

THE BUSINESS JOURNALIST



On assignment

Russell Pearlman of The Times of Northwest Indiana discusses covering heavy manufacturing in an area where steel and production are the backbone of the economy.

9

Mark your calendar

Upcoming SABEW events include:

**Austin, Texas
Technology Conference**
Oct. 7-9, 1998

**Fort Lauderdale
Fall board meeting**
Nov. 13-14, 1998

Personal Finance Conference
Nov. 15-17, 1998

Business of Sports Conference
Nov. 15-17, 1998

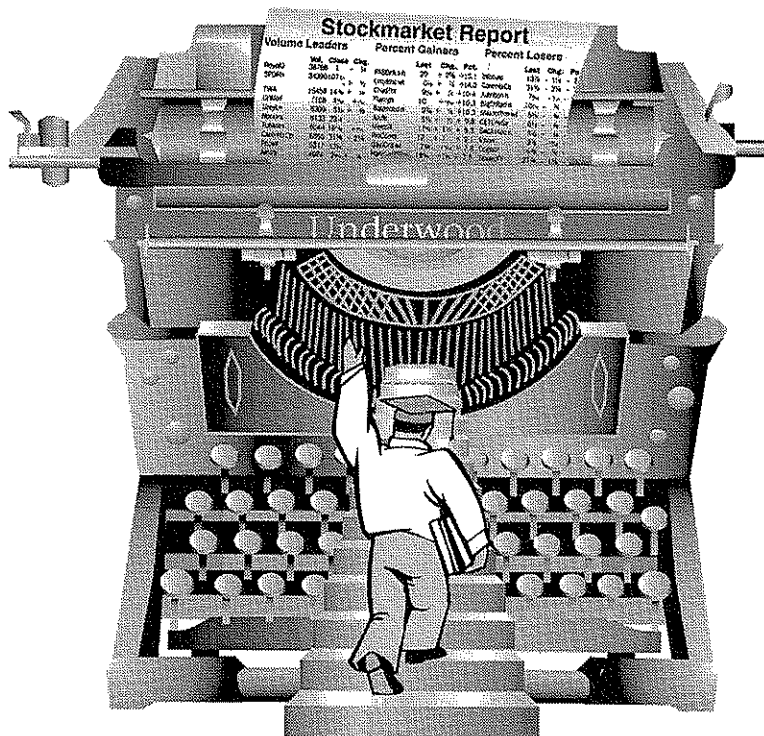
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Reaching the top

\$200,000 grant moves SABEW toward endowed professorship

BY BILL BARNHART

SABEW's growth as the professional society representing the biggest story in journalism today — business and economics — is about to take a giant step forward.

After a more than five-year campaign, funding is nearly at hand to endow a full-time professorship in business journalism at the University of Missouri School of Journalism, SABEW's headquarters.

The campaign was begun jointly in November 1992 by SABEW and the Missouri Journalism School, which both recognized a void in academic training and professional advancement programs for

business journalists.

President Henry Dubroff said the SABEW board of governors will vote at its spring meeting on a proposal to transfer to the endowment campaign a \$200,000 grant made directly to SABEW in January by the Center for Entrepreneurial Leadership of the Ewing Marion Kauffman Foundation, a philanthropic organization based in Kansas City.

The Kauffman money will raise the total pledges to the endowment to more than \$560,000. When fully paid over the next several months, the pledges will exceed the minimum required to endow a professorship.

PLEASE SEE CHAIR ON PAGE 5

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Business editor, *Fort Worth Star-Telegram*

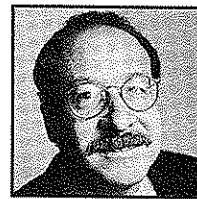
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PRESIDENT'S LETTER

HENRY DUBROFF
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"Friends" effort to build on SABEW professorship with member support

Reaching a funding level that will allow us to launch the SABEW Professorship in Business Journalism at the University of Missouri is a highlight of my term as president of our organization. But we're not finished yet. During my first ex-officio year, I'll be spearheading a new effort that I've called the "Friends of the SABEW Chair."

I hope the Friends effort will take us much closer to the \$1.1 million mark that Missouri has designated as what you might call The Full Monty. If we reach the \$1.1 million mark we will be able to upgrade our professorship to an academic chair,

becoming the peer of other academic chairs at the Missouri Journalism School in Editing, Community Journalism and International Journalism.

We will also have additional money to pay for support staff, something that will have tremendous long-term benefits to Missouri and SABEW.

The Friends of the SABEW Chair will principally be a grass-roots effort. We'll be asking each of you to donate a minimum of \$1,000 or \$500 with an employer match. This will make you a permanent partner in our SABEW-Missouri effort, the first-ever tenured academic chair devoted to teaching business journalism anywhere in the world.

This sounds like a lot of money, but remember you can pledge it over several years. And, if you think that you or your organization can give more than the minimum, we're going to create special recognition.

As with all of our fundraising efforts related to the Chair, the Friends of the SABEW Chair will have strict ethical guidelines. We will accept money only from members, former members, their families and news organizations. Randy Smith of The Kansas City Star, a former SABEW president and Barney Calame, our incoming treasurer, will be helping me with the Friends of the SABEW Chair.

Parting thoughts

I like to think that SABEW has come a long way in the past few years, and I'd like to take a minute to thank some people who've helped us tremendously. Carolyn Guniss, our executive director, has brought us a new perspective on business journalism and a jolt of new energy. Executive assistant Doris Barnhart has again worked countless hours on our behalf. Susan Wells, Charley Blaine, Barney Calame and Business Journalist Editor Bill Barnhart comprised as good an executive team as any organization head could want. Past presidents Jodi Schneider and Mike Kandel were always there with help and guidance. In addition to funding the professorship, I believe we achieved success in other key areas.

We have become a more diverse organization, with stronger links to minority journalism organizations and other journalism groups. We have improved our member services with a Technology Conference that got off to a great start and we will launch a Sports Business Conference this fall.

Thanks to all for your help and support. You'll be hearing from me soon with more details about the Friends of the SABEW Chair.



BUSINESS NEWSPEOPLE
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Tradeoffs at the Detroit Free Press

Tom Walsh leaving business editor's post to lead projects reporting

Detroit Free Press business editor **Tom Walsh** is making the classic frying pan jump with a decision to move out of business coverage after 11 years to

become projects editor for the newspaper. Projects editor **Ron Dzwonkowski** is moving to the relatively cushy job of editorial page editor.

Succeeding Walsh is **Mike Sante**, an assistant business editor over the last five years who has overseen the paper's prime beat automotive coverage. Sante previously worked in Charlotte, N.C. at the Observer, at the Knight-Ridder Washington bureau, and at The Miami Herald.

"Mike takes over at a very interesting time," says Walsh. "At the beginning of March, we expanded weekday business section space by seven columns a day, converted our Monday tab to an investment/personal finance section called The Money Report and added themed pages on other days — technology, growth, automotive and worklife.

"This week we launched a free mutual fund prospectus service in partnership with Lipper and the Associated Press and next week the business front gets daily color."

This is starting to sound like one of those historical trading swaps: "OK, Tom, we'll give you this and this if you ... take over projects."

Tom isn't confirming the trade scenario but he does say: "All of these are things we've been advocating — OK, begging for — for a long time, so leaving the business desk now is a bit

like finally giving birth and then putting the baby up for adoption.

"But it's in very good hands with Mike and his crew, and I've been assured that I'll have liberal visitation rights."

The expansion move has brought these additions to the Free Press business staff: **Nancy Costello**, former metro desk reporter, will cover growth, entrepreneurship and small business. **Jennifer Bott**, from the Oakland Press in Pontiac, Mich., joins the automotive coverage team. **Lorene Yue**, from The Kansas City Star, will cover the banking/financial beat.

The Free Press is still interviewing for a telecommunications/utilities reporter to replace **Deborah Solomon**, who is moving west to a reporting job at the San Diego Union Tribune. The Free Press also is seeking a reporter to cover media, advertising and the entertainment beats.

Midwest Chicago Tribune

Things keep churning in Chicago. **Jim Kirk**, who covered advertising and marketing at the Chicago Tribune, has been assigned to write a three-times-a-week media column in the business section.

Among several other Tribune changes, **Andy Zajac**, a business reporter with the San Francisco Examiner, has been hired to cover the health care industry. Food Industry reporter **Nancy Millman** has resigned to pursue a free-lance career. **Jon Bigness** transferred from the business news staff to the metro desk as a general assignment reporter. Replacing him as a technology reporter is **Elisa Williams**, formerly a technology reporter at the Oregonian.

In the Tribune's financial features area, **Terri Colby** has been transferred from Sports to be the new assistant editor for the Transportation section and

the Cars section, both published weekly. **Terri Kwiatkowski** left that post to transfer to the Tribune's metro desk. **Jacqueline Fitzgerald** has moved from the business copy desk to a new slot as assistant editor for the weekly Jobs section.

Des Moines Register

The newspaper has lost its business editor, **Brian Schwaner**, who only a few months back had joined the paper from his post as associate business/financial editor at The Times-Picayune in New Orleans, La. The ties back to the Big Easy were just too strong to break for life in the Midwest. Schwaner, who previously worked with former Times-Picayune business editor **Charles Blaine Jr.** to help build a top-of-the-line business section, is in the job market.

In other changes at The Register, **Katherine Bergstrom** moved from the Telegraph Herald in Dubuque, Iowa, to Des Moines to cover small business and commercial real estate. She succeeds **John McCormick** who switched to the technology beat vacated a few months back by **Mark Couch**, who went to cover technology at the Fort Worth Star-Telegram.

East Coast

Washington Times

The newspaper has been doing some reorganizing in its business news staff starting with the appointment of **Bob Menaker** as business editor succeeding **Ann Veigle**. **Catherine Gainor** and **Bernie Dagenais** are deputies. Editorial assistant **Eric Fisher** has moved to cover the retail beat and write the advertising column.

Dawn Kopecki is covering banking and finance as well as tourism and hospitality. **Anne Marriott** has left. **Mike Cleary** is covering real estate and eco-

Business newspeople

CONTINUED FROM PAGE 3

conomic development. **Vickie Reath** is working general assignment business, District of Columbia politics and the Washington Convention Center.

The Washington Post

It has redesigned its Monday "Washington Business" to now include a two-page "Techway" section providing news, features and profiles on the region's technology industry. **Todd Beamon** has been succeeded as "Washington Business" editor by **Tracy Grant**. Beamon, who previously put together a strong business section at the Daily News in Philadelphia, is in the market for a new post, last we heard.

The New York Times

Monday Business Day editor **Felicity Barringer** has made the move back to reporting and was succeeded by **Tim Rice**, a technology editor who had worked on producing the recently debuted Thursday "Circuits" section.

The Times Union

The Albany, N.Y. newspaper has hired Capital District Business Review reporter **Claire Hughes** for its business staff. **Julie Carr Smyth** departs to join the Orlando Sentinel in Florida where she will cover aviation. **James Denn**, who covered the insurance industry, corporate news, and public filings leaves to join National Trade Publications in Latham, N.Y., as executive editor of Water Technology.

MIT Press

SABEW governor **Charles A. (Chuck) Jaffe** has authored a book, "The Right Way to Hire Financial Help," published March 1 by The MIT Press. It is available for review by accredited media outlets through **Gita Manaktala** at 617-253-1709. The 320-page book is subtitled, "A Complete Guide to Choosing and Managing

Brokers, Financial Planners, Insurance Agents, Lawyers, Tax Preparers, Bankers, and Real Estate Agents."

Southeast

The Atlanta Journal-Constitution

Tom Eblen, deputy business editor at the Atlanta Journal-Constitution, has left the paper to go back to his hometown in Lexington, Ky., to take the job of assistant managing editor for special projects at the Herald Leader.

Susan Wells, assistant managing editor for business in Atlanta, tells us the paper is "pumping up its coverage of technology," adding people to the technology business cluster, planning new products and tweaking its personal technology section under the leadership of **Jennifer Hill**, deputy business editor/technology.

The Palm Beach Post

In Florida, **Joe Chudicek**, a former business news reporter, who moved to city side reporting as metro editor at The Palm Beach Post, switched back to business as the editor. The switch came full circle. Business editor **Susan Bowles** moved to the metro editor's post.

Also in the Sunshine State, **Tim Kriehn** has moved up from his assistant's slot to business editor at the Florida Times Union in Jacksonville. Business editor **Robin Clark** left the paper for a one-year sabbatical.

Southwest

The Dallas Morning News

The newspaper has hired **Dorothy Pugh**, layout editor at The Plain Dealer, in Cleveland, Ohio, as a senior copy editor.

Austin American-Statesman

Bob Keefe has joined the Austin American-Statesman in Texas as an assistant business editor after working as a reporter in Florida at the Tampa bureau of the St. Petersburg Times. He supervises four reporters and is responsible for the daily report.

Business editor **Becky Bisbee** tells us that **Kirk Ladendorf** has realized "the error of his ways" and has returned to the American-Statesman as senior tech-

nology reporter and team leader. **Ladendorf**, a 16-year veteran at the paper, left last summer to join Motorola in Austin. The paper now has four reporters covering various technology beats.

West Coast

Orange County Register

The newspaper has hired **Kathryn Lee Butler** in a new position as senior team leader of the Money team. **Butler**, formerly business editor at The San Diego Union-Tribune, heads a 25-person department that includes five team leaders who supervise reporting, graphics and production. **Butler** previously was business editor at the New Haven Register in Connecticut and had been a senior editor for Bloomberg News in the London bureau. The Register is seeking to fill two reporting team leader slots.

In other changes, **Michele Himmelberg**, switched from workplace reporter to editor of The Register's At Work Extra section, a new monthly supplement to the Business Monday section. The paper is seeking to fill the workplace and health-care industry beats.

Churm Publishing

The Newport Beach, Calif. publisher whose flagship is the biweekly OC Metro business lifestyle magazine, has launched another publication, OC Family. The monthly magazine debuts May 15. Publisher **Steve Churm** announced that OC Metro Editor **Craig Reem** will be executive editor of both magazines.

Kevin O'Leary, former editorial page editor for the Thomson Los Angeles News Group, has been named managing editor of OC Metro.

Los Angeles Times

Orange County business editor, **Michael Young**, has moved to managing editor of the edition's 170-member staff. **Young** moved to the Times 10 years ago from the Providence Journal where he was city editor and projects editor. He worked on some of the early development models of computer assisted reporting in Providence with **Chip Scanlan** and **Elliot Jaspin**.

Endowed chair campaign

CONTINUED FROM PAGE 1

"This is a huge step for our organization and for the training of future business journalists," **Dubroff** said. SABEW and the University of Missouri undertook the endowment campaign to provide a focus on business journalism at the undergraduate and graduate levels at Missouri and to develop and implement career development programs for working business journalists, **Dubroff** said.

Randy Smith, assistant managing editor at the Kansas City Star and the president of SABEW when the campaign began, recalled that the endowment idea was born in 1991, after SABEW ended a search for a new headquarters in the wake of **Jimmy Gentry's** departure from the school. After investigating several other journalism schools, the SABEW board voted to retain its tie with Missouri and strengthen the relationship.

"When we looked around at who was teaching business journalism, we were shocked and amazed to find hardly anyone, although business journalism clearly was the growth engine of our profession," **Smith** said. "I asked, what can we do to remedy that?"

The campaign was ratified by the SABEW annual meeting in 1993 and received an immediate boost by a \$200,000 grant by The Kansas City Star and the philanthropic foundation of the newspaper's parent at that time, Capital Cities/ABC. Other contributions by individual journalists and media organizations followed, including \$50,000 grants each by the Dow Jones Foundation and Bloomberg News.

"I don't know of any other national journalism organization that has accomplished anything like this," said **Smith**. "This is an incredible achievement."

Fund-raising will continue, including a bid for matching funds through the university from the state of Missouri,

SABEW thanks contributors to endowment campaign

A new effort called the "Friends of the SABEW Chair" is underway in an effort to help SABEW reach the \$1.1 million mark needed to upgrade the professorship to an academic chair. See page 2 for details.

Doris E. Barnhart

William E. Barnhart

Charles G. Blaine, Jr.

Bloomberg News

Frank P. Brill

Mr. and Mrs. Byron Calame

Mark Calvey

Capital Cities/ABC Foundation, Inc.

Chiles T. A. Larson & Associates, Inc.

Mr. and Mrs. Russell Crawford-Arensman

Denver Post Charities, Inc.

Dow Jones & Company, Inc.

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Gayla Hoffman Associates

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Sentinel Communications Co.

Allan H. Sloan

Randall D. Smith

Catherine H. Terry

The Boston Globe Foundation II

The John Lucht Consultance, Inc.

The Kiplinger Washington Editors, Inc.

The Seattle Times

Seattle Post-Intelligencer

Times Mirror Co.

Tom Walsh

Susan Wells

Debra Whitefield

towards the goal of endowing an academic chair in business journalism, to provide additional resources for SABEW and business journalism education.

Dubroff said he will intensify fund-raising efforts over the next 12 months to reach the \$1.1 million goal for an endowed chair.

"Now that we have the professorship, other individuals and news organizations will come forward with contributions,"

he said. Recently, SABEW member **Mark Calvey** of the San Francisco Business Journal pledged \$25,000 to the endowment over the next 10 years.

Meanwhile, efforts begin this summer to prepare for the formal creation of the professorship and the selection of the individual to fill the post. SABEW and the Missouri Journalism School have agreed to pursue these goals jointly.

Best in Business winners

Judges name the nation's best business news organizations and coverage

More than 250 entries were received for SABEW's fourth annual Best in Business and Spot News contests.

Daily newspapers, business weeklies and wire services entered the contest, which recognizes the best overall publications and deadline reporting in business journalism during 1997.

The SABEW Best in Business contest was started in 1995 to help set standards and recognize role models for outstanding business journalism. Awards will be presented April 26 at the SABEW annual conference in Huntington Beach, Calif. Winning sections will be on display throughout the conference.

Business sections competed in four daily categories based on circulation and business weeklies competed in a fifth category. Judges were allowed to pick up to five Best in Business section winners in each category.

In the BIB Spot News, journalists competed in six categories that included one for wire services. Judges were allowed to pick up to three winners in each of the Spot News categories.

Judges for both contests were also allowed to award certificates of merit. A total of 20 judges formed judging panels that met for a weekend in March to make the selections. Some of them will be attending the annual conference to discuss what they liked and disliked about the entries.

Best in Business overall winners

Newspapers

Circulation 350,001 and above

The Dallas Morning News
Los Angeles Times
The Philadelphia Inquirer
Star Tribune, Minneapolis

Certificate of Merit

The Orange County Register
The Oregonian
The Washington Post

Judges

Rob Weisman
Business editor
The Seattle Times

Bob Burdick
Editor/senior vice president
Rocky Mountain News

Dan Hertzberg
Deputy managing editor
The Wall Street Journal

Circulation 250,001-350,000

Fort Worth Star-Telegram
The Kansas City Star
San Jose Mercury News
St. Louis Post-Dispatch
The Tampa Tribune

Certificate of Merit

Milwaukee Journal-Sentinel
The Orlando Sentinel
The Seattle Times

Judges

Ernest Holsendolph
Business columnist
Atlanta Journal-Constitution

Carol Cain
Assistant business editor
Detroit Free Press

Bob Mong
Executive vice president
A.H. Belo Company

Circulation 100,001-225,000

Gannett Suburban
Newspapers (New York)
The Gazette (Montreal)
The Providence
Journal-Bulletin
Richmond Times-Dispatch
St. Paul Pioneer Press

Certificate of Merit

Asbury Park Press
The Blade (Toledo, Ohio)
Contra Costa Times
The News Journal
(Wilmington, Del.)
Rochester Democrat
and Chronicle

Judges

Jim O'Shea
Deputy ME/news
Chicago Tribune

Nolan Finley
Manager of new
business development
The Detroit News

Doug Weaver
Editor for readership
and new initiatives
The Kansas City Star

Circulation under 100,000

Corpus Christi Caller-Times
Winston-Salem Journal

Certificate of Merit

The Daily Record
Baltimore, Md.)
El Paso Times
The Press Democrat

(Santa Rosa, Calif.)

Judges

Margie Freaney
Managing editor
Atlanta Business Chronicle

Alan Abbey
Business editor
Albany Times Union

C. Grant Jackson
Business editor
The State
(Columbia, S.C.)

Business weeklies

Atlanta Business Chronicle
The Business
Journal of Charlotte
Crain's Chicago Business
The Denver
Business Journal
Los Angeles
Business Journal

Certificate of Merit

Cincinnati Business Courier

Judges

Scott Gillespie
Business editor
Star Tribune, Minneapolis

David Haynes
Business editor
Milwaukee Journal-Sentinel

W.B. Blankenberg
University of Wisconsin
Keith Leighty
Business editor
Reuters

Spot news winners

Newspapers

Circulation over 350,001

Newsday
The Wall Street Journal
The Washington Post

Honorable mention
Los Angeles Times
St. Petersburg Times

**Circulation
225,001-350,000**
Fort Worth Star-Telegram

Honorable Mentions
The Kansas City Star
San Antonio Express-News

**Circulation
100,001-225,000**
Akron Beacon Journal
(two awards)
Rochester Democrat
and Chronicle

**Circulation
up to 100,000**
The Bakersfield Californian

Poughkeepsie Journal
Winston-Salem Journal
Honorable Mentions
The Flint Journal (Michigan)
Poughkeepsie Journal

Business weeklies

American City
Business Journals
Orlando Business Journal
(two awards)

Honorable Mention
Tampa Bay Business Journal

Wire Services
The Associated Press
Dow Jones News Services
Bloomberg News
Honorable Mention
Bloomberg News

Spot News Judges
Geoffrey W. Gevalt
AME/News
The Burlington (VT)
Free-Press

Jaye Scholl
Barron's
Brian Schwaner
Business editor
The Des Moines Register

Dell founder to speak at technology conference

SABEW's second annual Technology Conference is slated for Oct. 7-9 in Austin, Texas, at the Renaissance Austin Hotel on Arboretum Blvd.

Peter M. Winter, president of Cox Interactive Media Inc., a division of Cox Enterprises, Inc., will be the opening speaker. The objective of Cox Interactive Media is to build and operate consumer products and services on the Internet. Michael Dell, who founded Dell Computer Corp. in Austin in 1984 with \$1,000 of his own money, will deliver the keynote address. He

will discuss his company's approach of selling directly to customers over the telephone or Internet and the future of Internet commerce.

Richard Garriott, founder and head of Origin Systems, will talk about the launching of its Internet game, Ultima Online. Origin Systems has sold nearly 100,000 copies of the game, which is designed to allow participants to play simultaneously.

This conference will offer field trips to such companies as Applied Materials, Motorola and Dell Computer.



From *Time digital's* review of INN as one of its "Ten Best Finance Sites:"

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-March 23, 1998

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Sealed document dilemma

North Carolina reporters go to bat against Conoco on pollution story

BY ANDREW BLUM

The media's battles over the past few years to obtain and report on so-called sealed court documents may have suffered a big blow recently in North Carolina, when a scoop turned into a legal nightmare.

In a ruling now under appeal, a federal judge fined a reporter and her newspaper for contempt for writing and publishing a story about a \$36 million settlement in a pollution lawsuit, a report based partially on use of what Conoco Oil Co. said was a sealed document.

Media law and litigation experts expect that the ruling will not stand. But, in the meantime, it may put a chill on just how far a reporter and paper will go in pursuing information contained in a sealed document.

The case was somewhat reminiscent of the Business Week prior restraint flap in 1995, where a lawyer gave Business Week reporter Linda Himmelstein a sealed document involved in a lawsuit over derivatives transactions between Bankers Trust and Proctor & Gamble. In that case, the reporter was not fined, and Business Week eventually published the story — but not before the parties in the case tried to stop publication with an emergency court motion.

"Sealing files" in lawsuits has become commonplace in recent years, as lawyers and media groups — for distinctly different reasons — have attempted to gain access to such files.

In no case to date has the media been fined for obtaining sealed documents; that is, until now.

In the North Carolina case, Kirsten Mitchell, a reporter for The Morning Star, a New York Times Co. regional newspaper in Wilmington, went to the court clerk's office, looking for information to corroborate settlement data that a colleague, Cory Reiss, already had learned. The settlement concerned a lawsuit local

residents had filed against Conoco Inc., the oil production unit of DuPont & Co., over water contamination by the company.

When the clerk gave her the document, in a stack of others, it read "sealed" but on the back it said "opened," meaning it had already been opened by court workers. When the Star published the story, Conoco, facing other similar lawsuits, objected and asked the court to punish the two reporters and the paper.

U.S. District Judge Earl Britt, who handled the Conoco case, fined Mitchell \$1,000; she could have received six months in prison and a \$5,000 fine. The paper was fined \$500,000. Reiss was not fined.

In his ruling, the judge said the case was not focused on freedom of the press. But, instead was "about the respect that any citizen, individual or corporate, should have for an order of the court."

He delayed imposing the fines until appeals are concluded.

George Freeman, New York Times assistant general counsel, said the appeal briefs are due April 6 in the 4th Circuit Court of Appeals in Richmond, Va. Calling the fines "the only case I know of" like this, he said the paper will cite the Business Week case, among others, as reasons why the judge's ruling should be overturned.

"Kirsten Mitchell was handed a document by a court clerk, and that she could be held in criminal and civil contempt for then reading that lawfully obtained document is simply unprecedented," he said.

"Neither reporters nor Joe Citizen have an obligation to return or ignore materials that a government employee, either purposely or inadvertently, gives them."

A Conoco spokesman declined to speculate about what might happen on appeal, but simply stated, "The reporter violated the court order." He added that the publication of the information in the sealed file damaged Conoco, and that the company as well as the plaintiffs' attorneys in the underlying case complained to the court

about the sealed order being violated.

The specter of a journalist and her paper being fined like this left lawyers in both litigation and media law aghast.

Arthur Bryant, executive director of Trial Lawyers for Public Justice, formerly with a law firm that represented Philadelphia Inquirer, said the North Carolina case begs the question of whether the public has the right to know how major litigation is resolved, "in particular so it can determine if laws lead to justice or need to be changed." (For more about TLPJ, see www.tlpj.org on the Internet)

"Even if it was properly sealed, there is no legal basis for punishing the press for publicizing the settlement if it believed the information was public and open for distribution," he said.

In the future, Bryant said the ruling could pose a serious chilling effect on First Amendment rights and the public's right to know. While some journalists might shirk from such threats, he said he would advise the same course of action as Mitchell took.

"If I'm a lawyer advising a reporter next time my advice would be probably to do the same thing," Bryant said. "I believe the court sanction was illegal and will be overturned. But of course it's not me in prison and it's not my money at stake."

In North Carolina journalism circles, there is support for Mitchell and the Star, but also a lesson to gain from the episode.

Hugh Stevens, legal counsel for the North Carolina Press Association, said the organization's board of directors voted to support Mitchell and the paper "in any way that is appropriate," including joining as an amicus in support.

"My personal view is that the evidence does not support ANY punishment of either the reporter or the newspaper," said Stevens.

— Andrew Blum is a freelance writer in New York City.

Assignment: Manufacturing

Covering steel requires a reporter to be savvy in areas ranging from covering the environment to writing explanatory pieces



Russell Pearlman covers heavy manufacturing for The Times of Northwest Indiana.

On assignment

Beat reporting remains the cornerstone of business journalism. If you would like to contribute to this series, please contact Bill Barnhart at 312-222-3599 or at webarnhart@aol.com

BY RUSSELL PEARLMAN

For weeks, I wondered how I was going to establish myself as the new steel and manufacturing writer for my newspaper. Come my first official day last July, I didn't have to worry.

"Hello sir, I'm Russell Pearlman, the new steel writer. I'm sorry to introduce myself under these conditions, but can you please tell me about the deaths of two workers at your mill today?"

It was a terrible day; 3,000-degree molten steel fell out of a giant ladle and onto two workers — and I had to write the story. It was one of those days I wished I had followed my grandfather into the deli business.

But in hindsight, perhaps it was an appropriate way to start reporting on heavy manufacturing. Safety issues are paramount at these companies. If they're not, then that's a story in itself.

I did more than interview company officials, union repre-

sentatives and safety inspectors for the spot story. I asked them if, after I wrote the stories about the accident, I could sit down with them and talk about the industry, the issues and the people. Every one of them agreed.

In the late 1990s, business journalists tend to focus on high-tech companies like Intel Corp. or service firms like Arthur Andersen. Many of us concentrate exclusively on the financial performance of these companies.

People forget there are companies that actually MAKE things. As a reporter covering heavy manufacturing, you can show the public that there are still firms out there that produce goods like cars, screwdrivers, drill presses and garbage disposals.

You can take the public into the world of hangars and assembly lines. Some might consider a story about a machine shop a soft feature, but you most likely are showing readers or viewers a place they have never seen before.

Opening people's eyes to new experiences is one of those journalistic standards that I'll never become too jaded to appreciate.

Covering the heavy manufacturing beat isn't just being a glorified guide. There are serious issues facing the U.S. Steels and Whirlpools of the world. Employee contract squabbles, toxic waste cleanups and global competition are daily issues facing these companies. As a reporter, you learn finance, marketing, labor law, chemistry, trade issues, environmental regulations, and accounting — on the fly.

Every manufacturing company has its own eccentricities, but there are some tips that apply nearly to everybody:

■ **Get to know those union stewards:** Drop in on the local union hall early in your beat. Union officials usually are happy to tell reporters about issues within the company, especially during contract negotiations.

Obviously, not everything they tell you will be true, but take what you learn from them and go to other sources to check it out.

■ **Say hello to OSHA and other acronyms:** It's always nice to be on good terms with government safety and environment inspectors. That way, if you want a listing of safety violations from a particular company, you can usually obtain one with a simple phone call instead of going through a lengthy Freedom of Information Act request.

These folks also can give you perspective about how a company's safety record com-

Assignment: Manufacturing

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pires to its nearby competitors.

■ **Hit the rubber chicken circuit:** Grab those antacid tablets, and go to dinners, banquets and speeches put on by industry interest groups. Spending an hour or two at a meeting of a group like the American Women in Metals Industry will introduce you to a wide variety of employees from a myriad of companies.

The attendees often appreciate the interest and can become future sources. Your stomach will hate you for the food you subject it to, but your editors will love you for the story ideas you will get.

■ **Talk to the techies:** Engineers, quality assurance employees and scientists love to talk about what they're doing. And don't worry about your own shortcomings in math or science. Show a genuine interest in writing an accurate science story and they'll be happy to explain a new technology or machine to you.

In addition, techies often mingle among all the different strata of a company and can give you insight into what big issues are going on within the firm.

■ **Catch the eye of consultants:** No company can do it all, so they hire a myriad of consultants from everything from managing the books better to keeping the plant cleaner. Seek these people out because they can give you insight into where the industry is going and what other companies are doing.

■ **Find those good Web sites:** Corporation Web sites usually are just puff PR

pages, but odds are good they'll have company financial information, plant statistics and, most importantly, the correct spellings of the company's executives.

Also check out the EDGAR database at www.sec.gov. You'll have access to ownership changes, earnings reports and annual updates filed with the Security and Exchange Commission.

YAHOO Finance (quote.yahoo.com) gives you quick stock listings and a breakdown of news in other parts of the heavy manufacturing industries.

As always, there is no such thing as a dumb question. If there were, I would have found it by now.

— *Russell Pearlman can be reached at 219-933-3316; E-mail: pearlman@howpubs.com*

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Litigious times

As libel cases pervade, journalists survey their effects on craft

BY ANDREW BLUM

A spate of high-profile libel cases and related legal attacks on the news media has focused attention on the impact of stories and the role of media lawyers before reports are published or broadcast.

It's not a wholesale change in the newsgathering process, but there's a greater undercurrent of attention to libel pitfalls, journalists and lawyers told The Business Journalist.

Being sued for libel or confronting one of several novel legal attacks on reporting is like root canal — you never forget it.

To get a picture of today's climate, consider recent developments:

Last fall, a judge in Houston upheld a \$22.7 million compensatory damages verdict against Dow Jones for libel over a 1993 Wall Street Journal article about now defunct investment company MIMAR Group Inc. Earlier last year MIMAR won \$200 million in punitive damages, the largest libel verdict ever. U.S. District Judge Ewing Werlein Jr. threw out most of the verdict in May.

But he upheld a \$20,000 award against Journal reporter Laura Jereski, who wrote the article, which MIMAR claimed led to its demise. Dow Jones, which is representing her, is appealing to have the verdict overturned. MIMAR, also appealing, seeks to have the punitives reimposed.

ABC News was ordered to pay \$5.5 million in punitives to Food Lion for using a hidden camera to report on spoiled food. A federal judge in North Carolina cut the verdict to \$315,000, with \$1,402 in compensatory damages standing. Food Lion denied the accuracy of the 1992 "Prime Time Live" report, but instead of suing for libel or slander, charged fraud, trespass and breach of loyalty. ABC defended the undercover

reporting as in "a great tradition of American journalism." Its appeal is set for May.

The net result of this climate, with the Dow Jones case the biggest and most recent, has left its mark on the media and its lawyers. This is the case even though the Journal remains committed to the same newsgathering practices as before the verdict.

Dow Jones spokeswoman Karen Pensiero said Dow Jones is optimistic it will win on appeal. If the damages against Jereski are upheld, it will pay them. Jereski, whom Dow Jones described as a "first rate journalist" remains on the same beat, said Pensiero.

A four-time libel defendant, Richard Behar, a reporter for Fortune Magazine, was sued by the Church of Scientology while working for Time. He said there is a difference between TV and print in this area. "Libel cases have a chilling effect on the TV news business in a tremendous way. I don't see it as much from where I sit," Behar noted.

Yet today, especially at bigger companies, everyone is careful and "more forward-looking about the effect a story can have," he said. TV reporters, Behar noted, generally do not get the time to really do in-depth work and have to contend with the "vetting process" so are more easily scared off. "I know from talking to people in that business."

Jim Neff, director of the Kiplinger Reporting Program at Ohio State University's School of Journalism and Communications and former chair of the Investigative Reporters and Editors Access Committee, said the Food Lion case pertains to a small part of investigative reporting.

"I think the impact of the Food Lion verdict on the nuts and bolts of newsgathering of investigative reporting across-the-board is very slight," he said, adding ABC's undercover technique represents

less than 1 percent of all investigative reporting projects, with most at newspapers and magazines.

On the print side, Behar said libel issues boil down to the kind of law department you have. He explained if it's filled "with lawyers whose primary mission is to cover their own butts" you face a daunting task. But if the lawyers support the idea of quality stories "then they will work with you to make a story bullet-proof. I'm fortunate. At this company, we have a great legal department," Behar said of Time Inc.

He sees no wholesale change arising out of cases like the Dow Jones verdict as the media has important stories that have to be covered, but there are risks for the small and big media companies alike. "We live in litigious times."

Neff is concerned about plaintiffs' attorneys finding novel ways to attack the press over stories. While not using libel, they are pressing such claims as contract violation and trespass.

Andrew Barbano, a Reno-based syndicated columnist, agrees and is worried such a one-two punch of libel and other cases scare off the press. "Expensive libel action is increasingly used to scare off the news media," he wrote in a recent column. He said such tactics have led to less media doing negative stories on some topics, and in others, the media killing stories.

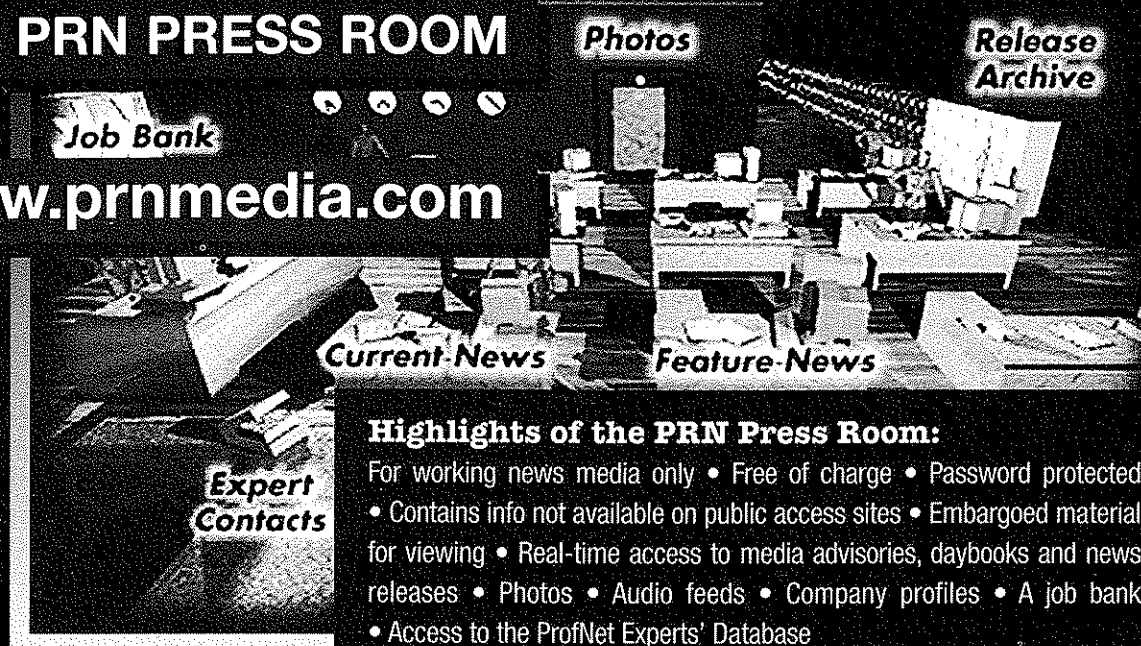
Barbano said he was worried about new tactics like the use of SLAPP suits (Strategic Lawsuit Against Public Participation) aimed at the media. He said the suits have hurt the media and California newspapers unsuccessfully tried to narrow the law and its use against the media.

"Just as spurious SLAPP suits may be ruinously expensive to individuals and

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Libel cases

CONTINUED FROM PAGE 11

organizations, libel actions can do the same to small newspapers and other media," he said. "As a result, many small media simply avoid hard stuff in favor of the dog of the week from the animal shelter."

And Douglas Lee, a Dixon, Ill., lawyer and consultant to the Freedom Forum First Amendment Center, said the trend in libel is having an effect on journalism. "I think it has an effect on their work ...It tends to make them conservative in their approach to newsgathering," he said in an interview.

"It makes them question some of the rules under which the media have operated in the past — what's (permissible) and not permissible in newsgathering. That may or may not be all that bad," Lee said.

The First Amendment Center is seeing

greater caution in papers choosing which stories to pursue "and a greater caution which to use. In my own experience I've seen a good thing — greater awareness of innuendo," he added.

"In general any reporter who is paying any attention at all to what is going on out there has to be more sensitive to accuracy," Lee said.

"I'm worried. I'm really worried (about the Journal case). I see journalists holding back, and I see boardrooms in explicit and subtle ways exercising pressure that can suppress vigorous reporting," said Valerie Hyman, director of the Poynter Institute's program for broadcast journalists, after the verdict. In an interview, she added such high profile verdicts against journalists do tend to "chill them."

Chilled or not, journalists are taking more care today.

"As a freelancer I put much more care than before in what I write or provide," said California freelance reporter Don Ray. "I've never been sued for libel before, but I'm even more aware that even a suit with

no merit could do me in."

Added Liz Enochs, a reporter for California Public Finance newsletter: "I just have what I think is the reporter's generalized worry: Better make damn sure I get it right so no one sues me. I wouldn't say I necessarily cast a wider net when I do reporting due to libel concerns; I will say on sensitive stories libel fears prompt me to pull out an even finer-tooth comb than I usually used in going over stories."

Looking ahead, they and other reporters have to contend with anger by jurors at the media and lack of the U.S. Supreme Court redefining libel law since 1990.

MMAR case jurors told the Houston Chronicle there was a message to the media: "Don't abuse your power. We depend on the media as our protectors of the First Amendment. Don't betray that," one said.

— Andrew Blum is a freelance writer in New York City.

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DIRECTOR'S THOUGHTS

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Understanding the European Monetary Union

Want to know more about the Euro? Curious about other developments in the European Union? Then do not miss the June/July issue of The Business Journalist.

As I write this column, I am preparing to leave for Washington, D.C., Frankfurt, Brussels and London to review developments of the European Monetary Union with key experts. I'll report on my trip in the next issue of TBJ.

"Covering Economic and Monetary Union," sponsored by the Center for War, Peace and the News

Media's Global Reporting Network, entails a week-long briefing, March 28-April 5, with several architects of the European Union and the impending EMU. The center has funded European briefing trips since in 1989.

In an unscientific poll of a handful of scholars and "lay people," I found they had varying degrees of knowledge about the EMU, set the debut in January. Some people thought the EMU was scheduled for the year 2000. Others thought it was postponed indefinitely. I was not surprised.

It seems the majority of the coverage of the EMU in mass media has been limited to the Wall Street Journal, the Economist, the Financial Times and other specialized newsletters, magazines and journals. The entire American business press needs to pay close attention to the EMU.

"A part of the Global Reporting Network's mission is to help American journalists understand post-Cold War Europe," says Robert Leavitt, associate director. "There is often a hazy understanding of what is going on in Europe. The European Monetary Union is part of the whole globalization movement that is increasingly talked about but inadequately understood."

To help clear the fog for American journalists concerning the EMU, 10 fellows, including print and broadcast journalists from the international and business desks, will visit with representatives from the European Commission, the Euro Commerce, American businesses abroad, and economists and educators versed in EU issues on their own turf.

The Economic Monetary Union was born out of the February 1992 signing of the Maastricht Treaty, which was designed to "establish the single currency as one of the most stable currencies in the world..." In other words, the treaty implied a more economic reason for convergence rather than a political one. This is a very important element of EMU, since nations have economic criteria that they must meet before they are invited to join (this is the political element), at least in the first wave in January 1999.

I will have pounds of materials and sources to share with you at the 1998 SABEW Annual Conference in Huntington Beach, Calif. Please see me there if you would like to learn more about the topic before the next issue of TBJ.

In the interim if you would like to pick up some facts and figures on the EMU, here are some helpful web sites to visit: <http://www.nyu.edu/global-beat>, <http://www.euro.co.uk>, and <http://europa.eu.int/euro>.

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