

Oral History Center  
The Bancroft Library

University of California  
Berkeley, California

Richard Tofel

*Richard Tofel: The Creation and Expansion of ProPublica*

The Marion and Herbert Sandler Oral History Project

Interviews conducted by  
Martin Meeker  
in 2017

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Richard Tofel

Courtesy of Richard Tofel

**Richard Tofel** was the founding general manager of ProPublica from 2007-2012, and became president on January 1, 2013. At ProPublica, he has responsibility for all non-journalism operations, including communications, legal, development, finance and budgeting, and human resources. Before ProPublica, he was assistant publisher of *The Wall Street Journal* and, earlier, an assistant managing editor of the paper, vice president, corporate communications for Dow Jones & Company, and an assistant general counsel of Dow Jones. In this interview, Tofel discusses the following topics: the initial idea for a non-profit investigative reporting organization; the creation and building of ProPublica; early successes of ProPublica; defining impact for ProPublica and investigative journalism overall; working with foundations to measure impact; building a secure funding future for ProPublica.

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## **Project History: the Marion and Herb Sandler Oral History Project**

Herb Sandler and Marion Osher Sandler formed one of the most remarkable partnerships in the histories of American business and philanthropy—and, if their friends and associates would have a say in things, in the living memory of marriage writ large. This oral history project documents the lives of Herb and Marion Sandler through their shared pursuits in raising a family, serving as co-CEOs for the savings and loan Golden West Financial, and establishing a remarkably influential philanthropy in the Sandler Foundation. This project consists of eighteen unique oral history interviews, at the center of which is a 24-hour life history interview with Herb Sandler.

Marion Osher Sandler was born October 17, 1930, in Biddeford, Maine, to Samuel and Leah Osher. She was the youngest of five children; all of her siblings were brothers and all went on to distinguished careers in medicine and business. She attended Wellesley as an undergraduate where she was elected into Phi Beta Kappa. Her first postgraduate job was as an assistant buyer with Bloomingdale's in Manhattan, but she left in pursuit of more lofty goals. She took a job on Wall Street, in the process becoming only the second woman on Wall Street to hold a non-clerical position. She started with Dominick & Dominick in its executive training program and then moved to Oppenheimer and Company where she worked as a highly respected analyst. While building an impressive career on Wall Street, she earned her MBA at New York University.

Herb Sandler was born on November 16, 1931 in New York City. He was the second of two children and remained very close to his brother, Leonard, throughout his life. He grew up in subsidized housing in Manhattan's Lower East Side neighborhood of Two Bridges. Both his father and brother were attorneys (and both were judges too), so after graduating from City College, he went for his law degree at Columbia. He practiced law both in private practice and for the Waterfront Commission of New York Harbor where he worked on organized crime cases. While still living with his parents at Knickerbocker Village, he engaged in community development work with the local settlement house network, Two Bridges Neighborhood Council. At Two Bridges he was exposed to the work of Episcopal Bishop Bill Wendt, who inspired his burgeoning commitment to social justice.

Given their long and successful careers in business, philanthropy, and marriage, Herb and Marion's story of how they met has taken on somewhat mythic proportions. Many people interviewed for this project tell the story. Even if the facts don't all align in these stories, one central feature is shared by all: Marion was a force of nature, self-confident, smart, and, in Herb's words, "sweet, without pretensions." Herb, however, always thought of himself as unremarkable, just one of the guys. So when he first met Marion, he wasn't prepared for this special woman to be actually interested in dating him. The courtship happened reasonably quickly despite some personal issues that needed to be addressed (which Herb discusses in his interview) and introducing one another to their respective families (but, as Herb notes, not to seek approval!).

Within a few years of marriage, Marion was bumping up against the glass ceiling on Wall Street, recognizing that she would not be making partner status any time soon. While working as an analyst, however, she learned that great opportunity for profit existed in the savings and loan sector, which was filled with bloat and inefficiency as well as lack of financial sophistication and incompetence among the executives. They decided to find an investment opportunity in California and, with the help of Marion's brothers (especially Barney), purchased a tiny two-branch thrift in Oakland, California: Golden West Savings and Loan.

Golden West—which later operated under the retail brand of World Savings—grew by leaps and bounds, in part through acquisition of many regional thrifts and in part through astute research leading to organic expansion into new geographic areas. The remarkable history of Golden West is revealed in great detail in many of the interviews in this project, but most particularly in the interviews with Herb Sandler, Steve Daetz, Russ Kettell, and Mike Roster, all of whom worked at the institution. The savings and loan was marked by key attributes during the forty-three years in which it was run by the Sandlers. Perhaps most important among these is the fact that over that period of time the company was profitable all but two years. This is even more remarkable when considering just how volatile banking was in that era, for there were liquidity crises, deregulation schemes, skyrocketing interest rates, financial recessions, housing recessions, and the savings and loan crisis of the 1980s, in which the entire sector was nearly obliterated through risky or foolish decisions made by Congress, regulators, and managements. Through all of this, however, Golden West delivered consistent returns to their investors. Indeed, the average annual growth in earnings per share over 40 years was 19 percent, a figure that made Golden West second only to Warren Buffett's Berkshire Hathaway, and the second best record in American corporate history.

Golden West is also remembered for making loans to communities that had been subject to racially and economically restrictive redlining practices. Thus, the Sandlers played a role in opening up the dream of home ownership to more Americans. In the offices too, Herb and Marion made a point of opening positions to women, such as branch manager and loan officer, previously held only by men. And, by the mid-1990s, Golden West began appointing more women and people of color to its board of directors, which already was presided over by Marion Sandler, one of the longest-serving female CEOs of a major company in American history. The Sandlers sold Golden West to Wachovia in 2006. The interviews tell the story of the sale, but at least one major reason for the decision was the fact that the Sandlers were spending a greater percentage of their time in philanthropic work.

One of the first real forays by the Sandlers into philanthropic work came in the wake of the passing of Herb's brother Leonard in 1988. Herb recalls his brother with great respect and fondness and the historical record shows him to be a just and principled attorney and jurist. Leonard was dedicated to human rights, so after his passing, the Sandlers created a fellowship in his honor at Human Rights Watch. After this, the Sandlers giving grew rapidly in their areas of greatest interest: human rights, civil rights, and medical research. They stepped up to become major donors to Human Rights Watch and, after the arrival of Anthony Romero in 2001, to the American Civil Liberties Union.

The Sandler's sponsorship of medical research demonstrates their unique, creative, entrepreneurial, and sometimes controversial approach to philanthropic work. With the American Asthma Foundation, which they founded, the goal was to disrupt existing research patterns and to interest scientists beyond the narrow confines of pulmonology to investigate the disease and to produce new basic research about it. Check out the interview with Bill Seaman for more on this initiative. The Program for Breakthrough Biomedical Research at the University of California, San Francisco likewise seeks out highly-qualified researchers who are willing to engage in high-risk research projects. The interview with program director Keith Yamamoto highlights the impacts and the future promise of the research supported by the Sandler's. The Sandler Fellows program at UCSF selects recent graduate school graduates of unusual promise and provides them with a great deal of independence to pursue their own research agenda, rather than serve as assistants in established labs. Joe DeRisi was one of the first Sandler Fellows and, in his interview, he describes the remarkable work he has accomplished while at UCSF as a fellow and, now, as faculty member who heads his own esteemed lab.

The list of projects, programs, and agencies either supported or started by the Sandler's runs too long to list here, but at least two are worth mentioning for these endeavors have produced impacts wide and far: the Center for American Progress and ProPublica. The Center for American Progress had its origins in Herb Sandler's recognition that there was a need for a liberal policy think tank that could compete in the marketplace of ideas with groups such as the conservative Heritage Foundation and the American Enterprise Institute. The Sandler's researched existing groups and met with many well-connected and highly capable individuals until they forged a partnership with John Podesta, who had served as chief of staff under President Bill Clinton. The Center for American Progress has since grown by leaps and bounds and is now recognized for being just what it set out to be.

The same is also true with ProPublica. The Sandler's had noticed the decline of traditional print journalism in the wake of the internet and lamented what this meant for the state of investigative journalism, which typically requires a meaningful investment of time and money. After spending much time doing due diligence—another Sandler hallmark—and meeting with key players, including Paul Steiger of the Wall Street Journal, they took the leap and established a not-for-profit investigative journalism outfit, which they named ProPublica. ProPublica not only has won several Pulitzer Prizes, it has played a critical role in supporting our democratic institutions by holding leaders accountable to the public. Moreover, the Sandler Foundation is now a minority sponsor of the work of ProPublica, meaning that others have recognized the value of this organization and stepped forward to ensure its continued success. Herb Sandler's interview as well as several other interviews describe many of the other initiatives created and/or supported by the foundation, including: the Center for Responsible Lending, Oceana, Center on Budget and Policy Priorities, Learning Policy Institute, and more.

A few interviewees shared the idea that when it comes to Herb and Marion Sandler there are actually three people involved: Marion Sandler, Herb Sandler, and “Herb and Marion.” The later creation is a kind of mind-meld between the two which was capable of expressing opinions, making decisions, and forging a united front in the ambitious projects that they accomplished. I think this makes great sense because I find it difficult to fathom that two individuals alone could do what they did. Because Marion Sandler passed away in 2012, I was not able to interview her, but I am confident in my belief that a very large part of her survives in Herb’s love of “Herb and Marion,” which he summons when it is time to make important decisions. And let us not forget that in the midst of all of this work they raised two accomplished children, each of whom make important contributions to the foundation and beyond. Moreover, the Sandlers have developed many meaningful friendships (see the interviews with Tom Laqueur and Ronnie Caplane), some of which have spanned the decades.

The eighteen interviews of the Herb and Marion Sandler oral history project, then, are several projects in one. It is a personal, life history of a remarkable woman and her mate and life partner; it is a substantive history of banking and of the fate of the savings and loan institution in the United States; and it is an examination of the current world of high-stakes philanthropy in our country at a time when the desire to do good has never been more needed and the importance of doing that job skillfully never more necessary.

Martin Meeker, Charles B. Faulhaber Director, Oral History Center, UC Berkeley

**List of Interviews of the Marion and Herbert Sandler Oral History Project**

Ronnie Caplane, “Ronnie Caplane: On Friendship with Marion and Herb.”

Steve Daetz, “Steve Daetz: Values and Leadership at Golden West Financial and the Sandler Foundation.”

Joseph DeRisi, “Joe DeRisi: From Sandler Fellow to UCSF Professor of Biochemistry.”

Stephen Hauser, “Stephen Hauser: Establishing the Sandler Neurosciences Center at UCSF.”

Russell Kettell, “Russ Kettell: A Career with Golden West Financial.”

Thomas Laqueur, “Tom Laqueur: On the Meaning of Friendship.”

Bernard Osher, “Barney Osher: On Marion Osher Sandler.”

John Podesta, “John Podesta: Building Infrastructure for Progressive Politics with the Center for American Progress.”

Anthony Romero, “Anthony Romero: Leadership of the American Civil Liberties Union in Times of Crisis.”

Michael Roster, “Michael Roster: Attorney and Golden West Financial General Counsel.”

Kenneth Roth, “Kenneth Roth: Human Rights Watch and Achieving Global Impact.”

Herbert Sandler, “Herbert Sandler: A Life with Marion Osher Sandler in Business and Philanthropy.”

James Sandler, “Jim Sandler: Commitment to the Environment in the Sandler Foundation.”

Susan Sandler, “Susan Sandler: The Sandler Family and Philanthropy.”

William Seaman, “Bill Seaman: The American Asthma Foundation.”

Paul Steiger, “Paul Steiger: Business Reporting and the Creation of ProPublica.”

Richard Tofel, “Richard Tofel: The Creation and Expansion of ProPublica.”

Keith Yamamoto, “Keith Yamamoto: The Sandler Foundation and the Program in Breakthrough Biomedical Research at UCSF.”

## Interview 1: October 20, 2017

01-00:00:00

Meeker:

Today is the twentieth of October, 2017. This is Martin Meeker interviewing Dick Tofel for the Sandler Foundation Oral History Project. This is our first and anticipated to be only session. We are here at the offices of the Sandler Foundation in San Francisco. I'd like to do is begin this interview in the context of you first learning about who Herb and Marion Sandler were, and the context for learning about what their hopes and dreams were for what eventually becomes ProPublica.

01-00:00:44

Tofel:

Okay, well first of all, I probably heard of Herb and Marion Sandler before this. I mean, you know, I was a careful reader of the *Wall Street Journal* long before I went to work there and I worked with them, so, I mean I'd read the *Journal* closely since probably 1982. So I'm sure I had heard of them. I'd certainly never met them, and I didn't know a great deal about them. Before I had lunch with Paul Steiger on—and I can tell you exactly what day that was because it had a particular significance for me—it was June 13 of 2007, and we had a lunch we had planned. We had been colleagues for many years and friends, and we had a lunch planned to discuss what Paul was going to do after he retired. He had already stepped down as managing editor of the *Journal*, and he was required to retire from Dow Jones at year end 2007. By June the—you know, I don't remember the exact sequence, but I'm pretty sure the takeover bid had already surfaced publicly, and I don't remember whether the takeover bid had finished playing out, but I think it was pretty clear by then that he was going to want to, or financially need to, stay until the last day of the year, for purposes of getting his option, the full value of his stock options. But then he was going to need to do something else, and he wanted to talk to me about options he had and how he was thinking about them, and to get my advice. That was the agreed upon subject of lunch.

So, we went to lunch, somewhere in the World Financial Center, and he laid out some thoughts. The only one that was actually concrete, as I recall, was what later became ProPublica. The others were sort of theoretical. There was you know, "I could be on boards; I could do some writing." There were sort of alternative courses of action or general approaches, but this was the only one, I think, that was concrete. And we talked about them and I gave him my advice, based on the kinds of things that I thought he would like to do, and would find fulfilling. I think we were both guided a little bit by our mutual friend Steve Shepard's experience. Steve had retired as editor of *Businessweek* not very long before that, and had become the first dean of the City University of New York Journalism School, and it was still very early days for that, but it seemed quite promising. And Steve's about the same age, and we were all friends, and so, it suggested that there was a potential to build something afresh, even starting at age sixty-five, and I think that was alluring to Paul and I thought that he would find fulfilling.

So, I said to him when we got toward the end of lunch—because we had been talking entirely about him, which I had tried very hard to focus us on doing—I said to him, “Well, if you’re going to do this journalism thing,” however we referred to it, “the Sandler project—I got fired this morning, and I’d love to do that with you.” So we talked for a few more moments about that, and that’s how we started, that’s how my involvement in this started.

01-00:04:53

Meeker:

Do you recall how Paul described the Sandler project, what some of the contours of it were at this point?

01-00:05:01

Tofel:

Yes. I mean, somewhat. It was that Herb and Marion had gone around the country soliciting views that they wanted to spend up to ten million dollars a year doing something meaningful in investigative journalism, that people had offered them various possibilities for that, and that Paul had suggested to them that he thought the most effective thing would, if you were going to do it, would be to actually form an organization and do journalism with full-time employees; and that you could, he thought, effectively enlist partners in stories, in publishing stories, that he thought things had changed enough in the publishing business, that you could do that.

01-00:06:06

Meeker:

So in reference to a listing: *New York Times*, the *Washington Post*.

01-00:06:08

Tofel:

Yes, exactly. And so actually, I think right there in that first lunch, and way before I gave him my news, we were puzzling out a number of things. How much could ten million dollars buy? When I had worked for Paul in the newsroom at the *Journal* in the mid-nineties, I had been assistant managing editor in charge of the budget in the newsroom, so that was a sort of very familiar role for Paul and I to fall into, and he’d thought about it a little bit, but we talked about it I remember, and scribbling on some paper how many reporters could you buy, and all of that. We talked about how frequently could you publish, I remember that was something he hadn’t really thought very much about, and I think we were talking about a staff of about twenty-five people as I recall, of whom maybe fifteen were reporters. And if there are fifteen reporters—I sort of said to him, “Well if there are fifteen reporters, and they write an average of five pieces a year, five major pieces a year, that’s seventy-five pieces, and there’s 250 business days. So, what are we going to publish, or what are you going to publish the rest of the time?”

And that, I think, was something he hadn’t yet puzzled out, and I said to him, “You know, I think you could effectively publish aggregation of other people’s work,” and that “that would also help you sort of command the space,” because it had struck me then, and frankly still strikes me as sort of incredible, that in the Internet age, major publishers refuse to aggregate other people’s content. And you know, this was right around the time that

*Huffington Post* was beginning to transition from being a blog to being an aggregator, and so there were people thinking about it, but at the level of aggregating something like investigative reporting, nobody was.

So, and I think I was also probably helpful to Paul in thinking about, who else do you need, other than the reporters and editors? That was the part that came most readily and easily to him, and we need someone to do web production. You're going to need someone to do PR. You're going to need someone to do finance, and all that. So we puzzled some of that out.

01-00:09:03

Meeker:

By the end of the conversation, you're volunteering to join him in this endeavor, but it also sounds like you had some pretty serious questions about its viability and what it should really look like. What did you think the major challenges were going to be? I mean, apropos of what you said about seventy-five articles with 250 business days.

01-00:09:27

Tofel:

You know, it's interesting. Challenges and puzzles, yes. Questions about viability, actually not. No, I thought, with patient capital, with Paul, and given the moment that journalism was in, I actually always thought it would work. It's funny. In a board meeting yesterday and Paul Sagan, who's our board chair now, was saying that at the beginning, people thought ProPublica was a crazy idea—actually never thought it was a crazy idea. I actually, from the first moment that Paul outlined it to me, I thought, yeah, that could work, that should work.

01-00:10:14

Meeker:

Did you get a sense of why people thought it was a crazy idea?

01-00:10:17

Tofel:

I knew how different it was.

01-00:10:21

Meeker:

Different in the sense of it being a nonprofit, or funded by philanthropists, what—

01-00:10:26

Tofel:

It was different in a bunch of ways, this. So Paul told me at that, I don't think it was at the first meeting, but shortly thereafter, he sent me Chuck Lewis's paper that he'd written for the Shorenstein Center that outlined the history of nonprofit journalism, and that he'd read very closely and thought a lot about. So, very early on I knew what a significant departure this was in nonprofit journalism, because nobody had really run a newsroom before. CPI [Center for Public Integrity] under Chuck had produced reports and books, and had published them generally, but not exclusively, and that was part of Paul's insight from the beginning. So I knew that was different, and the CIR [Center for Investigative Reporting] was still focused mostly on freelancers at that point.

So it was a departure for nonprofit journalism. It was a major departure in the sense of getting big, mainstream publishers to publish somebody else's work, although there had been some of that, the *Times* had worked with *Frontline*, for instance. And so there had been a few things, so it wasn't that it had never been done, but it had certainly never been done regularly and it was never a key part of anybody's model. But the business had already fundamentally changed, and I wrote a piece in the *Columbia Journalism Review* in about—which has a terrible headline that I don't remember, that they wrote, and I don't even know what it is, but it has a horrible headline, but I've actually always been quite proud of it as calling the turn. It was clear to me in 2005, by which point I had left the *Journal* and I thought likely left the publishing business, that the publishing business had reached a secular turn, and was in very, very big trouble that was likely only to get very much worse. And if you look, the results of the publishing business have gotten worse literally every quarter since 2005.

So, by 2007 when this is, we're two years into that, right? The newspaper business for instance, has had eight negative quarters in a row. And, while in retrospect, we know the financial crisis was sort of beginning to really brew by the summer of 2007, nobody thought of it that way at the time. Right? I guess Bear Stearns had already collapsed, but people thought of that as sort of a Bear Stearns problem, or a top-of-the-market problem, or an excessiveness thing, but they did not think the economy was going to hell.

01-00:13:47

Meeker:

They didn't see that Lehman was going to do the same thing.

01-00:13:49

Tofel:

Right, I mean, that's still fifteen months away, and so, in general, the economy is thought to be pretty good, and the newspaper business has been deteriorating for two years. That had never happened before. Right? In good times, the newspaper business was good. Bad times, it was bad. It was a classic, cyclical business. And here, it was bad, in good times, and I think, particularly because I was out of it, it was easier to see that that was a real sea change.

01-00:14:30

Meeker:

So, although you did see it as a viable and interesting endeavor, you did also identify some challenges that were going to come with it. What were some of those main challenges that you foresaw?

01-00:14:44

Tofel:

Well, the two biggest I think without question were going to be to get partners to publish the stuff, and to hire high quality people.

01-00:14:55

Meeker:

Worried that journalists might not want to risk their career on an off-the-wall endeavor like this.

01-00:15:00

Tofel:

Yeah, I mean, you had to convince people that something that hadn't really been done before, was worth taking some career risk on, and so that's why ten million dollars was thought to be a lot of money, and three years was thought to be a long time. And I think the three years helped enormously, because by 2007 and then 2008 when we actually began actively recruiting people, now the problem—so the newspapers have gone on for two and a half years, and the newspapers are all starting to lay people off or they have been laying people off, and it's a pretty steady drumbeat of negative news, and there are some particular things like, Sam Zell's run of craziness at the Tribune Company, and we were offering people a place where we had three years of known funding. And then it was, as Herb and Marion agreed, what they called a rolling three years, so, at the end of 2008, if we had done well, it would be understood that it would now go through '11. And so, that made a big difference in the recruiting side.

And on the partnership side, the biggest thing was Paul, without question, and his reputation. But, by the time we got Steve on board between the three of us, we knew not everybody, but almost everybody in the publishing business. So when we started, between the three of us, one of us could call almost anybody we wanted to talk to. Now that doesn't mean they promised around our stuff, but it made a big difference.

01-00:17:10

Meeker:

You had mentioned the promise that Herb and Marion made to continue funding throughout 2011, through 2011. Did you have any concerns about that element of it, meaning that there's going to be one philanthropic couple kind of at the head of this? Any worries about journalistic independence and what it would be like working with a single—

01-00:17:38

Tofel:

When I met Herb and Marion, which was now then August, they were extraordinarily clear about that, and very forceful and clear about their commitment to maintaining independence.

01-00:17:57

Meeker:

How did they present that to you? I'm curious: how did they describe that?

01-00:18:02

Tofel:

You know, that was mostly Herb, and it was, he really understood journalism. He'd spent a lot of time around journalists, and knew journalists very well, and he said, "If we try to mess in this, we will ruin it, and we know that, and so we don't intend to do that, and we want to hire people, and then we want to leave them to do what they do." So, he really did, he not only understood why the converse would be a problem, he understood that his own self-restraint was critical to that.

Being a newspaper publisher, which is in fact what Herb and Marion were at the beginning, is a hard role, and the hardest part of it I think for people in some ways, the hardest way connected to this, is the self-restraint that comes with, if you travel in those circles, no matter what, how you got there, ultimately the news organization does something that offends your friends, some friend, some relative, some associate, something, and you have to be willing to say to people, in theory, "I could help you out with this, but I'm actually not going to," and, even to be able to spit out the words, "There is nothing I can do about this." And for people who are used to power and control, and the ability to change their environment, it is an enormous act of self-restraint to say, "There is nothing I can do to help you." And a lot of people can't do it. And Herb and Marion instinctively understood that and were always great about it.

01-00:20:13  
Meeker:

You know, that actually kind of dovetails nicely with the articulation of the mission of ProPublica, which is specifically about calling out abuses of power no matter where that power comes from. Can you tell me, were you in the room when these conversations were happening about actually articulating what that mission was going to be?

01-00:20:39  
Tofel:

Yeah, some. It's interesting. Steve [Engelberg] and I were talking the other day about the mission statement. We have slightly different recollections of it. My recollection is that Herb actually did the first draft, and that I fiddled with it and then—and then Steve remembers this very clearly—he and Paul were on a train and rewrote it some. He remembers the writing on the train. Anyway, I think that's the way it happened, but however we got to the actual words, the spirit of it was very clear and generally accepted from the first. And that actually really came from Herb, and it's pretty simple, and you've probably heard him. He always put it the same way to me: "I hate it when the bad guys win." Boom. "Why do you want to do this?" "I hate it when the bad guys win." And you know, journalism is at its best, I think, and at its most attractive for me, I know, when it is trying to make sure the bad guys don't win.

01-00:21:56  
Meeker:

So you don't necessarily see any divide between journalism and advocacy?

01-00:22:00  
Tofel:

Yeah, I see an enormous divide, and the way I put it in that whitepaper I think is: "Journalism starts with questions, and advocacy starts with answers." And advocacy is perfectly appropriate and it's a tool and it's done great good in the world, but it isn't journalism, and that's because it starts with conclusions. Journalism doesn't, but it can move you along similar lines. And the two can be quite complementary, and this was resolved way before I got involved: There was some move, I think ala CAP, to have a 501(c)(4) and a 501(c)(3) and Paul, by the time I—and I think he actually may have told me this at

lunch—had prevailed upon them to drop that idea, which he understood, of having a complementary C4 would just be inappropriate for journalism.

01-00:23:03

Meeker: The rationale for having a—

01-00:23:04

Tofel: So, I mean, I think Herb and Marion, and I may be being unfair to them, but I think this was something maybe that they didn't see alone, and that Paul probably brought them to, was that they knew journalism and advocacy were complementary, and they thought maybe they could be lashed together, and it was Paul I think who explained to them why that was probably not a great idea.

01-00:23:34

Meeker: What do you suppose he said, or if you were to explain that, what would you say?

01-00:23:37

Tofel: I mean, you know, he'd be much better at that. I wasn't there for that. That had been resolved already.

01-00:23:49

Meeker: The rationale then for having a C4 perhaps in the first place would have been so that journalism could have—

01-00:23:55

Tofel: Well, you know, I think you could get it done, right? I mean, you know, so here's the problem, now how do we fix it?

01-00:24:02

Meeker: Who do we want to vote into office; who can—

01-00:24:06

Tofel: Maybe that or maybe just, you know, we've identified a problem and now, which buttons have to be pushed to solve the problem?

01-00:24:16

Meeker: Part of establishing it as a C3 means that it's nonpartisan, that you're not advocating for certain people to be voted into office. There's a difference between, I think, nonpartisanship, and treating everyone equally across the political spectrum, or identifying flaws equally across a political spectrum. How, in these early years, did ProPublica establish its nonpartisan bona fides? How did it get to that point?

01-00:24:54

Tofel: Hmm. I don't know that we ever, I did not feel honestly like we had to do that. That is at the essence of the way all three of us did journalism, and organizations we had worked in in journalism did journalism, and there was never any sense it would be any other way. Probably got, in some sense I

guess, a little easier when Obama was elected, because investigative journalism is oppositional, because it's accountability based. So, we were pretty tough on Bush in 2008 and then in 2009, we were raising important questions about Obama. They weren't questions of personal corruption, but they were questions of accountability.

01-00:26:01

Meeker:

Okay. Since that time, has there been any renewed attention to that element of ProPublica's work?

01-00:26:08

Tofel:

Well, it's most challenging under Trump, because he's so duplicitous. You know, the last year is not, I believe, and I hope not, in the long run, normal politics. I really do believe if Mike Pence were president, it would be different in this respect. People can agree or disagree with him, he might be advocating policies that wouldn't, on the merits, be very much different, but I don't think he would literally be lying every day. A politician who lies everyday and lies with impunity and you know, seems to sometimes be, literally, you just wonder if he understands how closely tethered he is to reality, that's very challenging, that's very challenging. It was not true in the George W. Bush administration, it was not true in the Obama administration, and I don't think it would be true in a Pence administration, but it is true right this minute.

01-00:27:27

Meeker:

When you say challenging, do you mean challenging in the sense of—

01-00:27:30

Tofel:

It's challenging for journalists, and it's particularly challenging for our accountability journalists, because one implicit tenet of accountability journalism is that people have shame, and also that, in general, while people don't tell you the truth about everything, they don't just lie to you all the time about everything. You know, I mean, it's like, you start to feel like the practice of accountability journalism is starting to converge with epistemology, which is, you know, right, how do we know this is a table, and what does it mean that it's a table? I spent enough in school talking about questions like that that I sort of know how they work. It is not terribly interesting to me. It is not terribly attractive to me. I don't really want to spend my life thinking about why this is a table, and what it means that it is a table, and whether it really is a table. I'd like to move on to talk about what's on top of the table.

01-00:28:42

Meeker:

Right, so the frustration of having to constantly deal with a president, and we're trying to set the terms of what reality or truth is.

01-00:28:52

Tofel:

No, no, we don't need to set the terms of what truth is. The terms of what truth is are already established. Truth is truth. Facts are facts. But when you have somebody who becomes untethered from the facts, that's difficult for people who are in the fact business.

01-00:29:14

Meeker:

Fair enough. I'd like to back up a little bit and ask you again about the role of the Sandlers, and in particular, when the organization is being established and the governance structure, and what was the appropriate role for the board of directors, what role were they going to play in the organization?

01-00:29:37

Tofel:

Okay. Are we trying to move chronologically here, more or less, or do you have themes?

01-00:29:42

Meeker:

Well, start out about how it was established, and then you can describe how it's played out over the years.

01-00:29:52

Tofel:

So, my involvement here is: So we had this lunch, and then the Paul spent some part of June and July, the rest of June and some part of July, I think, thinking about whether this is what he really wanted to do, and at some point in July decided that he did. And then, I started to work on this a little bit in my spare time in July or August, and came out here, and met Herb and Marion, and Susan and Jim and Steve Daetz, all for the first time in the conference room here one day in August of '07—and we can know about that or not, as you prefer—and then, had dinner with Herb and Marion that night, and then went to, a week or so later or maybe even days later, went to work on this project full time, first as a consultant to the Sandler Foundation, and then as an employee.

01-00:31:15

Meeker:

Well, yeah, sure, tell me about that meeting and then the following dinner.

01-00:31:19

Tofel:

So I will never forget the meeting, because this was such classic Marion. So, I walk into this conference room down the hall from here, with its magnificent view, and so I guess it's what, five of them, right? Yes, and they're all seated at this conference room table, and Marion is seated—I'd never met any of them. Marion is seated in the middle, and she has a pile of papers in front of her. And, you know, we have perhaps thirty seconds of introduction, and not even pleasantries as sort of like, "thank you for coming." We sit down, and Marion opens her pile of papers, or looks at her pile of papers, and starts to fire questions at me. It was the most intense job interview I have ever had, logarithmically different. She was enormously well prepared. There was not an easy question in the bunch. It wasn't a sort of, look down at your resume and say, "I see you did X, tell me about that?" It was like, "What was the issue here?" and, "What was the issue here?" and, "What was the problem there?" and, "What exactly was your role in this way there?"

And then, I remember what I thought was the key question. She said to me, at some point pretty early on in this, "What happened at Rockefeller?" or, "How did your job conclude at Rockefeller?" something like that, and I thought to

myself, if I don't start this answer with "I was fired," this is over. And so I started with "I was fired," and we talked about that for a few minutes. Anyway, during all of this, all these other people are there, and no one says a word. And, after about, I would guess twenty or thirty minutes, although it seemed like hours, Marion pushed herself back about two inches from the table, and reached down and she had her knitting in a bag, and she picked up her knitting, and I could see everyone sort of exhale, and I realized, I passed! This is it, this is up to this woman. She's in charge here, she's prepared, and I have just passed the test.

And then, everybody else had questions and comments and thoughts, but the whole thing was just, everybody went, [exhales] "Ah," including me! Mostly me. And, you know, we talked about a whole bunch of things, and everybody got into the discussion. And then at the end of it, they said, "We'd love you to come for dinner," and I remember they drove me back I guess from here to their place—is that possible? No, because I remember walking out and walking on the, whatever this thing is called here, the promenade by the ferry—

01-00:35:24

Meeker:

Embarcadero.

01-00:35:25

Tofel:

—yeah, after the meeting, but somehow I ended up I guess maybe coming back here later in the afternoon and being driven back to their place for dinner. And we had a lovely dinner, which was entirely social. We talked about work, but it was social, and then Herb insisted on driving me back to my hotel. And I remember, the one piece of business I remember doing in the car with Herb—because by then, it was pretty clear that I was going to get this job. They didn't say so on the spot, but it was pretty clear.

I had had a meeting about a week or two earlier with a guy named Herb Sturz, who is a nonprofit entrepreneur of great success in New York who worked then, and still actually, at Open Society, and whom I knew, and who I had talked to about this venture, and he had said to me one very important thing. He said, "Are these people going to fund this by themselves forever?" And I said, "No, I don't think they are. I don't think that's the plan." And he said, "Well, if they're not the sole funders forever, if you're going to need other funders eventually, you need to have other funders at the outset." And I said, "Why?" He said, "It's a signaling thing. You just need a few other funders at the outset." And I thought that was smart, and so I said it to Herb in the car that night, I had this conversation with Herb Sturz, and he goes, "No problem," and he says to me right there in the car, "How many do you think we'd need?" And I said, "I don't know, I mean, you know, enough to like put in a press release. Two, three?" And he said, "Fine." And you know, he went and got three more!

01-00:37:40

Meeker: Who were those initial investors?

01-00:37:42

Tofel: He got \$25,000 from the Atlantic Philanthropies, from Gara LaMarche. He got \$25,000 from a family foundation, the name of which has flown out of my head, which was wiped out in the Madoff scandal, because they had put all their money with Madoff, that was run by a guy named Bob Crane. I'm sorry, I don't remember, but we can find it [JEHT Foundation]. And then he got a quarter of a million dollars from Jonathan Fanton at MacArthur. And that was just all Herb. He just made three phone calls. I mean, so far as I could tell, he made three phone calls, and boom, boom, boom.

01-00:38:33

Meeker: Tell me what this day of meetings and evening of sharing personal stories over the dinner table told you about what it was going to be like to work with them, what their character was, what their values were.

01-00:38:53

Tofel: [pauses] [sighs]

01-00:38:59

Meeker: Or even as this began to unfold.

01-00:39:00

Tofel: No, no, no, it's a very fair question. I'm just thinking about the best answer to it. So, it was clear from the first minute that they were very serious people, with very strong values, that aligned very well, I felt, with my own, and very high standards, really exacting standards. I understood immediately why they had been so successful. And then, the act of the two of them was extraordinary. I mean, they were business partners and personal partners in a way I had never seen, actually, the combination of business and professional partnership in a marriage, I've never seen it before or since. I've seen lots of impressive people married to other impressive people. I've seen lots of personal partnerships that are successful. I've seen a few business partnerships that are successful. I have never seen the conjunction in that way. I mean, I got the message, and then I got it again over dinner, that Herb was entirely convinced that Marion was the most impressive person in the world, and there was reason to think he might be right.

And you know, it was also clear that Marion had enormous trust in Herb. This was Herb's project, I think, more than Marion's, but Herb wouldn't do anything that Marion wasn't shaping and directing. And you know, it ended up being, and this is fast forwarding a couple of months, but Marion came up with the name of ProPublica. Marion supervised the design of the logo of ProPublica. It was Marion who both went over the overview and the flyspecking of the press release that announced ProPublica. So there were huge swaths of it that had Marion all over them.

01-00:41:57

Meeker:

Well, continue to narrate that out, I mean, their roles in helping launch ProPublica, their roles. I don't think that Marion was actually on the board of directors—

01-00:42:08

Tofel:

No, she wasn't.

01-00:42:09

Meeker:

—but Herb was.

01-00:42:09

Tofel:

She was not on the board, but she never missed a meeting. She was always, when you called back here to talk, she was always on the phone. When Marion was well, or relatively well, because she wasn't terribly well, but when she was relatively well, I almost never had an important conversation that didn't involve both of them, except sometimes, you'd talk to Marion alone. You almost never talked to Herb alone, if it was a big conversation. Herb wouldn't want there to be a big conversation without Marion in it. The communications, the branding, all of that stuff, he completely deferred to her.

01-00:43:07

Meeker:

When you talk about these big conversations in the early year or two, what were those around, and what kind of advice were they providing as you wrestled with these issues?

01-00:43:18

Tofel:

So, you know, I don't remember all of them, but like, for instance about branding, we had discussions about names, and Paul at one point said to them, "Would you like to call this the Sandler Center?" The two things that were in this world were the Center for Public Integrity and the Center for Investigative Reporting, and they both said, "Oh my Lord, no," which I actually thought was enormously reassuring and greatly to their credit. And, but then Marion went much further and she said, "Those names are, in addition to the egotism of putting our own name on it, those names are incredibly boring and generic, and forgettable, and confusing. Like, who can tell the one from the other? And so, don't do that. I don't want us to do that." And I don't think she used the word fanciful, which is the legal term, but that was clearly what she wanted. She wanted what lawyers would call a fanciful name. And ProPublica, I think, literally just popped out of her head. I mean, there were some others, but she offered a bunch of possibilities, but that was clearly the one she liked and it seemed to me to make great sense.

And, argument, I do remember her saying that while she didn't like the company, she thought Exxon had done a good job on branding, that they had a memorable name and a decent logo, and that you wanted to do something like that. You know, which, for one thing, the ambition of that, and the insight of that is pretty powerfully right. I mean, interestingly, if you look around our business, where there have now been enormous number of entrants, almost no

one has done this. There have been a few, but I think she's absolutely right, absolutely right.

01-00:45:54

Meeker:

Well isn't Center for Investigative Reporting trying to re-brand itself at this point?

01-00:45:58

Tofel:

Yes, sort of, because they still use both the product name and the institutional name. Chalkbeat would be the one that I can think of, but most of the other names are pretty unmemorable, and that's not helpful if you're trying to build something.

01-00:46:24

Meeker:

Right. I mean, I think a lot of people think of the Center for the—actually one of my employees just the other day said “Center for Investigative Journalism,” which is an outfit in the UK, but she meant CIR. So, it's a great example.

01-00:46:38

Tofel:

Yeah. So there was that. I mean, the other thing is, so that was sort of the big kind of things, and the little things were just, everything needed to be right, you know? I was going to say perfect. It was pretty close to perfect, right? These were people—that became immediately apparent—who don't like typos, don't like people who are unprepared, don't like you not having the background for a decision you are proposing. It became very clear, these are people you do not come to talk to without the facts, you do not come to with the facts wrong, you do not come to with your document half done. I like to think that's not my style either, but it was very much not theirs. And a lot of that was both of them. Honestly, it's both of them, but they were driven by that, and both of them, for instance, when we were very early on, we spent a lot of time talking about the form of reporting, designing, what are we going to show the board of directors about, how's this document going to work in columns, and what are we going to label the columns, and how are you going to tell people about our results, and what exactly is going to be in the board book? So there were big strategic thoughts, but there was also a significant focus on tiny little stuff, all of it with the same sort of exacting standards. So it was like, we want very clearheaded strategic thinking, but we also want really sharp tactical execution.

01-00:48:48

Meeker:

I've heard from several people, including Paul and Herb, about how the board expressly did not want to know what investigations were underway at any given time. They didn't want to know until it was published.

01-00:49:05

Tofel:

Right, and we just, we had a long discussion of that at the first board meeting, in which Herb was absolutely insistent on that.

01-00:49:14

Meeker:

So, given that that line is established, how were other lines established about what the board should know and when they should know it, vis-à-vis their role in governance?

01-00:49:27

Tofel:

I think we sort of felt our way to that all along. In running the business, I mean, Herb, and Marion too, if you didn't get the idea that these are not people you want to hide something from, ever—it's not my style, but if you had ever done that, that would have ended very, very badly. So, what people want to know is, what they should know. It wasn't a question of what they should know; it's what would you want to know to run the business? Right? What are the key indicators? What do we want to keep our eyes on here?

01-00:50:12

Meeker:

So, everything from fundraising strategies to potential legal issues?

01-00:50:17

Tofel:

Yeah, I mean, the truth is, we basically did not talk about fundraising at all, until 2010. I would say in 2007, '08, and '09—yeah, in 2007, '08, and '09—Herb made these three phone calls in 2007. I don't think we discussed fundraising at all in 2008 and '09, as I recall, at all.

01-00:50:45

Meeker:

How then does it become important conversation as of 2010 and beyond?

01-00:50:51

Tofel:

Well, we did in one way have earlier conversations. Herb had a theory, which I think he got from CAP and its success, early on, that we were somehow going to find ten people who were going to give a million dollars a year, and that was how this was going to work, in the long run. And I guess by 2009 or '10, it was pretty clear that that was not likely to happen any time soon, and so then we needed to go start raising money, in a more systematic way. There had been people. I mean, we were trying to raise money, but we weren't having a serious fundraising conversation. Mary Graham called me, or Paul, I forget, but in any event, reached out shortly after we announced the project, and I had breakfast with her and she gave us a quarter of a million dollars. So I mean, we did stuff, still in 2007, so we did stuff to take people's money, and we put a donate button on the site when we first launched it and all that, but we weren't really serious about it. It was not a priority concern. And then, I had frankly been skeptical of that, ten people and a million dollars a year, and I think Herb realized maybe over the course of '09, that was probably not going to happen.

01-00:52:30

Meeker:

What then becomes the new strategy?

01-00:52:33

Tofel:

So we're going to need to raise money from a lot more people, in large amounts. We were not terribly serious about raising small-dollar funding. The

small-dollar funding, in the early years, was really a way of, first of all, just the way you bend over to pick up money on the sidewalk—you'd be crazy not to be doing it—but also a way of signaling to larger funders that people are interested. But, we realized we were going to have to get a bunch of people, a large number of people, to give us five- and six-figure checks, and so we set about to do that.

01-00:53:17

Meeker:

What kind of argument were you making? How were you presenting the ProPublica idea to bring these additional donors in?

01-00:53:25

Tofel:

I think there'd always been a number of arguments. You really want to meet donors always where they are. So, there are people who are interested in journalism qua journalism, there are people interested in journalism because of its role in democratic governance, and then there are people interested in particular kinds of coverage. And we've always talked about that to different people. And now, with Illinois, I think there's a fourth, which are people interested in a particular place and journalism's role in a place. But, so there were three now going on four arguments, and we make those still to this day, depending on what we think will resonate most with a donor.

01-00:54:24

Meeker:

And, now we're at the end of 2017. How has that strategy played out? What does the funding look like, in general terms?

01-00:54:37

Tofel:

Well, I mean, it was revolutionized, I think, by the Trump election. So, from the beginning, and Herb has been very wise about this, from the beginning, the largest source of our funding has been gifts from, the current euphemism is, high net worth individuals, and he's always been insistent on that, and he's right, and his point about that—and this I think made intuitive sense to me, as well, particularly after my experience in foundations and my late wife's experience in foundations as well, which was much more extensive than mine—that high net worth individuals operating either directly or through their family foundations, are going to be much more patient, are going to stick with you longer, are going to be much more closely aligned, and frankly, also in the evolution of America, have more money. So, they're target number one, and they have always been our largest funding source, and they continue to be. And I would be surprised, given the organization of the American economy, if that ever changes.

Number two was institutional foundations, which I would define as people whose job it is to give away other people's money, mostly dead people. We were very successful with that group at the beginning, through connections, personal connections of both Herb's and Paul's—Paul is on the board of the Knight Foundation—then, but that group has faded relative to the high net worth individuals. And then now, small-dollar giving, which we've done in a

small way from the very beginning, really took off with the Trump election, and so to give you a sense, went from half a million dollars—which was certainly not trivial, in 2015, as late as 2015—to two point nine million dollars in 2016, and I hope, though it's a little early to say for sure, to maybe as much as four million dollars in 2017. And so, if it's four million dollars, it'll be edging into second place ahead of the institutional foundations, and I would hope, over the long run, that that will continue to be the case, that you'd be, high net worth individuals first, small-dollar funding second, institutional foundations third.

01-00:57:49

Meeker:

I'm curious about this group of high net worth individuals, apropos of what we've talked about regarding Herb and Marion's agendas and belief in response to one, the mission, and then also to the hands-off approach to story generation and ideas. How have you communicated the mission, as well as the role of the board, to these individuals who maybe are used to having more of a say when they're making major donations?

01-00:58:27

Tofel:

You know, I actually don't, I don't know what they're used to. I think it's very well understood by the people who we want to appeal to, and who will fit well with us, that you can't do that with a journalism organization without undermining the integrity of the very thing you were trying to build up. And as I say, Herb and Marion understood that intuitively, way before I met them, so, and so it has infused the place from the very beginning. I guess there are probably a bunch of rich people who might want to muck around, and we've certainly bumped into a few. They're not our people, and when we figure out somebody's like that, we just sort of move along. We had a guy who's a financial guy who we talked to relatively early on in ProPublica, and we were having what we thought was, you know, these are long-term conversations, these are real relationships you're trying to build, and we are making, I thought, progress, and I think we all thought progress, and then he came back to Paul, and said right before—it felt like right before—we were getting ready to sort of close the deal, that there was some woman he wanted us to hire. And you know, that's just not going to work, so, we didn't hire her and he went away. It happens, but it doesn't happen very much.

About the board, I will say, Herb taught me about—this was something I didn't know anything about—Herb taught me about building a board, and our board has been built very much under his guidance about how to do it. Actually what he said to me is, "It's all pretty simple at the end of the day. First of all, you want a great board. And, great boards consist of really good people who play well with others, who are dedicated to the mission, and then, and this is the tricky part, who want to come to meetings with other people on the board." So that then drives the whole thing, and he's always been very focused on this. We don't want anyone on the board who will make people not want to come to the meetings, by misbehaving, or being just difficult,

uncongenial, un-collegial. It doesn't mean we want everyone on the board to agree on everything; we just want people to disagree reasonably. And, then we want the meetings themselves always to be interesting, and these are busy and important people, and so we have to offer them something to chew on at the meeting that is actually engaging and interesting, and not only valuable to the organization, but where they feel like, you know, that was a good use of my time, but also frankly, sort of a fun use of my time. Right? They don't have to do this.

So those were the two thoughts, and the whole thing has been run from the very beginning based on those two thoughts. And he said to me, "Look, if you look at the greatest institutions in our country and their boards, that's actually what it's about." And by the way, the sort of flipside of that is, it's not actually about what we do institutionally, at the board level. The board—and we don't have this problem yet, but if we ever get there, it's not really a problem—the board of the Metropolitan Museum, or the board of Carnegie Hall, or the board of the National Symphony, some of those people actually don't care all that much about what the organization does, and it's not the end of the world that they don't, right, as long as they understand the basic values, as long as they play well with others on the board, and as long as they provide meaningful support, and as long as they want to be involved, which means go to the meetings. Now, we're still at a relatively early stage and I don't think there's anybody on our board who isn't deeply interested in the work, but if you ask me, "Will that still be true in thirty or forty years?" I'm not sure it will, and I'm not sure it's the end of the world if it isn't.

The other thing is, I guess, which is part of this is, Herb insists on having boards that actually function, so, we have agreed among ourselves that the board will not get much larger than fifteen, because if it gets much larger than fifteen, you can't have a conversation.

01-01:04:05  
Meeker:

Tell me about the process of deciding what investigations to pursue, and what investigations to turn into stories.

01-01:04:17  
Tofel:

So, first of all, I should say, the first thing I should say is, that is part of our work that I am not frequently, terribly involved in. But I've heard Steve and Paul talk about it enough that I think that I know how they think about it and how we approach it. Most of our stories come from the bottom up, which is to say, from reporters, most of whom have beats that they work, but otherwise hopefully are sourced with people so are looking for ideas. I think one thing we have been good about is communicating to the staff what the mission of the place is, that we are trying to spur change through journalism. That really does come from Herb and Marion; that was the whole point. And so people at ProPublica understand that that is what we are trying to do. We are not trying to get everyone in America to read our work. We are not trying to win prizes.

When we won our first Pulitzer Prize, Herb was thrilled, but he didn't communicate it very much, actually. I know him better than I did seven years ago, but only in the last few years has he let himself really enjoy those things, because early on, he was very concerned that we not slip into thinking that that was the object of the game. So he would go like, "That's great," and you sort of went like, that's it? That's great? We've been in business eighteen months and we won the Pulitzer Prize, that's great? Even then I knew he was like, underplaying it, but very intentionally, because that is not why we are in business. It's nice, helps run the business, helps fund the business, but it is not actually the object of the game.

01-01:06:47

Meeker:

It's interesting the way in which you describe it, largely, the stories largely coming from below, and making sure that the journalists, the reporters, the investigators, clearly know what the mission of the organization is. That, in relation to your mentioning early on of the distinction between journalism and advocacy, do you ever have an issue with journalists not recognizing that? So, you know, because journalists are maybe attracted to journalism as an avenue for social change, I can see that some of them maybe at times would get confused and put the answers ahead of the research. Has that ever been an issue?

01-01:07:37

Tofel:

I think we try, and I think we largely succeed in not hiring people who are confused about that. I mean, what happens sometimes is, not at the beginning of the process, it's sort of at the end or the late middle of the process, where people have done the work the right way, but then it's become clear who the good guys are and who the bad guys are in a story, and what needs to happen, and then, maybe people sometimes get a little carried away about—and that's part of how editors need to restrain reporters sometimes, but that's workaday stuff. People who lose the thread at the beginning, actually, I don't think we tend to have people who lose the thread at the beginning, because we try not to hire those people.

01-01:08:38

Meeker:

One thing that you have been involved in directly is this question around impact. You've written about it, spoken about it extensively. I believe the whitepaper came out 2013, 2014, so, just kind of a few years into your exploration of this issue. Can you tell me where this question comes from, and maybe where you are in figuring out an answer to it now?

01-01:09:09

Tofel:

So, it's actually pretty central to what we do, right? I mean, it is central to our mission. It was an important piece of how we reported publicly about our results before we started to write about it, or talk about it in this kind of more systematic way, you know, as I said. But earlier, Herb and Marion and I spent hours fiddling with forms about how we were going to report about this, and then about our public reporting, annual reports and stakeholder reports, and

came up with this format of reporting out three times a year, and that's all way before the whitepaper. So, it was real important to us. It became clear to me in about 2012 or '13 that it was becoming more important to institutional funders, and that there was a conversation going on in which we had a large stake, and in which I thought there was, frankly, a lot of fuzzy thinking, and I thought we could—just being candid with you—I thought we could get a competitive advantage if we tried to clarify a lot of that thinking and lay out our own.

And I think that worked pretty well. And we tried to be very careful in the whitepaper not to say, "this is the only way to think about this," because it does, I think the question of impact flows directly from the question of mission, and the first question you need to ask is, "What is your mission?" But we know what our mission is, and therefore, we know what our take on impact is. Other people have different missions, and therefore, they probably ought to have different takes on impact. But clear thinking is part of it, and this is also I think—I hope it's always been—my instinct to run this place like a business, but Herb and Marion both had a lot to do with this, because they ran a business, and a big part of that, of course, is not just knowing what you want to do, but what you don't want to do. And so, how are you keeping score, and how are you not keeping score?

There have subsequently been a couple of other systems developed for how to track impact. CIR did one a few years ago, and I thought that that one has a very real weakness, which is, it enumerates so many different kinds of impact, that almost anything can be counted as impact. This led to actual change, or this led to huge engagement. This led to people showing up in a place. This led to lots of pickup. And if you do that sort of every—you know, what I've always defaulted to is, it reminds me of Lake Wobegon, where all the children here in Lake Wobegon are above average, and so everything we do has impact. You know, in a well-run business, that's not right, right? Most things you do, don't matter. If you're running your business and you think everything we're doing is great and everything matters and everything is succeeding in some way, you are kidding yourself. That's not the way the world works.

And the other thing is, it helps—I think this is an insight that I got myself from my time in philanthropy, and I think our work is very much like philanthropy in this. You want to know what level, what frequency of success, is reasonable, and here, despite Herb's antipathy for baseball, I actually think baseball is very instructive, and that is this: So baseball's been played in this country at the highest level for more than a century and a quarter, and we know, after millions and millions of data points, that if you can succeed in batting only two times out of ten, you don't get to participate in baseball at the highest level. If you can succeed three times in ten, you are maintaining a standard of excellence, and if you can succeed four times in ten, you are the best there ever was. So, it's actually a relatively narrow band. But, it also is a very important reminder that no one, no one, ever, over any decent period of time, succeeds in baseball in hitting a baseball most of the time. And I think

philanthropy in general is like that, if it is well practiced—not charity, but philanthropy—and I think that journalism of the sort we do is like that. And that’s just useful to our line people. Most of the time, we will fail. If you can’t live with that, you shouldn’t play the game. Right? If you can’t live with the fact that most hitters get out most of the time, don’t watch baseball, and certainly don’t volunteer to be a hitter.

And so I think you need to ground it in that, and if you have an expectation that yes, you need to succeed a certain amount of the time, and there are benchmarks, and you can hold yourself to them—and the most important benchmark, the most important guideline to hold yourself to is transparency so that people can make a judgment about whether you are meeting the standards—then that’s great. But, don’t start to kid yourself that we’re going to succeed most of the time. It’s too hard for that.

01-01:16:35

Meeker:

So, here we are approaching the end of 2017. You just came from your board meeting, ten years on. When you presented to the board, how did you present impact over the past year, and what was the evaluation of it?

01-01:16:50

Tofel:

You know, so the truth is, we didn’t talk about impact yesterday at all, and we didn’t because it was in the book. I mean, we do an impact report in every board book, and we talk about impact publicly in our stakeholders’ reports, and so I think everybody at the board meeting knows that that is actually the object of the game, but they also know, you know, we sent out a public report about that in September, and there’s a report in the book, and there it is. It’s probably good news in the sense that it didn’t need to be discussed, because there still is some, on a regular basis. If there started not to be some, I would expect that people would say, “What’s up?”

01-01:17:37

Meeker:

So the impact is, at the level of self-evident at this point?

01-01:17:42

Tofel:

Well I hope it’s self-evident all the time. That’s our job, is to surface it to the point where it is evident.

01-01:17:49

Meeker:

Given your schedule, I’d like to get into the wrap-up phase, unless there’s any—

01-01:17:57

Tofel:

No, no, no, that’s fine.

01-01:17:57

Meeker:

—major thing. So, really what I’d like to end with today is your evaluation of maybe what were some of the most difficult moments, or even moments of regret, and then of course, follow that up with what the greatest achievements

have been in the past ten years. So let's start with difficult moments, or things that you maybe you would do differently again if you could. Or not you, per se, but—

01-01:18:24

Tofel:

No, no, no, it's a very fair question. So, we've been enormously fortunate, and I feel like I've personally been very fortunate. This feels like I must lack vision if I say this: I don't have any great regrets. Do I think we did everything perfectly? Of course we didn't. But, do I have any big regrets? I actually don't. I don't. One thing that I've very proud of is that we've been nimble and we have evolved the place, and I think we continue to do that. So, at the beginning, I had no idea what social media was. I guess I knew that Facebook was on campus. We had a Twitter account when we started publishing, but I certainly wasn't familiar with it or what Twitter was in 2008. But we started to take that really seriously about 2010, and I think that was very important, and we were ahead of almost everybody in our business in doing so, and we've reaped enormous rewards from that, as it has lowered the barriers to entry.

Data journalism was not a phrase that had any real meaning, and we started to take that seriously in about 2009, and Scott Klein, on our team, really invented the term "news applications," and I think has invented half that field, and we've been critical pioneers in that. Last year, in Electionland and this year in Documenting Hate, we've taken reporting consortia to a level that they've never been seen before. The partnership model from the very beginning was enormously innovative, and we've now had 150 partners. So we have changed the place, and now we're trying to change it up again with ProPublica Illinois, and with moving into video more.

I do think that kind of evolution, constant evolution, is critical. I think we are very much still in the middle of an enormous transformation of our business. I do think, actually, the business is likely to reach rough stasis at some point, but I don't see that point yet. I'm not sure I'll live to see that point. But if you think of this as like, that what is happening to the newspapers is what happened to the railroads, and I think that that's probably not a bad analogy, at some point, it settles out, more or less. And it probably will settle out, but it's way short of that yet. And so we've evolved, so I feel very good about that now. You could look at that and say, "Wouldn't it have been better if we'd been in social media starting in 2009?" Yeah, I guess so. And wouldn't it have been better if we'd invented this kind of form of collaboration a year or two or three earlier? Sure. Anytime you have an insight, you could've had it sooner. But regrets, frankly, you know, at the risk of sounding arrogant and dumb, I don't have any.

01-01:22:51

Meeker:

I think that you've also just mentioned some of the areas that maybe you're most proud of, for instance, the really deep relationships that have been built

in the context of some recent reporting. Are there any particular moments that you like to remember, when you have a hard day? [laughs]

01-01:23:14

Tofel:

Yeah, the other thing is, honestly, I have very few hard days. I've been enormously fortunate. This is the best job I've ever had, and I've had it longer than any other job I've ever had, and how many people can say that? So, the afternoon we won our first Pulitzer Prize, so, we won that prize in partnership with the *New York Times* for a story about a hospital in New Orleans after Katrina, and the Pulitzers are voted on Friday afternoons, and of course, they always leak to the *New York Times* internally within seconds. And so, and I remember this as if it were yesterday—I mean, it's seven and a half years ago at this point—my phone rings and it's Bill Keller, whom I knew, not terribly well, but knew, and he says to me, "I can't find Steiger and I can't find Engelberg, but I need to tell somebody we won the Pulitzer for the Memorial piece." I was like, oh my God.

You know, Paul had been on the Pulitzer board and then later the chairman of the Pulitzer board, but he'd been off by then, and Steve is now on the Pulitzer board, but this was in the period between that, so we didn't have an inside track. I mean now, honestly, we do know when we have a finalist. We don't tell anybody, and very few people at our place know, but you know, Steve knows, and before that, which was before ProPublica, Paul used to know at the *Journal*, but this was not that, so I was just—that was quite something.

01-01:25:37

Meeker:

Because of the recognition by peers?

01-01:25:39

Tofel:

Yeah, and the fact that we'd been publishing for what, twenty months, twenty-two months? It was the first time a nonprofit journalism organization had won a Pulitzer Prize. It was a big deal.

01-01:26:01

Meeker:

You've mentioned ProPublica Illinois, and I'll admit that I've seen it on the website but I haven't looked too much into it, being a Californian. What is this initiative, and how does it represent a change in, or an addition of new focus?

01-01:26:18

Tofel:

It is an attempt—I think all of us think that the business crisis of the press has had the most dramatic negative effect at the state and local level. It's obviously had a real effect on investigative journalism nationally, and that's why there is ProPublica, but, the worst and most dramatic effects are at the state and local level, and this is our attempt to address that some, by doing accountability journalism in this one place, and we hope if it works, in others. And we've now, we have succeeded in recruiting I think a great staff, and I'm pleased about the story output, so I think the remaining two questions are: Can we get effective distribution for the work? The early signs on that—very, very

early signs—are good. And then, can we raise enough money locally to sustain the thing? And honestly, the jury's out on that. It's just too soon to say.

01-01:27:33

Meeker:

What does effective distribution look like at the local and the state level, especially when so many traditional outlets are disappearing, or—

01-01:27:44

Tofel:

It means, can we get enough people to read the stories that we can spur change? Right? I mean the whole thing of, the tree falls in the forest and nobody hears it, that's potentially our problem. Right? If we write a great story and nobody reads it or none of the right people read it, then nothing will happen, and then we're no place.

01-01:28:04

Meeker:

Are you hoping that access happens mostly through the ProPublica Illinois website, or in partnership with local media outlets that have rather limited traffic?

01-01:28:14

Tofel:

I think, like ProPublica ten years ago or nine years ago, it's going to have to start with partners, because our platform just isn't big enough at the moment, but one hopes that it will start that way and that we'll also be able—I've always said we're trying to do two things all the time. We're trying to publish with impact today, and we're trying to build a platform so we can publish with impact tomorrow, and we're trying to do those two things again, all over again, at ProPublica Illinois.

01-01:28:56

Meeker:

What else does the future hold for ProPublica?

01-01:29:03

Tofel:

Well, first of all, I do know enough to say that the only intelligent answer to that question, in my judgment, is, I don't know. Because as I say, the transition in the business, in the industry, is still very much underway. So, I think there will be big changes yet in our business, that will make a really meaningful difference in our work, you know, in the near term. So, we, I think we negotiated the transition after Paul's retirement pretty effectively, but Steve and I were there at the beginning. Sometime in the next decade, we'll both be gone, and that will be an important moment of transition, and can we set up the non-founder generation in a way that works, that's critical. Because of Herb and Marion's generosity and steadfastness, we got to ignore the last recession, the recession of 2008 and '09, we won't get to ignore the next one, so can we manage through that? That's been real important to me to set us up for. I think we have laid the groundwork for that really well, but now we will have to, at some point, execute on it. If this Illinois experiment works, I hope there will be more of those, not everywhere, but maybe five or ten or ultimately fifteen places. And beyond that, things will happen and change, and who the heck knows?

01-01:31:00

Meeker:

I believe the Sandler Foundation's a spend-down foundation, is that—

01-01:31:06

Tofel:

I don't know. I mean, the Sandler Foundation is now—and here's the reason that I can get away with not knowing that: In 2019, given our understanding with the Sandler Foundation and the trajectory of ProPublica, the Sandler Foundation will be 9 or maybe even 8 percent of ProPublica's budget. So it won't matter the same way it used to.

01-01:31:41

Meeker:

Okay. Any final thoughts, anything else you'd like to add?

01-01:31:46

Tofel:

But I should say, because I don't want anybody ever looking at this to misunderstand, ProPublica would not exist without the Sandler Foundation, and wouldn't have been caused to come into being, wouldn't have succeeded initially, wouldn't have thrived. So, I don't want anybody ever to think that I forgot that or lost the thread about that.

01-01:32:10

Meeker:

I don't think that that would be possible after reading the whole interview. Is that where you would like to end, or is there—

01-01:32:19

Tofel:

Sure.

01-01:32:19

Meeker:

—anything else you'd like to—okay. Well, that was excellent. Thank you so much for your time.

01-01:32:24

Tofel:

No, my pleasure.

[End of Interview]