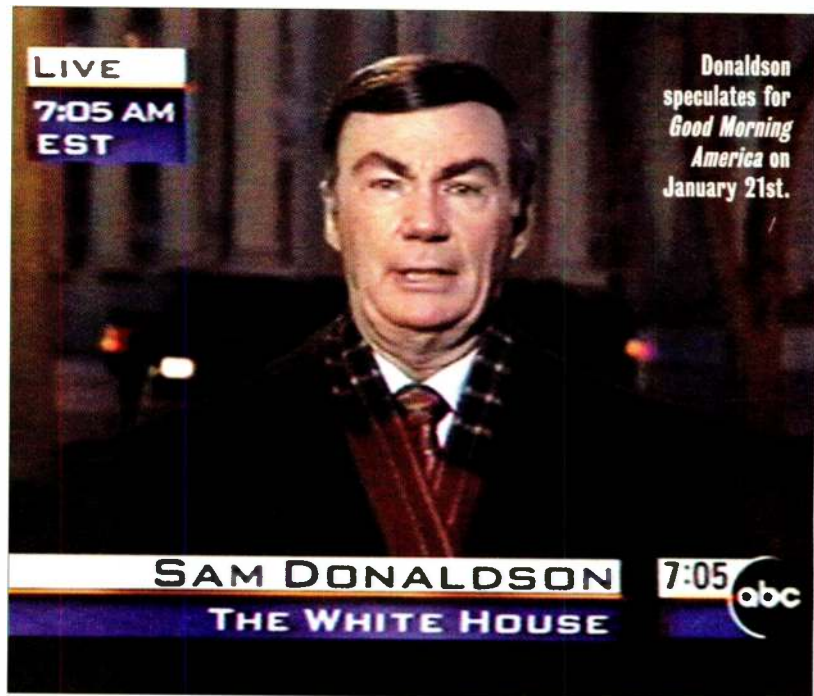
On CNN's *Larry King Live*, Evan Thomas of *Newsweek* leads off with his description of the Lewinsky tapes he had heard.

"Our PR department decided to do a blitz on television and get all of us out there," Thomas later explains. "It's something the newsweeklies always want to do nowadays—get mentioned and get noticed—and in this story we really wanted to be identified with it because it was our story. . . . You need to be careful about television," adds Thomas. "They try to lure you into saying more than you know, into saying something new. It's a trap, and after a few days I hated it."

Thomas tells a caller who asks how he can know the tapes are legitimate that one of the reasons that *Newsweek* did not run its story that weekend was that it could not authenticate the tapes. That's a new explanation, and, if sincere, it raises the question of why *Newsweek* went on-line today with its story; for the magazine certainly can't have authenticated the tapes since it heard them that Saturday morning because it did not get to keep copies.

Whatever these nits, King's show, which includes former Clinton aides James Carville and Dee Dee Myers as well as Ronald Reagan and George Bush press secretary Marlin Fitzwater, does provide a good, lively introduction to the story.

Geraldo Rivera, on CNBC's *Rivera Live*, provides quite a bit more. His guests include Paula Jones spokeswoman Susan Carpenter McMillan; William Ginsburg, who for this hour is in his "I-can't-say-anything" mode; a *Newsweek* editor named Jon Meacham (apparently one of Thomas's TV-blitz squad



people), who had not heard the Lewinsky tapes but is on the show to talk about them anyway and does so happily; and one Dolly Browning, who has written a novel (agented by Lucianne Goldberg), which is described as a fictionalized version of her own long affair with Bill Clinton. Add three more lawyer-pundits and Rivera (who also has a law degree), and you have a kind of dinner party conversation from hell, in which any and all variety of truth, speculation, fiction, and ax-grinding are thrown together for the viewing public to sort out for themselves.

Over at MSNBC, we find *The Big Show with Keith Olbermann*, which features much the same mixture but with a more sarcastic and less intelligent host. The blitzing *Newsweek* here is Howard Fineman, the magazine's chief political correspondent. According to Thomas and Isikoff, Fineman hadn't even known about the Lewinsky story until after Drudge leaked it, much less heard the tapes, a point Fineman later concedes to me.

"We have heard some of the tapes," Fineman begins, not telling his viewers how royal his use of "we" really is. After describing what everyone else by now has said is on them, he adds something new, revealing that "we" have "confirmed, apparently, the president's own voice on Monica Lewinsky's answering machine. We haven't heard that tape, but we know pretty authoritatively that apparently the president's voice is on her tape machine. . . . If true, how idiotic of the President of the United States," Fineman declares.

Nearly four months later, as of this writing, there is no confirmation of that tape, let alone confirmation that, if there is one, it incriminates the president in anything.

"Television is definitely more loosey-goosey than print," Fineman later explains. "And I have loosened up myself, sometimes to my detriment . . . and said things that were unfair or worse. . . . It's like you're doing your first draft with no layers of editors and no rewrites and it just goes out to millions of people."

Within a week, Fineman would become a regular on-air nighttime and weekend analyst for NBC, MSNBC, and

CNBC for an annual fee that he says is “in the ballpark” of \$65,000. That’s about 40 percent of his day-job *Newsweek* salary for what he estimates to be 5 to 10 percent of the time he works for the magazine.

“We didn’t let our reporters actively covering this go on television, except for Bob [Woodward], who essentially talked about Watergate,” *The Washington Post’s* Downie later says. “They’re supposed to be reporters, not people giving spin or expressing a point of view. And if I were running *Time* or *Newsweek* I would have the same view.”

“Len and I have a different view on that,” counters *Newsweek* editor in chief Richard Smith, who also notes that “the people on our staff who were really in the know—Isikoff, McDaniel, Thomas—were among the most sober, thoughtful voices you heard. But you can find people in our organization or any organization that, given the voracious maw that electronic journalism has become, were tempted to say more than they knew.”

Another Olbermann guest is his NBC colleague Tim Russert, the NBC Washington bureau chief and *Meet The Press* host. “One of his best friends told me today,” says Russert, referring to the president, “if this is true, he has to get out of town. . . . Whether it will come to that, I don’t know, and I don’t think it’s right or fair to be in the speculation game.”

But talk TV is the speculation game. So, after taking a breath, Russert continues: “But I do not underestimate anything happening at this point. The next 48 to 72 hours are critical.”

Olbermann’s MSNBC show, which runs from 8:00 to 9:00 P.M. eastern time, debuted last October. A marquee newscaster at the ESPN cable sports network, Olbermann had been lured by big bucks and the promise of aggressive promotion that would put him and MSNBC—the Microsoft-NBC joint venture challenge to CNN—on the map. Now, as his show wraps on this first night of the scandal, his producers are already talking among themselves in the control room about using the intern scandal to birth a whole new show called *White House in Crisis*. That show would debut at 11:00 on February 3. And MSNBC officials would later make no bones of the fact that with that show, and with Olbermann’s 8:00 P.M. show and, indeed, with the entirety of their talk-news daytime programming, they were hell-bent on using the intern scandal to do for their entire network what the Iranian hostage crisis had done for a half-hour ABC program called *Nightline* in 1979.

Indeed, MSNBC’s use of the alleged intern scandal was endemic to how all 24-hour cable news networks and all talk radio had come to use such topics in the late 1990s. For these talk machines, the subject matter isn’t simply a question of bumping circulation a bit for a day or a week, the way it is for traditional newspapers or magazines, or of boosting ratings for a part of a half-hour show or an hour magazine program the way it is for network television. Rather it’s a matter of igniting a rocket under the entire revenue structure of the enterprise.

Thus, while the three broadcast networks’ evening news ratings increased a total of about six percent in the week beginning on this day (January 21), MSNBC’s average rating for its entire 24-hour day—a day when almost all of its coverage was devoted to the intern scandal—increased by 131 percent. Which meant that its revenue from advertising (which is the only revenue that varies from week to week in cable television) would also jump 131 percent if it could sustain that increase.



DAY 2: Thursday 1/22/98

Not Watergate:

The Times gets up off the mat with a comprehensive page-one report that leads with the president’s denial—then details the material on the tapes. Most of the country’s other newspapers use information from the *Times* and The Associated Press, which publishes a less complete story.

What all the stories have in common is that none is based on firsthand reporting. It is all the prosecutors’ or other lawyers’ (“sources”) rendition of what witnesses or potential witnesses have said, are saying, or might say.

“The big difference between this and Watergate,” says Bob Woodward is that in Watergate, Carl [Bernstein] and I went out and talked to people whom the prosecutors were ignoring or didn’t know about. . . . In fact, that’s what Watergate was all about—the government not doing its job when it came to prosecuting this case. . . . And we were able to look these people in the eye and decide if they were credible and get the nuances of what they were saying. . . . Here, the reporting is all about lawyers telling reporters what to believe and write.”

Today Fights Back:

After being bested by Jackie Judd and *Good Morning America* yesterday, the *Today* show is fighting back. One advantage the show has is NBC’s contract with *Newsweek’s* Isikoff. Plus, they have snagged Drudge. But first we hear from Tim Russert, who declares: “I believe [impeachment] proceedings will begin on the Hill if there is not clarity given by the president over the next few weeks.”

Then cohost Matt Lauer peppers Drudge with questions about his journalistic standards. Then he demands, “Are you at all concerned that you’ve made a mistake here?”

Drudge responds by hurling another sleaze ball: “Not at all. As a matter of fact, I have reported that there’s a potential DNA trail that would tie Clinton to this young woman.”

What Drudge is referring to is his report on the Web the day before about a semen-stained dress—which is something Lucianne Goldberg later told me she had heard about from Tripp and had passed on to Drudge and some other reporters.

Lauer asks for more. “You say Monica Lewinsky has a piece of clothing that might have the president’s semen on it,” he says. “What evidence do you have of that?”

"She has bragged . . . to Mrs. Tripp, who has told this to investigators, it's my understanding," says Drudge.

Next up is Isikoff (who has already appeared in the first half hour). Lauer can't let the dress story die. He demands to know if Isikoff "has heard anything" about the dress, or if he has any confirmation of its existence. Isikoff tries to brush him off: "I have not reported that, and I am not going to report that until I have evidence that it is, in fact, true."

Lauer doesn't let go. "You're not telling me whether you've ever heard it," he persists. "I've heard lots of wild things, as I am sure you have," Isikoff replies, clearly frustrated. "But you don't go on the air and blab them."

Asked later why he had given Drudge the opportunity to air *any* unconfirmed rumors live on national television, let alone pressed him about the most sordid one out there, Lauer says, "Because that story was out there. People were starting to talk about it." As for why he hectored Isikoff about Drudge's dress rumor, Lauer says, "I was really just trying to get him to debunk it, not substantiate it. That's all I was doing."

In a moment rich enough in irony for a remake of the movie *Network*, Katie Couric follows Lauer's semen interviews about an hour later with a segment featuring a child psychologist explaining how to help children "make sense" of "the Clinton sex scandal."

Meanwhile, at ABC's *Good Morning America*, the pundits, including George Stephanopoulos and Sam Donaldson, bat around all manner of rumors and leaks—including a dress about which "there are all sorts of reports on the Internet" (Donaldson), sexually explicit tapes, and the fact that the president admitted to having "an affair" with Gennifer Flowers in his Paula Jones deposition (something also mentioned on NBC). The only guest who stays on the straight and narrow is legal analyst Jeffrey Toobin.

"I do have an m.o.," Toobin explains later. "These cases really come down to facts . . . and facts tend to be in short supply at the beginning of a story like this. So I just try to emphasize the variety of options based on the factual scenarios. . . . It's more about journalism than the law, because journalism [asks] about facts. . . . The problem," Toobin continues, "is that if, for example, you engage in a . . . long discussion about the legal elements of obstruction of justice, you are presupposing that there was an obstruction of some kind. . . . A discussion about the elements of impeachment presupposes that there's some relevance to an impeachment discussion. Worst of all," he concludes, "all of the Lewinsky discussions were based on the one hundred percent certainty that they had a sexual relationship, and there is pressure in that direction because it makes the discussion interesting."

Out Of Havana:

The network evening newscasts have left Cuba and the Pope behind: the anchors are now reporting from Washington (NBC and CBS) or New York (ABC).

"First we heard that Brokaw was going back," recalls CBS's Dan Rather. "Then we heard Jennings was . . . clearing out. . . . I truly wanted to stay there and report on the Pope, but I got the distinct impression [from his bosses in New York] that if I stayed another minute, I would have been there all alone and without a job. I might as well have just stayed here forever with Castro."

***Newsweek's* Howard Fineman had never heard the tapes. "We have heard some of the tapes," Fineman declares on television, not telling his viewers how royal his use of "we" really is.**

CBS's Scoop:

For all of Rather's purported reluctance, CBS News now begins to emerge as a place for unexciting but important scoops. Tonight, White House correspondent Scott Pelley reports that the president's personal secretary has been subpoenaed to testify before the grand jury and that FBI agents had gone to her home last night. Pelley is also the first to report that Secret Service records indicate that Lewinsky visited the White House "as recently as last [December]."

'The Biggest Day In The Clinton Presidency':

On the *Nightly News*, NBC White House correspondent Claire Shipman cites "mounting circumstantial evidence—messenger receipts [the ones created by Lucianne Goldberg's brother's family's courier service] . . . or reports of the president's voice on the answering machine of Lewinsky."

NBC caps its report with a discussion between Tom Brokaw and Tim Russert. "Tim, tomorrow [Friday, January 23] is the biggest day of the Clinton presidency," Brokaw declares. Whereupon Russert notes that the key event of the big day—Lewinsky's scheduled deposition in the Jones case—is now likely to be postponed, which it was.

Now, It's 24–48 Hours:

Russert is nothing if not consistent.

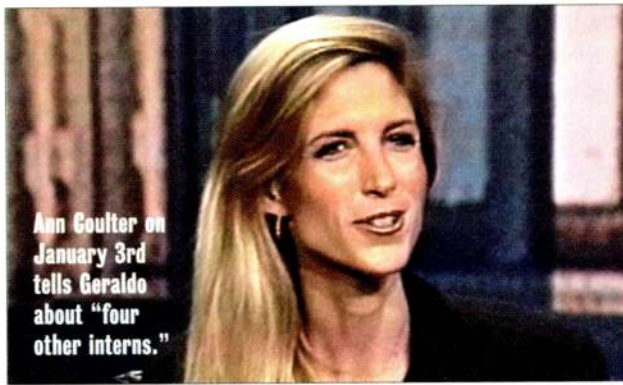
Yesterday he declared that the president had 48–72 hours to give the country a complete explanation. Now on NBC's sister network, CNBC, he tells Geraldo Rivera that the president "basically has the next 24 to 48 hours to . . . talk to the country, either through a press conference or a news interview and explain exactly what happened, what kind of relationship he had."

"I was only reporting the state of mind of people at the White House," Russert later contends. "Even the president, in those first few days, said he would provide answers sooner rather than later."

Brendan Sullivan To The Rescue:

Over at *Larry King Live*, *Newsweek's* Evan Thomas has apparently forgotten his own worry about reporters trying too hard to make news on television. "We understand Brendan Sullivan"—the famed Washington lawyer who represented Oliver North, among others, and is a partner at the firm where Clinton defense lawyer David Kendall is also a partner—"is masterminding a legal team" for the president, Thomas tells King. If so, as of this writing, he has never surfaced.

"That was just wrong," Thomas concedes later. "Brendan may have an informal role," he adds. "But how are you ever gonna prove it?"



DAY 3: Friday 1/23/98

Gennifer And Monica:

The Washington Post publishes a story headlined "Flowers Feels Vindicated By Report; Similarities Seen In Relationships." The story is based on the false leak that the president has now acknowledged an "affair" with Flowers, rather than the one encounter that it turns out the president did admit to in his deposition. (This exaggeration of what the president actually admitted to—not of what might have actually happened—will pollute most subsequent accounts of the deposition.) The paper also runs an account of the continued sparring between Starr's office and Lewinsky lawyer William Ginsburg. It's full of anonymous sources from Starr's side and the on-the-record Ginsburg on Lewinsky's side. "They leak and I patch," Ginsburg asserts later.

'Out There':

The St. Louis Post-Dispatch (which is a good barometer of mainstream city newspapers outside the media hothouses of Washington, New York, and Los Angeles) leads with a story, "From News Services," that—by definition in a situation like this—vacuums up every leak and rumor about the investigation and the Lewinsky-Starr negotiations.

Bob Woodward would later say that print had done a much better job with this story than television because "it has the time to check things out and get it right." He's generally right about papers with their own national reporters, like *The Washington Post*, the *Los Angeles Times*, the *Chicago Tribune*, *USA Today*, and *The New York Times*. But today, as on most days, the other papers—which now mostly use news services and wire reports to disseminate national news—gobble up the confirmed and unconfirmed from everyplace else, print and television.

It is not a pretty picture.

And it's a major manifestation of the virus that will afflict this story: A rumor or poorly sourced and unconfirmed leak aired or printed in one national medium ricochets around the country until it becomes part of the national consciousness. In short, once it's "out there," it's really out there.

The Missouri Interns:

Today's *Post-Dispatch* rumor bazaar is supplemented by the one kind of national story that most newspapers still produce with their own reporters and with parody-like uniqueness: the classic "local angle." In this case, it's a piece headlined "Missouri, Illinois Interns Are Fully Briefed on Pitfalls of

A rumor or poorly sourced and unconfirmed leak aired or printed in one national medium ricochets all over until it becomes part of the national consciousness. In short, once it's "out there," it's really out there.

Job." It's about how interns at the two state legislatures are cautioned about being wowed by "people of influence and charisma."

Inside Ken Starr's Mind:

On *The CBS Evening News* with Dan Rather, Phil Jones reports that "two sources familiar with the independent counsel's investigation tell CBS News that Kenneth Starr is, quote, 'absolutely convinced that Monica Lewinsky was telling the truth when she was recorded by her friend Linda Tripp.'"

The Dress:

ABC's Peter Jennings opens *World News Tonight* with this introduction: "Today, someone with specific knowledge of what it is that Monica Lewinsky says really took place between her and the president has been talking to ABC's Jackie Judd."

Following this buildup, Judd reports: "The source says Monica Lewinsky claims she would visit the White House for sex with Mr. Clinton in the early evening or early mornings on the weekends, when certain aides who would find her presence disturbing were not at the office. According to the source, Lewinsky says she saved, apparently as some kind of souvenir, a navy blue dress with the president's semen stain on it. If true, this could provide physical evidence of what really happened."

This source could be someone who has heard the tapes. It could even be Linda Tripp. But it's not. Although Judd would not comment on her source, Lucianne Goldberg told me that she herself is the source for this Jackie Judd report and for others that would follow. And she claims she heard all this from Linda Tripp, but is not sure that any of it is on a tape. (The *Newsweek* people who heard the tapes say it is not on what they heard.) In fact, Goldberg is not sure that Tripp said Lewinsky had talked about having *saved* a dress, as opposed to a dress simply having been stained. "I might have added the part about it being saved," Goldberg told me.

We can assume that Goldberg is telling the truth that she's the source because of what Judd reports next:

"ABC News has obtained documents that confirm that Lewinsky made efforts to stay in contact with the president after she left the White House. . . . These are bills," she continues, holding some papers up to the camera, "from a courier service which Lewinsky used at least seven times between October 7 and December 8."

Yes, the courier service—the one owned by Goldberg's brother's family. How else but from Goldberg could Judd have obtained those handy records?

Stop Us Before We Kill Again:

Every two or three days throughout the reporting of this alleged scandal, the press seems to stop, take a breath, and flagellate itself, as if to say to its audience, "Stop us

before we kill again." Much of it, including a piece by ABC's Cynthia McFadden and a special on CNN moderated by Jeff Greenfield, would be quite good. Much of it would be quite the opposite.

For example, minutes after Judd's scoop, Jennings introduces Tom Rosensteil of the Pew Charitable Trusts' Project for Excellence in Journalism.

Jennings: "How do you think the media is doing, Tom?"

Rosensteil: "So much of what we have seen in the last three days is speculation, rumor, innuendo."

Jennings: "Let me say . . . that I think the press has been pretty good on saying repeatedly these are allegations. Would you have us ignore them?"

Rosensteil: "No. . . . But we have reporters go on and characterize secondhand what is on the tapes. . . . We've had reporters go on and say that the president has 48 hours to . . . put the scandal behind him."

Jennings: "Okay, Tom Rosensteil, thanks very much. Critical of the press. Part of his job."

A Weakness For 24-Year-Olds:

Olbermann's *Big Show* at 8:00 features a guest who says, "Maybe if he stood . . . up there and said, 'I'm sorry. I have a weakness for 24-year-olds,' he might . . . survive it."

The expert: Watergate ex-con John Ehrlichman.

Four Other Interns:

Geraldo Rivera hosts the usual melange, who trade all variety of wild theories. He calls them his "cast," and they include Gennifer Flowers, Paula Jones's lawyer, and some other lawyers, one of whom is Ann Coulter, a Rivera regular described as a conservative "constitutional law attorney." Asked by Rivera if she thinks it is "sleazy" that Lewinsky had been questioned for "eight to nine hours without an attorney present," Coulter counters matter-of-factly that it is not as bad as "the President of the United States using her to service him, along with four other interns."

What's curious about the Rivera show is the way it uses its NBC bloodline to combine this kind of rollicking garbage with the more serious contributions of the network's newspeople. Mixed in with the screaming and smearing from Coulter and the others are live reports from White House correspondent Shipman and even taped bites from Tom Brokaw.

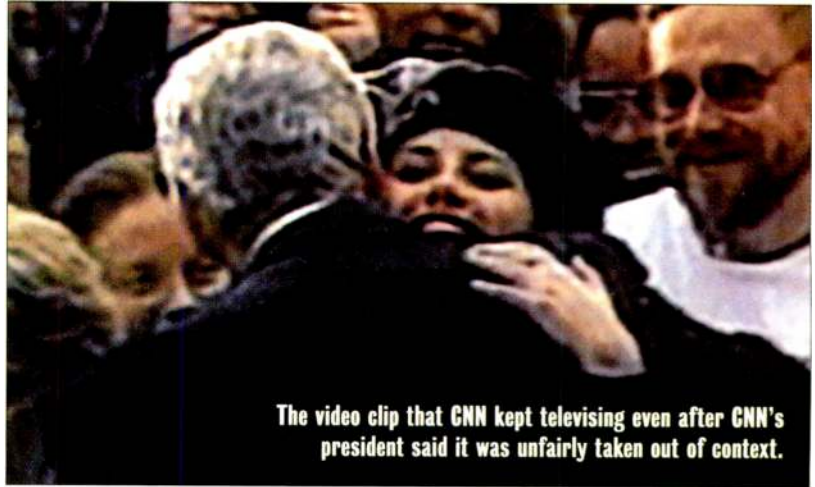
It's a fascinating display of corporate synergy. Or perhaps it is a suicidal, long-term cheapening of a great brand name. True, the high-low mix helps ratings short-term; but if your business plan as a media organization is to be a cut above Drudge—and it has to be, because anyone can be Drudge—how can this be a good long-term business strategy?

Asked later if she minded being sandwiched in that night between Rivera, talking about the president's "alleged peccadilloes," and Coulter, talking about those "four other interns," Shipman says, "It's true that you get a different style on NBC with Brokaw than with Olbermann or Geraldo, but I think Geraldo does a pretty good job of separating out the rumor from the fact. He's very smart and I am not at all uncomfortable with his role at NBC."

Do the NBC and Brokaw brand names get hurt by mixing them with Geraldo? "Geraldo does what he does," Brokaw says. "He doesn't arrive in the guise of someone who

is going to be a traditional mainstream reporter. . . . And the public is very good at telling the difference. They have a good filter on this stuff."

"In the case of Claire or Tom, they're being reporters on *Nightly News* and being reporters on *Geraldo*," says NBC News president Andrew Lack later. "The shows have different flavors, but as long as they don't change their acts, I'm not concerned."



The video clip that CNN kept televising even after CNN's president said it was unfairly taken out of context.

DAY 4: Saturday 1/24/98

The Souvenir Dress:

The Lucianne Goldberg–Jackie Judd semen dress story is spreading. The front page of the *New York Post* blares, "Monica's Love Dress," with the declarative subhead "Ex-intern Kept Gown as Souvenir of Affair." The story quotes "sources."

"She Kept Sex Dress," echoes the *Daily News*.

Some papers across the country also run a United Press International wire service story, sent out the night before, saying that ABC has quoted an unnamed source saying, "Lewinsky saved a navy blue dress stained with President Clinton's semen." So now we have a source not saying that that is what Lewinsky says, but just plain stating it.

Lewinsky Not 'Squeezed':

Schmidt of *The Washington Post* does stenography for the prosecutors. Citing "sources close to Starr," she writes that Lewinsky's ten-hour session in Arlington with Starr's deputies and the FBI wasn't really a harrowing encounter, after all. It only took that long, Schmidt writes, because Lewinsky let it drag on.

This kind of leak from Starr's shop clearly falls under the category of what Starr later contends were "attempts by us to counter the spread of misinformation."

In fact, in our interview he even cites "correcting allegations about our mode of interrogating a particular witness" as an example of the kind of press briefing Bennett had undertaken. But as an attempt to affect public perception—and a potential *jury's* perception—it is also a clear violation of Justice Department guidelines and the lawyer's code of professional responsibility.

Resignation:

At 6:00 P.M. on this Saturday evening, CNN breaks into its regular programming with a bulletin. Wolf Blitzer, standing on the White House lawn, says, "Despite the president's public and carefully phrased public denials, several of his closest friends and advisers, both in and out of the government, now tell CNN that they believe he almost certainly did have a sexual relation[ship] with . . . Lewinsky, and they're talking among themselves about the possibility of a resignation. . . ." Mark this moment—about 6:00 P.M. on Saturday, January 24— as the height of the frenzy.

"Every one of us senior advisers were sitting there . . . in the White House having a meeting to prepare to go on the Sunday talk shows," Clinton aide Paul Begala later recalls, "and we heard Wolf outside saying we were talking about resignation. . . . It was pure bullshit. And we all went out there and yelled at him."

But Blitzer had been careful to say he was referring to Clinton friends in and out of the government, not just to the White House group Begala is talking about. And with all the media tornadoes swirling about concerning other women, a smoking gun—semen dress, and the like, it should have been no surprise that some of the president's friends, especially those outside the immediate White House group working on fighting the storm, would at least "talk about" resignation.

The 'Come-Hither Look':

Just after the Blitzer resignation-talk story, CNN produces a 10- or 12-second video clip from its archives that shows the president embracing Lewinsky. She is in a crowd at a White House lawn reception. It's the first picture of the two of them together, and it will be aired hundreds of times in the weeks to follow, usually in slow motion.

"I thought that showing it once was okay, but that after that we should have shown it in context," CNN/US president Richard Kaplan says later. "Clinton always embraces people and he must have embraced a hundred people just that way at that event. . . . I told our people to show it in context."

So how come we still have only seen this isolated embrace? I ask Kaplan two months after it was first aired. "I don't know," he says. "I told them not to do it. I just don't know."

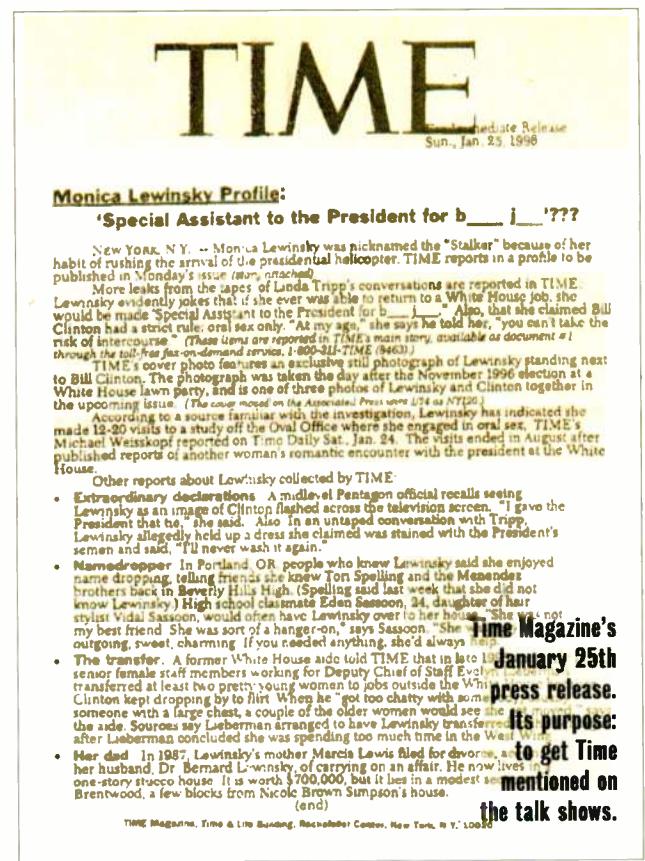
Tomorrow, in its new issue, *Newsweek* will make even more of the picture. Evan Thomas will pen an article that tells readers to "look closely at those video clips. There is a flirty girl in a beret, gazing a little too adoringly at the president—who in turn gives her a hug that is just a bit too familiar."

"What *Newsweek* wrote was just bullshit," Kaplan asserts. "There's nothing special about that embrace."

"Any criticism of that is completely full of shit," counters Thomas. "All over Washington you could just feel people reacting to that picture. She had that come-hither look."

Ratings Heaven:

According to MSNBC communications director Maria Battaglia, the fledgling cable network scores its highest ever full-day rating (outside of its Princess Diana coverage) today. By her estimate, "ninety-five percent of our coverage was the scandal." The stars are *Newsweek* pundits Isikoff and Jonathan Alter, who has a contract with NBC and its cable networks to produce pieces and provide commentary.



DAY 5: Sunday 1/25/98

'Special Assistant To The President For B--- J---'???

At 6:00 A.M., Time magazine director of public affairs Diana Pearson reports for work. Pearson, who had recently been lured away from *Newsweek*, is one of a new breed of in-house magazine marketing people. Her job: to get *Time* mentioned. Her main tool: the press release she finishes at dawn every Sunday morning that touts the issue that went to press late the night before. She then faxes it to newspapers and television networks, making sure that it reaches the TV people in time to be talked about on the Sunday shows.

This morning she is working with what *Time* managing editor Walter Isaacson later tells me "is our crash effort to catch up to *Newsweek*."

She reads through *Time*'s piece and decides, as she later puts it, that "the most catchy item, and one thing we had that seemed to be new," is an unsourced claim buried in *Time*'s exhaustive report, in which Lewinsky reportedly told Tripp that if she ever moved back to the White House from the Pentagon, she would be "Special Assistant to the President for blow jobs." So, she makes it the headline of her press release.

"I have never seen this," Isaacson says when asked about this press release five weeks later. "But I have heard about it, and can tell you that that should not have been the headline.... We've now taken careful steps," he adds, "to make sure that all press releases are cleared by a top editorial person."

Five weeks after she penned the release, Pearson says that "in retrospect it probably wasn't representative of the story." She also says that "there has been no change in the press release procedure. No one sees them after I do them Sunday morning."

Exhaustive, But ...:

Time's package of stories is, indeed, not well represented by that tawdry press release. Fabulously written, particularly the main story by senior editor Nancy Gibbs, it raises questions from all sides and touches all bases—from Ken Starr's tactics, to Vernon Jordan's role, to Lewinsky's bio, to Linda Tripp's motives, to the relevant legal issues. It is all done in a better, more understandable form than any other publication, including, ironically, *Newsweek*, which still has so much to report from the tapes that its package seems overwhelmed and disorganized.

"You can cover a lot of sins and reporting gaps with Nancy Gibbs," *Time* Inc. editor in chief Norman Pearlstine explains later.

"A role of a newsweekly," continues Pearlstine, in what many of his more aggressive reporters would view as an obvious rationalization, "usually can't be to make news the way *Newsweek* did. . . . The more traditional role is that of synthesis, analysis, and writing. And for that I'll take a Nancy Gibbs over any investigative reporter in America. . . . Remember," he adds, "that in the beginning [*Time* founder] Henry Luce didn't even think we needed reporters, just writers who could synthesize what others were reporting . . . which for this story in particular is what I think readers really needed."

True enough. But one could argue that, instead of a filter, *Time* applied a shovel to reporting what was "out there" already.

About five weeks after the issue appeared, I asked Pearlstine to read the following lines of Gibbs's story:

"Monica Lewinsky's story was so tawdry, and so devastating, it was hard to know which was harder to believe: that she would make up such a story, or that it actually might have happened. Without proof, both possibilities were left to squirm side by side. . . . As each new tape surfaced, each new detail arose, of Secret Service logs showing late-night visits when Hillary was out of town; of presents sent by courier; of a dark dress saved as a souvenir, spattered with the president's DNA, the American public began stripping Bill Clinton of the benefit of the doubt."

Didn't that last sentence, for all its opening qualifiers, simply throw in a whole bunch of unproved allegations unfairly? I asked Pearlstine. "Yes, I do have a problem with it. It seems to have just taken everything out there and treated it as fact," he said, though he added that he wanted to confer with those who had worked on the story and get back to me.

Three days later, Pearlstine sent a letter attaching a longer letter from *Time* managing editor Walter Isaacson defending the paragraphs. Pearlstine said the Isaacson letter made him more comfortable than he had been when we spoke. Isaacson's letter, citing the qualifiers that preceded that final sentence, argued that "even in hindsight, I do not think we could have stated more clearly that these allegations which were . . . widely reported but also confirmed to us by investigators . . . were not proven and were part of a murky tale."

Of course what was "confirmed by us" were only the unsourced allegations by investigators. But Isaacson is right: The real problem is the swirling allegations and rumors, not *Time's* performance in summarizing them. And Isaacson's qualifiers in talking about them were a lot stronger than most.

"I thought that showing it once was okay, but after that we should have shown it in context," CNN/US president Richard Kaplan says later. "Clinton always embraces people...he must have embraced 100 people just that way at that event."

Softening Starr's Image:

Susan Schmidt of *The Washington Post* begins this Sunday with another softening of Ken Starr's image. "[A] source close to the prosecutor insisted he never intended to eavesdrop on Jordan or Clinton," Schmidt reports.

Anguished Linda:

On the *Sunday Today* show, Isikoff—now openly engaged in punditry and touting how "genuine" the taped conversations seem with a certainty that he would never be allowed to assert in print—refers to an anguished Monica Lewinsky being heard on *Newsweek's* newly released tape excerpts, along with "a similarly anguished Linda Tripp."

'It's 50-50 At Best':

Next up on the *Sunday Today* show is Tim Russert, who takes time out from preparing for *Meet The Press* to tell host Jack Ford that "one [friend] described [President Clinton] as near Houdini-like in his ability to escape these kind of scandals and crises. But they realize that it's 50-50 at best."

Meet The Drudge:

On his own show, Russert announces that among his *Meet The Press* guests is Matt Drudge.

Drudge seizes his moment. When Russert asks about reports on the tapes of the president and other women, Drudge declares, "There is talk all over this town [that] another White House staffer is going to come out from behind the curtains this week....[T]here are hundreds—hundreds, according to Miss Lewinsky, quoting Clinton." At a later point, Drudge adds that if the Clinton side keeps denying the charges, "this upcoming week is going to be one of the worst weeks in the history of this country."

"Our Round Table is an op-ed page," Russert explains later. "And Matt Drudge was a big player—the big player—in breaking this story. . . . We can pretend that the seven to ten million Americans who were logging on to him don't have the right to see him, but I don't agree."

The Witness:

On ABC's *This Week with Sam Donaldson & Cokie Roberts* (where the alleged scandal got its first airing a week ago), ABC's Jackie Judd has what Cokie Roberts announces are "new revelations in the alleged affair."

Judd then declares: "ABC News has learned that Ken Starr's investigation has moved well beyond Monica Lewinsky's claims and taped conversations that she had an affair with President Clinton. Several sources have told us that in the spring of 1996, the president and Lewinsky were caught in an intimate encounter in a private area of the White House. It is not clear whether the

witnesses were Secret Service agents or White House staff.”

There are four things you need to know about that paragraph:

1. *This report surfaces at the time that Starr’s people are putting the most pressure on Ginsburg and his client to have Lewinsky testify that she had an affair with the president and that he pressured her to lie about it.* “With leaks like that, they were just trying to scare me into thinking they had a smoking gun and didn’t need Monica,” Ginsburg asserts later. As if to make sure that the point isn’t lost on Ginsburg, Judd’s report concludes this way: “This development . . . underscores how Ken Starr is collecting evidence and witnesses to build a case against the president—a case that would not hinge entirely on the word of Monica Lewinsky.”

2. *On the night before (Saturday, January 24) ABC had televised a one-hour special on the alleged scandal, and, according to anchor Peter Jennings, Judd had wanted to air her report then. But, says Jennings, “I wanted to hold it . . . I was just not comfortable with the sourcing.”*

“Our anchor and White House reporter...say here’s something that we don’t know is true but [we’ll] tell you anyway...so we can say we reported it just in case it turns out to be true,” says a disgusted NBC reporter. “That’s outrageous.”

Asked later what happened between late Saturday night and early Sunday morning to make the story airworthy, Jennings says, “I wasn’t there on Sunday, but I am told that Jackie worked on it more and was happy with the sourcing by Sunday....She is a fabulous reporter, and I have no reason to doubt her....She plays by the rules and her sourcing is always great.”

Judd later explains that “there was no start or stopping in this news cycle. So, yes, between Saturday night and Sunday there were new sources.”

3. *What can “several” sources mean?* Webster’s dictionary defines several as “more than two but fewer than many.” Didn’t Judd even know how many sources she had? Can there be any excuse for this imprecision other than that this was a figure of speech? “To me,” Judd later explains, “it usually means a minimum of three. . . . I know it was at least three. Of course, I knew how many it was at the time, but I didn’t think I needed to specify.”

4. *As of this writing, nearly four months after Judd’s ABC “scoop,” there is no sign of these independent witnesses.*

Does ABC still think the story was right? I later ask Jennings. “We have not yet retracted it,” he says, “and I am still happy she’s had no reason to think we should retract it....Overall, ABC has done a fabulous job. Our reporting on this has been exemplary, and I challenge anyone to find where it hasn’t been.”

“We have not had to retract a single thing,” echoes Judd. “I still think there might be a potential witness,” she adds.

Might be? A potential witness?

“Jackie Judd is a first-class reporter; she’s no crackpot,” says Richard Kaplan, who is president of CNN but until last year was a top news executive at ABC and used to supervise Judd. It’s an assessment echoed by Judd’s current colleagues, too. But a first-class reporter needs an editor—a questioner, someone who slows up on the accelerator at exactly the time that the

reporter becomes certain that full speed ahead is the only speed.

This is especially true if the reporter is aggressive and has been covering a prosecutorial beat too long. For example, reporters who make their careers covering organized crime can become so inured to the badness of their targets and to the righteousness of the prosecutors on the other side that, after a while, some believe almost anything the prosecutors tell them. There is an almost complete suspension of the skepticism that had made them want to be reporters in the first place.

That’s what has happened to Jackie Judd this morning. And apparently there was no editor there to stop her. It was as if in the fabled scenes in the Watergate movie, *All The President’s Men*, when Jason Robards, playing *Washington Post* executive editor Ben Bradlee, tells his “boys,” Woodward and Bernstein, that they “need more,” they shrug the old man off and take their stuff to the printing press.

And as with those organized crime reporters, it may be that Judd—and Schmidt and Isikoff, too—are right *in general* about President Clinton’s allegiance to his marriage vows. Ditto Ken Starr. The issue here, though, is whether they’re right about this particular allegation and are treating the president fairly in considering it. In short, whether there turns out to be a witness or not, how can Judd defend a January story *declaring* that there were witnesses by saying four months later that “there still might be a potential witness”?

The Witness As Predicate:

Now that Judd’s scoop has been aired, Sam Donaldson uses it as the predicate for much of his questioning of guests on *This Week*. They include Clinton aide Paul Begala, who attacks it as an unsubstantiated leak, and House Judiciary Committee Chairman Henry Hyde, who would preside over any initial impeachment hearings.

Donaldson begins with Hyde by saying, “Corroborating witnesses have been discovered . . . Mr. Chairman, what do you think of that?”

Hyde doesn’t bite. “It’s an allegation,” he says. “We don’t have any proof of it yet.”

In their closing roundtable discussion, Donaldson tells co-anchor Cokie Roberts, “If he’s not telling the truth, I think his presidency is numbered in days. . . . Mr. Clinton, if he’s not telling the truth and the evidence shows that, will resign, perhaps this week.”

“You have Sam Donaldson saying it’s a matter of days, and Tim Russert talking about 72 hours—it’s kinda crazy,” Bob Woodward says later. “They seem to forget that it was April of 1974 when the tapes came out with Nixon saying, ‘I want you to lie,’ and it still took four months.”

Three months later, Donaldson defends his prediction, saying, “I said, . . . ‘if there is evidence,’ and I thought evidence would be presented before now. And I clearly meant evidence that is persuasive.”

Ratcheting Up The Story:

At the end of his show, Donaldson takes Judd’s report a step further. Instead of Judd’s “several sources have told us” introduction, Donaldson closes the show by declaring that “corroborating witnesses have been found who caught the president and Miss Lewinsky in an intimate act in the White House.”

"Someone in the control room asked me to summarize Jackie's report," Donaldson explains later. "And one of the dangers of an ad-lib situation is that you never say it as precisely as you would like." As for the bona fides of the story three months later, Donaldson says, "All I can say is that we believed it was accurate, but people changed their minds about what they would say."

Four Sources:

By about 3:00 Sunday afternoon, *The New York Times* is drafting its own story about witnesses interrupting the president and Lewinsky. "When I saw the Judd report on ABC, I recognized it as a story we were working on," *Times* Washington bureau chief Michael Oreskes later recalls. "By the time I came in that afternoon, we had four sources. And we were preparing to lead the *Times* with it the next morning."

Bulletin:

At 4:42 eastern time, Tom Brokaw and Claire Shipman of NBC break into pre-Super Bowl programming with the following bulletin:

Brokaw: "There's an unconfirmed report that, at some point, someone caught the president and Ms. Lewinsky in an intimate moment. What do you know about that?"

Shipman: "Well, sources in Ken Starr's office tell us that they are investigating that possibility but that they haven't confirmed it."

"Our anchor and White House reporter come on the air and say, here's something that we don't know is true but we just thought we'd tell you anyway just for the hell of it, so we can say we reported it just in case it turns out to be true," a disgusted NBC reporter says later. "That's outrageous."

Asked three months later why he aired that kind of "bulletin," Brokaw says, "That's a good question. I guess it was because of ABC's report. Our only rationale could be that it's out there, so let's talk about it....But in retrospect we shouldn't have done it."

Of course, what Shipman did confirm in that report was the commission of one certain felony, though not one involving the president: The leak of material from Starr's office pertaining to a grand jury investigation. For she does tell us that her report comes from "sources in Ken Starr's office."

In our later interview, when asked about Shipman's report, Starr refers me to Bennett, who, again, refused to discuss any conversations with specific reporters.

Story Killed:

At about 6:00, the *Times* kills its witness story.

According to Oreskes, reporters Stephen Labaton and John Broder "came in to me and said, 'guess what? We don't have it.' It turns out that they had felt uneasy, and when they tracked back our four sources [Broder and Labaton], concluded that they were only telling them what they'd all heard from the same person—who did not know it first-hand anyway.

"Sometimes, especially in this thing, the story you're proudest of is the story you don't run," Oreskes adds. "We were under enormous pressure on this one. . . . People were beating us. But sometimes you just have to sit there and take it."

Pulling Back:

By the time ABC airs its evening news at 6:30, Jackie Judd is pulling back. In the morning, "several sources" had told her the president and Lewinsky were caught in the act. Now we hear from her only that "Starr is investigating claims" that a witness caught them in the act.

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CAUGHT IN THE ACT

FULL COVERAGE STARTS ON PAGES 2 & 3

SECRET SERVICE found them together: source

Clinton will fall if sex charge is true: Moynihan

CLOSE ENCOUNTER: Bill Clinton and Monica Lewinsky were caught in a compromising position last spring in the White House by sources.

The *New York Post's* version of Jackie Judd's "scoop."

DAY 6: Monday 1/26/98

Caught In The Act:

Picking up on Judd's "scoop," both the *Daily News* and *Post* in New York scream, "Caught In The Act" across their front pages this morning. Meanwhile, the *St. Louis Post-Dispatch*, in a story bylined "From News Services," reports (as do other newspapers using similar wire services) that "ABC News reported that the president and Lewinsky were caught in an intimate encounter."

'All This Stuff Floating Around':

One of the stranger pick-ups of Judd's witness story comes from the *Chicago Tribune*, a paper "shut out of getting our own scoops from Starr because we never invested in having our people cover him on Whitewater," according to Washington bureau chief James Warren.

The *Tribune* reports what ABC reported, then says that it could not confirm the story independently. "I was against using it, but agreed to this as a compromise," Warren explains later.

Tribune associate managing editor for foreign and national news George de Lama says later, "We figured that our readers had seen it and had access to it. So we had to acknowledge that it existed, and we wanted to say we could not confirm it."

It is indeed a dilemma. Should a story become a news item that has to be repeated and talked about simply because it is broadcast the first time? Or should Chicago newspaper readers be shielded from it?

"In retrospect," de Lama later concedes, "I wish we had not published it. . . . It soon became clear to us that there's gonna be all kinds of stuff out there floating around and we should just publish what we know independently."

Which the *Tribune* later did, admirably, with a scoop interview of press secretary Mike McCurry musing about the possibility that the truth of the president's relationship with Lewinsky is "complicated," and with a story about money going to a legal defense fund for Paula Jones being used by Jones personally.

The "Secret Service" witness story seems to be a one-source story from a fifth-hand source. DiGenova (1) heard his wife (2) talking to a friend (3) of someone (4) who had talked to someone (5) who said he'd seen Lewinsky with Clinton.

'Desperate Times':

Again, *Newsweek's* Evan Thomas has forgotten his own admonition about reporters mouthing off on television. On *Good Morning America* to promote *Newsweek's* new issue, he is asked, "Do the [president's] advisers think that the American people are going to draw some sort of distinction between sexual acts?" To which Thomas replies, as if he knows, "Desperate times call for desperate measures."

More Pressure On Lewinsky:

On the *NBC Nightly News*, David Bloom, with his ever-helpful "sources," puts more pressure on Lewinsky and Ginsburg. "[S]ources also caution that if no deal is struck tonight, [Lewinsky] could be hauled before a . . . grand jury...as early as tomorrow." Four months later, there would still be no deal and no Lewinsky testimony.

Monica At The Gates:

On CBS's evening newscast, Scott Pelley reports that "sources" tell him that on January 3, Lewinsky was "denied entry at the [White House] gate" and "threw a fit, screaming, 'Don't you know who I am?'" It's a report that doesn't get picked up by the rest of the media, despite its apparent news value; if true, it would mean that during this exact week that the president was trying to get Lewinsky to participate in a cover-up, she was being turned away at the White House. But three months later Pelley maintains, "I know this story was true."

'This Just In': A Seventh-Hand Story:

***Larry King Live* seems to be going well for the president. This is the night of the day when the president forcefully denied having had sex with "that woman, Miss Lewinsky." Former campaign aide Mandy Grunwald and the Reverend Jesse Jackson (plus the ubiquitous Evan Thomas, Republican politico Ed Rollins, and former *Washington Post* executive editor Ben Bradlee) are engaged in a balanced, calm**

discussion for most of the show. Then, with a few minutes left, King returns from a commercial break with a bulletin:

"Panel, this just in from Associated Press, Washington: A Secret Service agent is reportedly ready to testify that he saw President Clinton and former White House intern Monica Lewinsky in a compromising position. *The Dallas Morning News* reports tonight [on its website] that it has talked to an unidentified lawyer familiar with the negotiations between the agent and the office of . . . Ken Starr. The paper quotes the lawyer as saying the agent is, quote, 'now a government witness,' end quote."

Reread that paragraph. At best, it's a fourth-hand report (though, as we'll see, it's actually seventh-hand). The Associated Press (1) is quoting *The Dallas Morning News* (2) as quoting an anonymous lawyer-source (3) as saying that a witness (4) will say something. Yet it punctures the "maybe-Clinton-will-survive" tone of the rest of the *King* show—as it does the remainder of Geraldo Rivera's show on CNBC, where he introduces the AP report as follows: "Uh-oh, hold it. Oh, hold it. Hold it, hold it, hold it. Bulletin. Bulletin. Bulletin. Associated Press, three minutes ago. . . ."

Ninety minutes later, *The Dallas Morning News* pulls the story, because, the *News* would later explain, its source called in to say they had gotten it wrong.

"You get handed something, you read it," Larry King says later. "I didn't have to, but I kind of felt compelled to. . . . It wasn't the *New York Post*. It was the AP and *The Dallas Morning News*. It's a dilemma of live television. What do you do? You're at the mercy of what's handed to you."

CNN president Richard Kaplan says later that he had been asked earlier in the evening by CNN producers who had heard about the possible Dallas story whether they should use it if the *Morning News* indeed published it. He had said no. "But then Tom Johnson"—CNN's chairman and Kaplan's boss—"called into the control room," Kaplan says. "Tom knew these Dallas people well and he said they were reliable."

Johnson says that his go-ahead for CNN to report the *Dallas Morning News* story came only "after some producer just ripped it off the wire and had Larry read it; I then told them it was okay to do it on the ten o'clock news show, too." Still, Johnson confirms that "it's my fault. I called around to the *Morning News* people and to AP people, and they assured me on this story. . . . The *Morning News* people told me the source, who was some lawyer. . . . But I'm the one who made the decision."

Associated Press Washington bureau chief Jonathan Wollman explains later that AP uses its own judgment in deciding which stories from other news organizations to publish on its wire. He also notes that, soon after his organization filed the report that Larry King read, "we added something from our own people quoting Secret Service agents as being skeptical of the *Morning News* story. Then we added something from the White House disputing the story."

In fact, this story was a leak from a Washington lawyer named Joseph diGenova. He and his wife, Victoria Toensig, are former federal prosecutors who often appear on talk TV, defending Starr and making the case for the president's guilt.

According to Toensig, she had been approached by a "friend of someone who is a former worker in the White House." (Toensig will not say if the person's friend was a Secret Service agent or a White House steward.) The person who contacted

Toensig told Toensig that this former White House employee had been told by a coworker at the White House that the coworker had, says Toensig, "seen the president and Lewinsky in a compromising position." Toensig was asked by the friend whether she might be willing to represent this secondhand witness if this person decided to go to Starr and talk about what the alleged firsthand witness (the coworker) had said.

DiGenova had overheard his wife discussing this possibility with this friend of the secondhand witness. Then, according to diGenova, after he had heard Jackie Judd's report of a witness on Sunday, he "mentioned" to *Dallas Morning News* reporter David Jackson that he'd "heard the same story that Judd had broadcast." Without telling Jackson, diGenova was thinking about what he had heard his wife discussing. However, by the time diGenova had mentioned this to Jackson, unbeknownst to him, the person who had approached his wife on behalf of this secondhand witness had broken off the discussions, and the secondhand witness had not come forward. According to Toensig, when Jackson called her on Monday and asked her about the story, "I told him, 'If Joe [her husband] told you that, he's wrong. Do not go with that story.' But I guess he didn't believe me."

According to Toensig, before her talks with the friend of the possible secondhand witness had broken off, she had mentioned the possibility of the witness to people in Starr's office—which means that when Jackson of the *Morning News* called Starr's office to get a second-source "confirmation," his second source was, in fact, no second source at all. It was just someone playing back diGenova's now-inoperative story, which diGenova's wife had tried to shoot down.

"When I saw Geraldo read the bulletin," Toensig recalls, "I figured they must have gotten it from someone else—not Joe and certainly not me. Then I got a call from [the *Morning News*] later that night and Jackson asked me to tell him again that he was right ... and I immediately said, 'I told you you were wrong earlier and not to go with it.'"

"This was a single-source story from me," diGenova concludes. "I thought they'd check it; all I did was give them a vague tip of what I had heard Vicki talking about on the phone." Jackson of *The Dallas Morning News* declines to comment on his conversations with diGenova or his sources for the story.

In short, this story of a "Secret Service" witness seems to have been a one-source story from a fifth-hand source: DiGenova (1) heard his wife (2) talking to a friend (3) of someone (4) who had talked to someone (5) who said he'd seen Lewinsky with Clinton. That makes CNN's report a seventh-hand story, because we have to add *The Dallas Morning News* and The Associated Press to the chain before we get to *Larry King*.

"As a result of the *Morning News* thing," CNN's president of global gathering and international networks, Eason Jordan, says later, "We instituted a new policy. At least two senior executives here have to give the okay before we go with anyone else's reporting on anything having to do with this story. ... We've decided that it's a total cop-out to go with someone else's stuff and just attribute it to them. Once you put it on your air it's your responsibility."

"I can't tell you how much pressure we were under from our own bosses to report something like the *Morning News* reported," CBS's Dan Rather remembers. "That rumor was all over the place. But we just couldn't nail it. ... It was a third-

hand source and maybe a fourth-hand source."

"Without getting into details," adds Scott Pelley of CBS, "I can tell you that we just didn't like the sourcing. It was too suspect."

According to a journalist at ABC, and to two reporters working on the story that day at rival news organizations, Jackie Judd's sources for her report about a White House witness the night before were also people in Starr's office who had heard about the supposed secondhand witness, probably from Toensig. Which would make hers a fifth-hand report, too.

Jennings disputes this. "I have no doubt that we were on to a different story," he says, "because I know who our sources are." Could his sources, whom he declined to name, have been people who had simply talked to the Dallas paper's sources? "I'm fully satisfied that they weren't," he says.

Judd refuses all comment about "anything having to do with sources."

A Good Day On The Web:

At MSNBC's ambitious website there have been 830,000 visits today, far more than for any other day, including the days following the death of Princess Diana.



The First Lady faces Matt Lauer.

DAY 7: Tuesday 1/27/98

The Retracted Story Lives:

The *St. Louis Post-Dispatch* reports this morning that "*The Dallas Morning News* reported Monday night that a Secret Service agent was prepared to testify that he saw Clinton and Lewinsky in a compromising situation."

Goodbye:

Tonight is the night of the president's State of the Union message, and in *The Washington Post*, James Glassman writes a column saying that the president should say he's sorry and that he's resigning.

'Reckless Idiot':

New York Times op-ed foreign affairs columnist Thomas Friedman writes about his feeling of personal betrayal: "I knew he was a charming rogue with an appealing agenda, but I didn't think he was a reckless idiot with an appealing agenda."

Four Options:

On the Microsoft-owned and Michael Kinsley-edited *Slate* web magazine, Jacob Weisberg presents four options for the president with their chances of success: Brazen It Out: 20 percent; Contrition: 5 percent; Full Confession: 15 percent; and Wag the Dog: 2 percent.

Circulation Up:

The Washington Post reports that *USA Today* printed 20 percent more copies than usual for its weekend edition, that CNN's rating are up about 40 percent, and that *Time* added 100,000 copies to its usual newsstand distribution.

'Let's Not Ask About Any Rumors':

The event of the day is Hillary Clinton's morning appearance on the *Today* show, forcefully defending her husband. Matt Lauer interviews her, and does a terrific job.

"We found out over the weekend that she was going to go through with [the long-scheduled interview]," Lauer says. "On Monday afternoon I sat down with [various producers and NBC News president] Andy Lack to run through it for about two or three hours. . . . It wasn't so much about questions as about tone. . . . We talked about asking her about whether the president defines oral sex as sexual relations, but we decided that we were not going to ask the First Lady of the United States a question like that.

"Another thing we decided," Lauer says, "was that we were not going to ask a single question based on rumor or speculation."

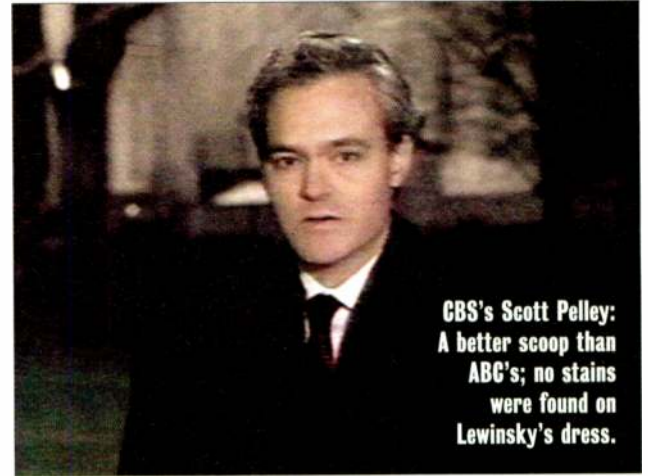
Why was that standard used for Mrs. Clinton, but for no one else?

"Because we knew we'd run into a dead end because she'd say, 'that's based on rumor or a sealed document,' or something like that, 'and I'm not going to talk about it.'"

If only other *Today* guests had that discipline.

"witness" and the *Dallas Morning News* report about a "Secret Service witness" as examples of "rumor being reported as news. . . . The media would be best to stick with traditional conventions that require firsthand information and confirmation from multiple sources," says the paper.

Not mentioned is the fact that the *Post-Dispatch* had itself reported both stories in its own news columns. Why not? William Freivogel, who wrote the editorial for the *Post-Dispatch*, explains, "We don't in general criticize our own paper. . . . This was meant as a general commentary."



CBS's Scott Pelley:
A better scoop than ABC's; no stains were found on Lewinsky's dress.

DAY 9: Thursday 1/29/98

The Vanishing Dress:

The CBS Evening News leads with a scoop. Scott Pelley reports that "no DNA evidence or stains have been found on a dress that belongs to Lewinsky."

"I'd much rather have our scoop about the semen dress than the scoop everyone else had," Pelley says later.

The next night, Jackie Judd will spin the no-dress story her way. She'll say "law enforcement sources . . . say a dress and other pieces of clothing were tested, but that they had all been dry-cleaned before the FBI picked them up from Lewinsky's apartment." In other words, the lack of evidence only proves how clever the criminals are.

Whether it turns out that Bill Clinton had sex with Monica Lewinsky or not (and whether it turns out that he stained one dress or 100 dresses) has nothing to do with the fact that Judd's every utterance is infected with the clear assumption that the president is guilty at a time when no reporter can know that.

DAY 10: Friday 1/30/98

Those Terrible Paparazzi:

The Daily News leads with a story about Lewinsky being mobbed by the press when she went out to dinner in Washington the night before with Ginsburg. "The black car being pursued by the paparazzi echoed the scene just before the car crash that killed Princess Diana," the paper reports.

On the front page of the paper is the paparazzi shot of



DAY 8: Wednesday 1/28/98

Do As We Say, Not As We Do:

The St. Louis Post-Dispatch greets its readers with an editorial that slams Jackie Judd's ABC report about a

An editorial that the paper's own editors should read.



Lewinsky in the car.
 Asked later why his own paper would help enhance the market for paparazzi misconduct by buying a photograph taken under circumstances that his paper described as so intimidating and dangerous, *Daily News* owner and copublisher Mortimer Zuckerman said he would have to call me back. He didn't.

Three 'Precious Words':

Jeff Greenfield, who has just joined CNN from ABC, proves why he may be one of the smartest people on television. On *Larry King Live*, he's asked what he thinks of Linda Tripp having charged today that she was present at 2:00 A.M. in Lewinsky's apartment when the president called one night. His answer: "Well... since I was not in the room, have not talked to Linda Tripp, have not talked to Monica Lewinsky, have not heard the tape... I think the best course of action is for me to say, 'I don't know.' And, you know, I am beginning to think those might be the three most precious words that we all ought to... remember... This notion of guessing... what... do we think the president, if it was the president, might have said to Monica Lewinsky that Linda Tripp could conceivably have heard that I haven't talked to her about? I'll pass."



DAY 11: Saturday 1/31/98

Tripp Surfaces:

The big story in the morning newspapers is that Linda Tripp has come out of hiding to issue the statement King asked Greenfield about the night before. Tripp charges, as the *St. Louis Post-Dispatch* dutifully reports in a widely circulat-

ed Associated Press story, that Lewinsky described "every detail of an alleged affair with Clinton during hundreds of hours of conversations over the last 15 months. In addition, I was present when she received a late night phone call from the president. I have also seen numerous gifts they exchanged and heard several of her tapes of him."

Another wire service story in the same edition of the *Post-Dispatch* says Lewinsky lawyer Ginsburg denies that Tripp "ever was 'privy to any conversation' between Lewinsky and President Bill Clinton."

What's most curious about Tripp's statement is that witnesses who are cooperating with prosecutors are routinely forbidden from making any public statements, in exchange for not being prosecuted themselves. (Tripp was potentially vulnerable under a Maryland law that prohibits taping telephone conversations without the consent of *both* parties.) "She made her own decision," Starr later contends. "You can't control the actions of an independent-minded human being."



DAY 12: Sunday 2/1/98

More From The FBI Tapes:

Starr's people have obviously continued to make good on their promise to give Isikoff the best seat in the house as they continue to trickle out the alleged contents of the tapes they made of Tripp and Lewinsky. Now, in its new issue, *Newsweek* reports that Lewinsky told Tripp that she had told Vernon Jordan she would not sign the affidavit stating she did not have sex with the president until he got her a job.

In another article, *Newsweek* declares that the magazine "has

Newsweek's second straight scandal cover story.

PRESSGATE

learned that [in his Jones deposition] Clinton swore he never met alone with Lewinsky after she left the employ of the White House. . . . But *Newsweek* has confirmed that Clinton and Lewinsky did in fact meet last Dec. 28, and investigators are examining the possibility of several other occasions on which the two met alone."

When Clinton's deposition is revealed three weeks later, the premise of this scoop would turn out to be wrong; the president did not say he hadn't met alone with Lewinsky.

DAY 13: Monday 2/2/98

An All-Time High:

Most of the nation's newspapers report that polls show the president's popularity to be at an all-time high. Meantime, Susan Schmidt and Bill McAllister of *The Washington Post* lead with Starr saying "his investigation of the Monica Lewinsky matter is moving swiftly."

DAY 14: Tuesday 2/3/98

No Secret Service Agent:

On the *Evening News*, CBS's Pelley says he has "learned that the Secret Service has conducted an internal inquiry and now believes that no agents saw any liaison between the president and Monica Lewinsky."

"I liked that scoop better than Jackie Judd's," Pelley says later.

DAY 15: Wednesday 2/4/98

The *Journal* Pushes The Button:

Just before 4:00 P.M. *Wall Street Journal* reporter Glenn Simpson tells White House deputy press secretary Joe Lockhart that the paper needs comment for a story charging that White House steward Bayani Nelvis has told a federal grand jury that he saw President Clinton and Lewinsky alone in a study next to the Oval Office, and that after the two left he recovered tissues with "lipstick and other stains" on them. Lockhart says he'll get back to Simpson quickly.

Fifteen minutes later, and without waiting for Lockhart, the *Journal* publishes the story on its Internet site.

"When I told [*Journal* Washington bureau chief Alan] Murray that Joe was going to get right back to me, Alan told me it was too late," Simpson says later. "He had already pushed the button."

"The White House had taken the position [in general] that it was not commenting," Murray says. "So I figured, why wait?"

Murray, who refuses comment on whether Starr's office was the source for the story except to say, "I can promise you we had sources outside of Starr's office," concedes that he had heard that ABC was also on the story and that he wanted to beat them. Murray, who is known around Washington as an especially careful, responsible journalist, also acknowledged that his paper had just completed a joint venture agreement with NBC to provide editorial content to its CNBC cable network (which offers financial news during the day and talk shows at night)

and that, "yes, it was in my mind that we could impress them with this." However, Murray also points out that because the *Journal* has long operated a wire service, "making instant publishing decisions was not new to us."

"They got too excited and Alan rushed to get on television," asserts one veteran *Journal* reporter, who says he has knowledge of the decision to publish.

Indeed, Murray appears on CNBC minutes after he pushes the button on his website reciting the Nelvis story. Almost immediately, the White House press office denounces the story, and Nelvis's attorney, who seems to be cooperating with White House lawyers, calls the story "absolutely false and irresponsible."

By the time the actual newspaper would go to bed later that evening, the *Journal* would pull back. It will report that the steward described the incident in question to Secret Service personnel, not to the grand jury.

When the paper sees daylight on February 5, White House press secretary Mike McCurry will denounce the *Journal's* on-line story—and its failure to await comment from him—as "one of the sorriest episodes of journalism I've ever witnessed."

By Monday, February 9, the *Journal* would be forced to report that "White House steward Bayani Nelvis told a grand jury he didn't see President Clinton alone with Monica Lewinsky, contrary to a report in *The Wall Street Journal* last week." And *Journal* managing editor Paul Steiger would be quoted in the same story as saying, "We deeply regret our erroneous report of Mr. Nelvis's testimony."

Could it be that Judd's report on Sunday night about a "witness" catching the president in the act, and *The Dallas Morning News's* dead-wrong, one-sourced, fifth-hand report on Monday night about a Secret Service agent being ready to testify, and this report about Nelvis testifying or, as it later became, about Nelvis telling a Secret Service agent what he had seen, are all different versions of the same story? "Yes, I am sure it's all the same story," says Victoria Toensig (the lawyer whose conversation that her husband had overheard became the "source" for the *Dallas Morning News* story).

Of course, it could ultimately turn out that a credible witness claiming to have seen the president and Lewinsky in a compromising position—or claiming that Nelvis told him or her about that—does come forward. By late-May, rumors would persist that Starr would produce at least that much. But the point is that, in early February, when these stories are published, they are at best third-, fourth-, or fifth-hand claims and the reporting of them as breakthrough news is a scandal.

No Other Bites:

It's near 6:00 P.M. and the networks have to decide how to handle the *Journal's* scoop.

ABC goes halfway, saying Nelvis has been called as a witness and "he might have been in a position to observe Mr. Clinton without the president's knowledge."

At NBC, "[vice president of NBC News] Bill Wheatley, [*Nightly News's* executive producer] David Doss, and I were standing in a cubicle at 5:50 talking into a conference phone with Tim Russert," Tom Brokaw recalls. "The *Journal's* website story was moving toward a full-blown story. But we decided, after talking to Tim, that it didn't have legs."

"We almost went with the *Journal* story," CNN's head of

newsgathering, Eason Jordan, says. "But the rule we put in place after the *Dallas Morning News* screwup stopped us."

"The difference between this and Watergate," says Brokaw, "is what I call the Big Bang Theory of Journalism. There's been a Big Bang and the media have expanded exponentially....Back then, you had no *Nightline*, no weekend *Today* or *Good Morning America*, no Internet, no magazine shows [except *60 Minutes*], no C-Span, no real talk radio, and no CNN or MSNBC or Fox News doing news all day. . . . As a result of all that, the news process has accelerated greatly. . . . Something, some small piece of matter, maybe a rumor, can get pulled into the vacuum at night on a talk show or in the morning on Imus [the nationally syndicated radio show that is a bastion of smart, irreverent political conversation] and get talked about on radio or on CNN or MSNBC during the day and pick up some density, then get talked about some more or put on a website that afternoon and pick up more density, and by late afternoon I have to look at something that has not just shape and density but some real veneer—and I have to decide what to do with it. That's kind of what happened with this one."

Brokaw's description of the care he took in this instance of the unsubstantiated *Wall Street Journal* story is impressive. And his assessment of the way the new technology of 24-hour cable channels and websites has forever turned the old news cycle into a tornado is right on the money. But the often sorry performance of his own news organization—for example, in chasing Judd's ABC "scoop" by rushing on that Brokaw-Shipman "bulletin" the prior Sunday of an "unconfirmed report" of a witness, let alone NBC's airing on sister channels MSNBC and CNBC of any and all rumors—makes it impossible not to conclude that Brokaw is describing an out-of-control process that he and his colleagues are often part of. He's like the articulate alcoholic at an AA meeting.



DAY 16: Thursday 2/5/98

No 'Jam Job':

The New York Times "bulldog" edition comes out tonight with a Friday morning story that punctures the revelry among those who hear about it at the White House state dinner for British Prime Minister Tony Blair. It's about Clinton secretary Betty Currie having not been at work for "several"

Starr acknowledges that he personally had met with [the Times reporters] about the Betty Currie story, although, he says, "my understanding was that they knew the substance of it...I only wanted to talk to them about its timing."

days because she was with Starr's people. Among other things, says the *Times*, Currie has spoken of having retrieved some presidential gifts from Lewinsky, and about how she had been called into the Oval Office the day after President Clinton faced those surprise Lewinsky questions at his Jones deposition and was taken by the president through a series of rhetorical questions and answers.

The article, by Jeff Gerth, Stephen Labaton, and Don Van Natta, Jr., seems to be yet another relying on prosecutorial leaks rather than Watergate-like firsthand reports from witnesses. In fact, in our interview, Starr acknowledges that he personally had met with Labaton and Gerth about the story, although, he says, "My understanding was that they knew the substance of it....I only wanted to talk to them about its timing." Starr urges me to talk to his deputy, Bennett—who, he says, had "talked more extensively with the *Times* for the story." As for why he had not been quoted by name if the discussion was not improper, Starr says only that Bennett "knows about the ground rules."

But Bennett refuses to discuss the ground rules, while asserting that he was "in no way a source for the information in the *Times's* Betty Currie story." No one at the *Times* will discuss their sources for this or any other story, but one top *Times* editor points out that the reporters could not have cared about discussing the timing of the story with Starr because "we ran it in the next available paper" after that meeting.

Prepared over several days—"this was not some Sue Schmidt jam job," says one *Times* reporter—the *Times's* Currie story would stand out nearly four months later as the most damaging to the president—and the one whose basic facts had not been challenged. But although it is precisely written and careful not to draw conclusions, it will not be read by the rest of the press with the same precision.

Coached?:

On *Nightline*, Ted Koppel scraps a planned show on the International Monetary Fund. He opens by announcing "a late-breaking story" that "the president's personal secretary is said to have told investigators that she was coached by President Clinton to say things she knew to be untrue."

"This was a breaking story, and the opening has to be written very quickly," Koppel later recalls. "But right after that I quoted the *Times's* language exactly. . . . Our opener is like a magazine cover or news headline; it frequently will use a grabber verb or adjective than is used later on."

Nightline guest Sam Donaldson also repeats the word "coached." Only NPR's Nina Totenberg, another guest, is more careful: "This story...is fairly clearly a leak from the prosecutor's office and with the exception of [the gifts]...it is their characterization of what Betty Currie has said."

By the next morning, Currie's lawyer—who was quoted

deep down in the original *Times* article saying that Currie was not “aware of any illegal or ethical impropriety by anyone”—would issue a statement declaring that it is “absolutely false” that his client believed that Clinton “tried to influence her recollection.” The White House, meanwhile, offers its own spin on the Clinton session with Currie: The president was simply refreshing his own memory.

Whatever the full story, what matters is that the *Times* didn’t spin it one way or the other, while the rest of the press did.

“Everyone said we said ‘coaching,’ but we didn’t,” Gerth recalls later. “There was a lot of deliberation here over what words went into that story. . . . The story as written, not as interpreted, was accurate.”

“I still have no idea whether she was coached or not,” says *Times* Washington bureau chief Oreskes. “We were acutely aware of the fact that we were dealing with descriptions and partial descriptions that were secondhand.”

Clinton lawyer David Kendall goes on the attack to deflect the Currie story.



DAY 17: Friday 2/6/98

Counterattack:

The morning shows are filled with talk about the president “coaching” Betty Currie, as are the newspaper headlines. (“Prez Told Me To Lie,” screams the *New York Post*.)

But by the afternoon, the White House has turned the day around. First there is the president’s relaxed, effective performance at his afternoon joint press conference with Prime Minister Blair. Then there’s a counterattack from his lawyer, David Kendall, who bashes Starr for alleged unlawful leaks and distributes a 15-page letter to Starr that claims to document them.

Kendall’s slam works so well that the NBC, ABC, and CBS evening news shows lead with it. The only talk about the *Times* Betty Currie story—the stuff of the *Nightline* show the night before—comes by way of explaining that this is the latest leak that the Clinton lawyers are so angry about.

The reason it’s working has to do with the dynamics of the media. True, the press loves a good crime investigation and

loves reporting the leaks that trickle out. But even more, reporters love a one-on-one fight. It’s more dramatic and easier to understand—and it makes booking pro and con guests on the talk shows a breeze.

“We’d been talking about leaks since this started,” says White House spin man Paul Begala. “But sometimes you just have to get up and scream it and start a food fight to get them to write about it.”

“Because we decided not to get into specific denials of most of this stuff, we could not answer with facts,” concedes former White House scandal counsel Lanny Davis. “So we answered with a fight about the process and the prosecutor.”

Showing Their Colors:

Now that it has become a Starr-Clinton food fight, the reporters on the talk shows are even more tempted to show their real colors. Rather than “analyze” what is happening in the investigation, tonight they are called upon to take sides. It is almost scary to watch people who sell themselves as unbiased reporters of fact by day become these kind of fierce advocates at night once the camera goes on.

A good example is Stuart Taylor, Jr., the serious, scrupulous, and brilliant senior writer for the *National Journal* who virtually started all of this with a groundbreaking 1996 piece on the Paula Jones suit in *The American Lawyer* that, by *Newsweek*’s own account, had inspired the *Newsweek* cover story about the case. Taylor has become the complete anti-Clinton partisan. He makes no bones about it, so much so that the one television show that prefers calm analysis to food fights—*The NewsHour with Jim Lehrer* on PBS—has already dropped him from his legal analyst perch. (I was the co-owner and editor of *The American Lawyer* when Taylor’s Jones piece was published.)

Now, on *Nightline*, Taylor takes the absurd Starr position as his own—that if prosecutors leak material coming from their talks with witnesses as they prepare them for the grand jury, they are not committing a crime, because only leaks from actual grand jury testimony are crimes. That’s not what the courts have ruled, and it’s a quite a bit of legalistic derring-do, coming from someone who said 11 days earlier on *Nightline*, in referring to the president, that “innocent people with nothing to hide who tell the truth don’t need to surround themselves with phalanxes of lawyers.” (About six weeks after this appearance, Taylor would begin negotiating with Starr to take a job advising Starr and writing the independent counsel’s report to the House of Representatives, but he would ultimately decide not to accept the offer.)

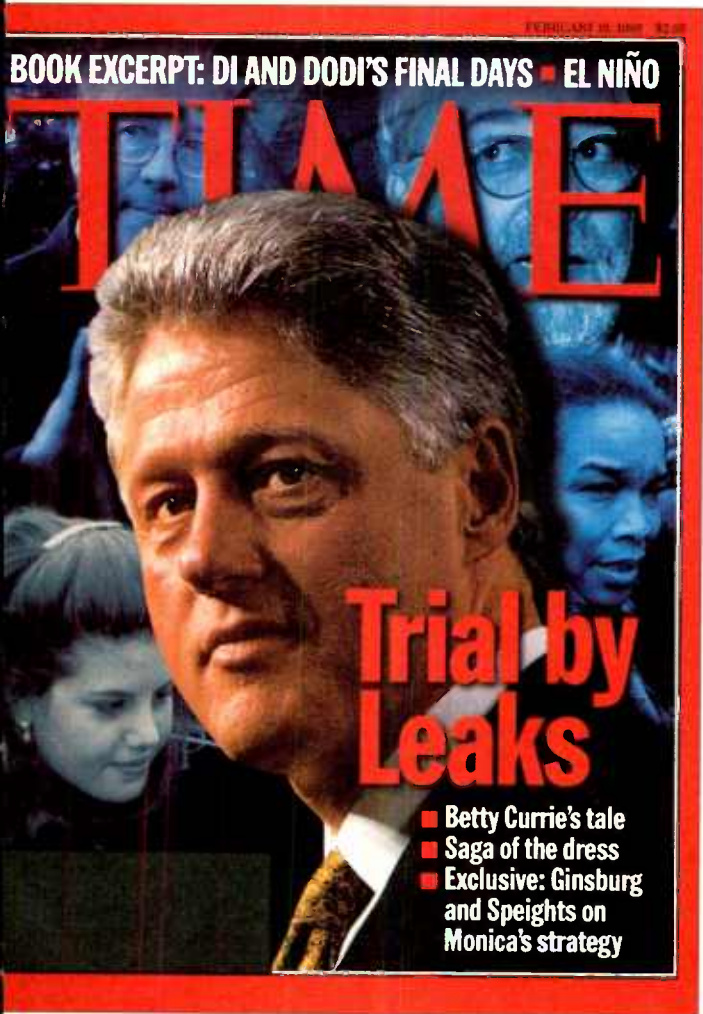
DAY 18: Saturday 2/7/98

Leaks? What Leaks?:

The nation’s newspapers generally highlight Kendall’s leak charges. Many of those writing the stories, such as Schmidt and Baker of *The Washington Post*, know from their own experience the charges are true. But they can’t and won’t say it.

Two days later, media reporter Howard Kurtz of *The Washington Post* (who is also a contributor to this magazine) would write a story headlined “With Leaks, Reporters Go With The Flow.” In the piece, Kurtz describes the “bizarre quality to

the weekend coverage of White House charges that ... Starr was illegally leaking. ... At least some journalists at each major news organization know whether Starr's staff is in fact dishing on background, but the stories are written as though this were an impenetrable mystery."



It's hardly an unimportant question. For in the entire Lewinsky story there is a lot more evidence of Starr and some of his deputies committing this felony than there is of the president or Vernon Jordan committing a felony. The problem is that the best witnesses—the witnesses with firsthand knowledge—are the reporters and editors covering the story.

"We can't ask Starr or Bennett if they have leaked to this or that reporter, because we are out there getting those leaks ourselves from them," *Time* managing editor Walter Isaacson later concedes.

Tarring The Times.

The White House spin people are out in force today. At noon, on CNN's *Late Edition with Wolf Blitzer*, top Clinton advisor Rahm Emanuel charges that in both the case of the *Wall Street Journal* steward-witness story and the *Times*'s Betty Currie story, "lawyers representing those individuals issued statements saying these stories are blatantly false."

Not true in terms of the *Times*. Currie's lawyer had simply stated that all of the coaching interpretations of that story—not the carefully written *Times* story itself—were false. In other words, Emanuel has skillfully, and cynically, used one bad story—the *Journal*'s—to tar the *Times* story, the facts of which no one had disputed by that morning (and which no one has disputed as of this writing, and which remains, with its accounts of gifts retrieved and testimony reviewed, the single most damaging story for the president).

This raises a larger issue. Because so much of the reporting of the Lewinsky story would turn out to be discredited, the journalism that should *not* be discounted by the public will be. That's because the average reader or viewer, especially when pushed this way by the White House, will not be able to discern the difference.

Time's cover story (far left) on leaks didn't ask or answer the only important question.

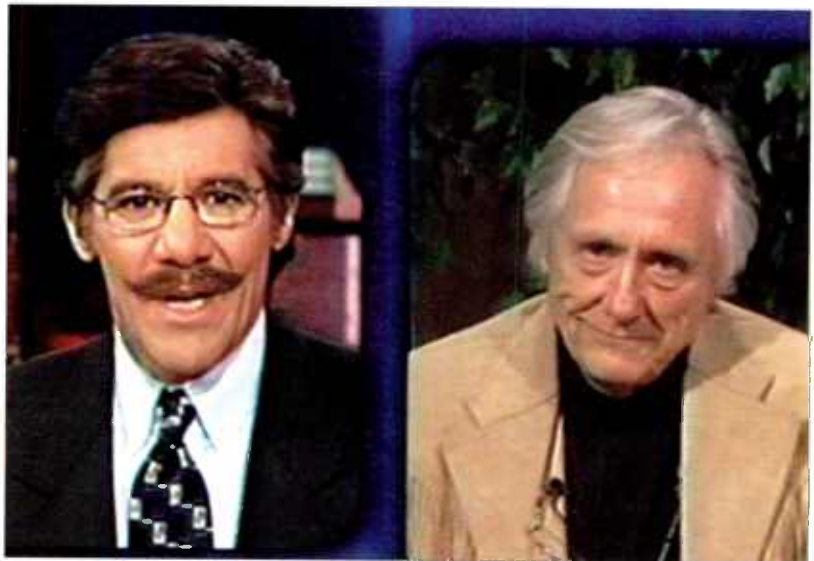
Geraldo Rivera asks Gerry Spence for some "folk wisdom" about Lewinsky and the president.

DAY 19: Sunday 2/8/98

We Can't Ask:

Time magazine is out this morning with a cover story entitled "Trial By Leaks." The story has a problem: It's produced by reporters, writers, and editors who know the truth but can't write it.

Even a wordsmith as skilled as *Time* senior editor Nancy Gibbs—who, as with the first *Time* Lewinsky cover story, pens the lead piece here—can't write around this problem. Describing leaks "so fast and steady" that they are "an underground river," Gibbs proceeds over five pages simply to describe all the leaks—in essence republishing even the now-discredited ones. But nowhere does she confront the basic question the article raises: Aren't Starr's people leaking? Nowhere do we find a *Time* reporter asking Starr what any reporter would ask in any other story: whether he or Bennett or anyone else in the office has talked to specific reporters who are the obvious beneficiaries of leaks.



DAY 21: Tuesday 2/10/98

A Matter Of Honor:

Geraldo asks cowboy lawyer Gerry Spence about a "powerful man of a certain age . . . who is accused of accepting sexual favors from an allegedly frisky young

California girl. Gerry," Rivera says, "I believe you have some folk wisdom to impart?"

Spence dives in: "Why hasn't he told the truth about this alleged peccadillo? . . . I was sitting in the little town of Newcastle the other day and talking to an old cowboy. And here's what he had to say about that. . . . 'Well,' he said, 'Here's to the heights of heaven and here's to the depths of hell, and here's to the dirty SOB who'd make love to a woman and tell.'"

DAY 22: Wednesday 2/11/98

Alone At Last:

Susan Schmidt has another scoop, and it's a firsthand report, not a leak. This morning she writes that former uniformed Secret Service guard Lewis Fox says that he was posted outside the Oval Office one Saturday in the fall of 1995 and he saw the president meet alone with Lewinsky for 40 minutes in the early afternoon. Schmidt makes much of this. In her lead sentence, 40 minutes becomes "Monica S. Lewinsky spent part of a weekend afternoon in late 1995 alone with President Clinton. . . ." And that, she says, makes Fox "the first person to publicly say that he saw the president and Lewinsky alone together."

But there's less here than meets the eye. Strangely, Fox is paraphrased but not quoted in Schmidt's article because, she later asserts, "he refused to be quoted." It's a rare article that is wholly about an on the record interview with someone (and

"[T]his story was very much driven in the beginning on sensitive information that was coming out of the prosecutor's office," says an internal *New York Times* publication.

headlined as such) in which that person is not quoted at all.

But it turns out that Fox had been liberally quoted in his local Pennsylvania newspaper and on Pittsburgh television before Schmidt got to him, saying that, yes, he had seen the two alone, but that he doubted anything untoward could have happened because there are so many ways to see into the Oval Office and there is such a constant threat of interruption from people walking in.

Why didn't Schmidt ask Fox if the two could have been interrupted? "I wasn't interested in his opinion," she says later. "Who cares about his opinion? Clinton testified that he was never alone with her, and this guy makes him a liar. Period."

In fact, when the president's deposition in the Jones case is made public soon after this interview with Schmidt, it turns out that Clinton did not testify that he was never alone with Lewinsky.

"This story was a perfect example of Sue Schmidt's attitude," says Clinton aide Emanuel. "Anyone who thinks the president could do something like that uninterrupted on a f--king Saturday is either in fantasy land or doesn't care about facts. We're all here on Saturday at 1:00. We live here, goddamnit."

The Good, The Bad, And The Geraldo:

It is tempting to dismiss Geraldo Rivera as a sleaze peddler. But he is also one of the smartest, best-prepared newsmen out there.

And tonight, as with many nights of his Lewinsky circus, he shows it. Talking about Schmidt's *Washington Post* story on Secret Service officer Fox, Rivera says, "We note, however, for the record, that the agent's story has become . . . [in Schmidt's hands] far more damning since he first began talking about a week ago. Back then Fox told a local newspaper . . . that it would've been difficult for the two to have had a sexual encounter while in the Oval Office because of its many windows. . . . And we also note for the record that every allegation [about] purported eyewitness to the president and Monica's being alone, including last week's account of Mr. Nelvis in *The Wall Street Journal*, has so far proven erroneous."

Circus Or Town Meeting?:

Rivera's show is emblematic of these first three weeks of coverage of the Lewinsky story. There was some good reporting and some sharp analysis. But it was mixed in with so many one-sided leaks and rumors that it was diluted into nothingness—so much so that many opinion polls showed that a majority of Americans believed the president to be guilty of something he adamantly denied and about which there is not yet nearly enough real evidence to know for sure, one way or the other.

Brokaw may be right: Americans may be good at filtering out the reliable from the nonreliable. It could also be argued that, in the old days, any town meeting would have had some crazies and gossips take the stage or whisper among the audience the way the crazies and prosecutor-fed gossips took to the printing presses and the electronic stage in the days following January 21.

But in the end that only euphemizes the appalling picture of the fourth estate presented by the first three weeks of this imbroglio.

Because it is episodic, the log presented above does not convey that overall picture, nor does the more subdued coverage of later weeks in this story.

But you can remember it.

It's a blizzard of newspaper front pages and magazine covers and every TV news show and pseudo-news show giving this story the kind of play that no story—none, not Princess Diana, not O.J., and certainly not Watergate—has ever gotten.

And so much of that coverage was rumors and speculation, that when a self-styled Committee of Concerned Journalists did a study examining 1,565 statements and allegations contained in the reporting by major television programs, newspapers, and magazines in the first six days of the circus, they found that 41 percent of the statements were not factual reporting at all, but were "analysis, opinion, speculation, or judgement"; that only 26 percent were based on named sources; and that 30 percent of all reporting "was effectively based on no sourcing at all by the news outlet publishing it."

It doesn't take Woodward and Bernstein to know that most of those anonymous sources were from Starr's office, spinning out stories to pressure Lewinsky or other witnesses and to create momentum and a presumption of guilt. I have personally seen internal memos from inside three news organizations that cite Starr's office as a source. And six different people who work at mainstream news organizations have told me about specific leaks.

Here's more specific, tangible, sourced proof of the obvious: For an internal publication circulated to *New York Times* employees in April, Washington editor Jill Abramson is quoted in a discussion about problems covering the Lewinsky story as saying, "[T]his story was very much driven in the beginning on sensitive information that was coming out of the prosecutor's office. And the [sourcing] had to be vague, because it was...given with the understanding that it would not be sourced."

And, as we have seen, Starr himself conceded to me that he talked to the *Times* about the Betty Currie story and often talked to other reporters, and he has all but fingered Bennett as 1998's Deep Throat. Moreover, his protestation that these leaks—or "briefings," as he calls them—do not violate the criminal law, and don't even violate Justice Department or eth-



ical guidelines if they are intended to enhance confidence in his office or to correct the other side's "misinformation," is not only absurd, but concedes the leaks.

Worse still is the lack of skepticism with which the press by and large took these leaks and parroted them.

To be sure, that kind of leak-report dynamic is common in crime reporting, where reporters make lawmen look good and defendants look bad by publishing stories of mounting evidence in ongoing investigations.

Yet there's a difference here. In the typical criminal process, all that bad publicity historically hasn't outweighed the burden of proof and the ability of a jury to focus on the evidence actually presented at trial. Juries are famous for getting from "where there's smoke there's fire" to looking at specific evidence. But Bill Clinton is not going to have a trial with that kind of jury. If he gets any hearing at all, it will be an impeachment hearing—which is a political process, a process where all the bad effects of all the leaks could count. And absent an impeachment hearing, the president's continuing ability to do his job will depend in some part on his public standing.

Many now agree that it is hard to imagine that a powerful independent counsel under no real checks and balances is what the Founding Fathers had in mind when they wrote

Geraldo Rivera's show is emblematic of these first three weeks of coverage. There was some good reporting and some sharp analysis. But it was mixed in with so many one-sided leaks and rumors that it was diluted into nothingness.

the Constitution. It is harder still to imagine that a press corps helping that prosecutor in his work by headlining whatever he leaks out—instead of remaining professionally suspicious of him and his power—is what the founders had in mind when they wrote the First Amendment. The press, after all, is the one institution that the Founding Fathers permanently protected so that reporters could be a check on the abuse of power.

And it is impossible to imagine that what the founders had in mind when they wrote the impeachment clause is that a president could be brought down by that prosecutor and by that press corps, all because a Linda Tripp and a Lucianne Goldberg got an intern to talk into a tapped phone about sex so they could put together a book deal.

So far, it seems that the American people understand this, even if the press doesn't.

So maybe it's the press that needs to draw lessons from Pressgate, not its customers. Or maybe the customers can force these lessons on the press by being more skeptical of the product that is peddled to them. I have three such lessons in mind:

- First, consumers of the press should ignore all publications or newscasts that try to foist the term "sources" on them unaccompanied by any qualifiers or explanation. The number of sources should be specified (is it two or 20?) and the knowledge, perspective, and bias of those sources should be described, even if the source cannot be named. (Is it a cab driver or a cabinet officer, a defense lawyer or a prosecutor?)

- Second, no one should read or listen to a media organization that reports on another news outlet's reporting of anything significant and negative without doing its own verification.

- And, third, no one should read or listen to any media outlet that consistently shows that it is the lapdog of big, official power rather than a respectful skeptic.

The big power here is Ken Starr. Prosecutors usually are in crime stories, and the independent counsel's power is unprecedented.

This is what makes Pressgate—the media's performance in the lead-up to the Lewinsky story and in the first weeks of it—a true scandal, a true instance of an institution being corrupted to its core. For the competition for scoops to toss out into a frenzied, high-tech news cycle seems to have so bewitched almost everyone that the press eagerly let the man in power write the story—once Linda Tripp and Lucianne Goldberg put it together for him.

BRILL'S CONTENT (ISSN 1099-5234) is published monthly except combined issues in December/January and July/August by Brill Media Ventures, L.P., 521 Fifth Avenue, New York, NY 10175. Application to mail at periodicals postage rates is pending at New York, NY and additional mailing offices. Subscriptions are \$19.95 for one year in the U.S., \$24.95 in Canada, and \$29.95 in all other countries. POSTMASTER: Send address changes to BRILL'S CONTENT PO Box 420235, Palm Coast, FL 32142-0235. Vol. 1, No. 1, July/August 1998. Copyright ©1998 Brill Media Ventures, L.P. The Copyright Act of 1976 prohibits the reproduction by photocopy machine or any other means of any portion of this issue except with the permission of the publisher. For subscription information, please call 1-800-829-9154.

[TICKER]

1 in 14 Chance an American believes journalists are more honest than most people

1 in 2.4 Chance an American believes journalists are more arrogant than most people¹

\$2,600 Estimated value of a cable television subscriber based on a recent sale of a cable system operator

\$59 Estimated value of a radio station listener in southeastern New Hampshire based on a recent sale of radio stations²

4 million Number of households that watched Comedy Central's *South Park*, the top-rated cable show, on April 22

1.5 million Number of households that watched CNN's top-rated show, *Larry King Live*, on April 22

13 Number of the 25 most-watched cable shows that are either *Rugrats* cartoons or professional wrestling³

\$907 million Total 1997 advertising revenue on the World Wide Web

\$1.02 billion Combined 1997 advertising revenue of *Sports Illustrated* and *TV Guide*⁴

1 in 200 Odds that a scandal was a topic of a network news story in 1977

1 in 7 Odds that a scandal was a topic of a network news story in 1997 (pre-Monica Lewinsky)⁵

2 Number of issues of *Time* or *Newsweek* with the same cover story as *People*, 1977

14 Number of issues of *Time* or *Newsweek* with the same cover story as *People*, 1997⁶

\$2,555,000 Base list price of the Chopper 4 helicopter used by New York's WNBC-TV

47 Number of additional news reporters a chopperless WNBC could hire for a year at the median salary for a major market TV reporter⁷

852 Number of new magazines in 1997

110 Number of new sex magazines in 1997

3 Number of new science/technology magazines in 1997⁸

40 Percentage of on-line users who watch television and computer screens simultaneously⁹

\$5.63 billion Market value of venerable media company Times Mirror Co.

\$5.60 billion Market value of upstart new media company Yahoo! Inc.¹⁰

40 Percentage of books on *The New York Times* paperback nonfiction best-seller list on May 10 about Leonardo DiCaprio or the *Titanic* (the ship or the movie)

3 Number of books in the top ten of *The New York Times* hardcover nonfiction best-seller list on May 10 whose titles describe purported conversations with spirits, God, or animals

2 Number of books in the top ten of *The New York Times* hardcover nonfiction best-seller list on May 10 whose authors admit making up events or quotes¹¹

\$125,000 Estimated amount CBS pays each week for Dan Rather's services as news anchor

\$5 Amount *The Wharton Journal-Spectator* of Wharton, Texas, pays each week for Dan Rather's services as a syndicated columnist¹²

4.2 million Number of households to watch first installment of *CBS News at 50* on May 4, smallest audience for first-run CBS prime-time program in two years

3.9 million Number of households to watch CBS coverage of Democratic National Convention in August 1996, prior smallest audience for first-run CBS prime-time program¹³

1. *What The People Want From The Press* (Center for Media and Public Affairs, 1997) / 2. Marcus Cable Co.; American Radio Systems Corp.; based on sale prices of assets and audience sizes / 3. Nielsen Media Research; CNN; *Broadcasting and Cable*, April 27, 1998 / 4. Coopers & Lybrand L.L.P.; Competitive Media Reporting / 5.6. *Changing Definitions Of News: A Look At The Mainstream Press Over 20 Years*, Project for Excellence in Journalism, March 6, 1998

7. American Eurocopter; Missouri School of Journalism website, report on television news salaries / 8. *Samir Husni's '98 Guide To New Consumer Magazines* / 9. The Internet Index (www.openmarket.com/intindex/) / 10. Yahoo! MarketClicker, May 15, 1998 / 11. *The New York Times Book Review*, May 10, 1998 / 12. *USA Today*, November 11, 1997; Larry Jackson, *The Wharton Journal-Spectator* / 13. Nielsen Media Research; Daily Variety, May 6, 1998

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