

One Story You Will Never Read in the Detroit Free Press

"On Guard for 158 Years," the venerable newspaper now wrestles with its own editorial decisions.

A story headlined "Nightmarish Quest" that questions some recent editorial decisions made at the *Detroit Free Press* is not one you'll ever read in that newspaper. It was written by one of six veteran *Free Press* reporters who have banded together to publish an underground newsletter, the "Downward Spiral," in response to what they see as a growing credibility problem at the venerable, 158-year-old newspaper.

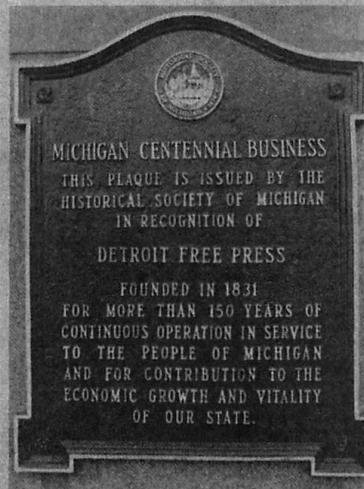
To many observers, several editorial incidents seem to have been steadily chipping away at the *Free Press'* credibility ever since the paper acknowledged in its July 20, 1988, editions that the editor and publisher had not published at least three editorial cartoons lampooning then U.S. Attorney General Edwin Meese, who had the final say on whether the *Free Press* and *The Detroit News* would be allowed to merge business operations under a joint operating agreement (JOA).

Most recently, the *Free Press* had to explain in its pages how a reporter and Pulitzer Prize-winning photographer had purchased some items from a crack addict and then lied to their editors about the incident, thus compromising a massive staff project, "24 Hours: The Drug Menace," that the newspaper hoped to enter for prizes.

The reporter and photographer were briefly suspended for the ethical infraction. But "Nightmarish Quest," the lead story in the first edition of the "Downward Spiral," asks whether the editors weren't also ethically remiss in giving the photographer and reporter prior approval to drive the crack user, identified as Tim, from spot to spot to complete his drug transactions, thus "orchestrating" the news. "It was OK for (the photographer) to use his car to drive Tim to a crack house so he could buy the drug in violation of state and federal law because editors had approved it," the story read. "But it was not OK to provide Tim with the money to buy the crack . . ."

"What happened to (photographer) Manny Crisostomo and (reporter) Pat Chargot could happen to any one of us," says Joel Thurtell, a *Free Press* reporter who has been involved with the production of "Downward Spiral" since its inception. "The whole crack cocaine project was a script from the start; it was a story which fooled readers. If Manny and Pat lied, then so did the editors. (The events in the story) didn't all happen in just 24 hours. There had been advance work done by staff in selecting people to talk to. It was all planned."

The airing of such ethical questions is rife at the *Free Press* these days, according to several reporters. "We talked about doing something like ('Downward Spiral') for about a year, whenever



Metro Times Photo/Larry Kaplan

something gruesome would happen," says reporter Michael Betzold, one of the six staffers involved in publishing "Downward Spiral." "The impetus for the whole thing has been the JOA and other things—such as the claims by *Free Press* management about ethical breaches, such as those involving photographer Manny Crisostomo and reporter Pat Chargot."

"Downward Spiral" may be one symptom of the newspaper staff's growing concerns about the *Free Press'* editorial decisions. Another symptom is a heated meeting of about 35 reporters and editors with Executive Editor Heath Meriwether in early November.

The staffers called for the meeting to air their concerns that the *Free Press* might be "soft-pedaling" William Keating's role in its coverage of the Lincoln Savings & Loan fraud scandal, an almost daily breaking national news story. As the *Detroit Newspaper Agency* chief, Keating heads the com-

bined business operations of the *Free Press* and the *News*. He is also named as a defendant in a \$1.1 billion federal civil lawsuit charging him with negligent breach of fiduciary duties while he was a director of American Continental Corporation, Lincoln's parent company. Keating's brother Charles, the chairman of Phoenix, Ariz.-based American Continental, is charged with fraud and racketeering in the federal suit.

Reporters at both the *Free Press* and *News* are in the awkward position of having to cover several strong local angles to the Lincoln story that involve the chief of the *Detroit Newspaper Agency* (DNA). Meanwhile, government lawyers are reportedly planning to drop the civil charges against William Keating because he apparently served more briefly as a director of *American Continental* than public records showed, according to a Dec. 11 story in *The Detroit News*. So far Keating has refused to comment to any media on the case.

"Yes, there have been difficulties in covering William Keating—we don't have access to him," says Robert McGruder, *Free Press* managing editor-news, who attended the meeting with Meriwether. "I wish he would talk to us. But I don't know if he has or has not been properly covered. I guess it depends on the story."

Although neither local newspaper reported on the meeting, the *Los Angeles Times* did, saying that staffers became concerned after one reporter, temporarily acting as a "reader representative" in editorial meetings, complained in a memo that his suggestions for stories about William Keating's role in Lincoln were shot down.

Several other credibility issues either emerged from the meeting or were brought forth by "Downward Spiral." They include:

- According to the "Spiral," the *Free Press*, for an undetermined reason, never ran a Nov. 14 story by business writer Bernie Shellum that detailed the projected profits of the DNA. As the "Spiral" pointed out, the story failed to run at the time that all five unions were set to begin bargaining for their first contracts under the JOA.

- Shellum wasn't immediately available for comment. Managing Editor McGruder says: "I know of no stories spiked for their content. Some stories written that day (that the JOA approval was announced) didn't run because of space."

- Reporters at the meeting were particularly upset about the handling of a recent profile of William Keating, according to the *Los Angeles Times*. After the reporter turned in his article, a

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ing, without his knowledge. The revised sentence said that Keating was not the subject of any federal investigation. The reporter, who spoke to the *Metro Times* on the condition he remain anonymous, says that he had written "something to the effect of: 'It is not clear whether William Keating is the subject of a federal investigation.'"

At that point in time the reporter's statement was accurate; the changed version was not. According to David Runkle, spokesperson for the U.S. Justice Department in Washington, the agency is unable to confirm or deny the existence of any specific federal investigation into Charles or William Keating before formal charges or indictments are filed.

When asked about the editing change, McGruder said, "Who is the reporter? I haven't seen what he said he wrote. How can I respond if you don't tell me who the person is and what they wrote? I know of nothing that was changed to be in error."

The reporter says, "Yes, there was rewording of my story, but I'm not exactly sure where, and I'm not going to go to the barricade on this . . . I wanted to face the fact that he (William Keating) is Charles' brother, but I wanted to be careful not to paint with a broad brush (so that it would look like) he too is involved to the same extent as his brother is reported to be. I could have written this story without mentioning Charles Keating at all, but I didn't think that was right."

"William Keating is a public figure in the news these days and it was important to me to say that. But does Bill Keating have to be mentioned in every Lincoln story? I don't think so."

However, several reporters believe that the *Free Press* hasn't mentioned Keating enough. Because of these concerns, reporter Christopher Cook, who had just come off a two-week stint as the reader ombudsman, helped write the letter to Meriwether requesting the November meeting.

"William Keating hasn't been covered properly," Cook says. "The *Free Press* hasn't said or not said that William Keating is involved or isn't involved so that readers can make independent judgments. The problem isn't what the *Free Press* or *News* has done. It's that we still don't know what the story is on Bill Keating."

"A man who runs this kind of company ought to feel comfortable and come forward and say once on the record, 'Look, this is what I did and it's OK.' He needs to outline his role; he owes that to journalism and the readers of Detroit. If there is a criminal indictment down the road against Charles Keating which extends to other of his family members, including William, this will be terribly embarrassing to Knight Ridder, Gannett and the DNA."

Cook believed Meriwether when the executive editor said at the meeting that the paper was trying to responsibly cover Keating's role in the Lincoln story. "These people are journalists of integrity and honor," he says. "I don't think anyone has ever said as a deliberate choice, 'We will not cover Bill Keating.' I think they believe that they are covering the story as it should be done."

The author of the Keating profile agrees: "I believe Meriwether when he says that when we know something about the Keatings to report, we will fully and accurately report it in this newspaper."

Missing from the reporter's story, however, was any mention of the link between Charles Keating and one of his properties, the Hotel Pontchartrain, which is one of the Lincoln story's strongest local angles. A subsidiary of American Continental, the hotel was identified in the federal lawsuit as being used in "a series of abusive and fraudulent transactions." The hotel is now in foreclosure proceedings as a direct result of the Lincoln Savings & Loan failure.

In his profile, the reporter referred to the hotel thus: "Most of (William) Keating's time has been spent between an office in the *News* building and a one bedroom suite in the Hotel Pontchartrain." Says the reporter: "There is no dark side to this; I didn't deliberately omit anything. I just had to get the story done and turned in quick on a very heavy news day."

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Keating undoubtedly finds himself in a tough spot. Just weeks before he became the head of the DNA, he was named along with his brother and several relatives in the lawsuit filed by the Resolution Trust Corporation, an agency created by Congress to investigate abuses in federal savings and loans institutions.

Neither Keating brother is a stranger to newspapers or headlines. As the former publisher of the *Cincinnati Enquirer*, Keating helped to spearhead a JOA between the *Enquirer* and the *Cincinnati Post*. William Keating was the *Enquirer's* publisher at the same time that his brother Charles signed a consent decree to pay back money to the Securities and Exchange Commission in the late 1970s after he was alleged to have been involved with inside trading. But media observers gave William Keating high marks for covering his brother's activities with candor.

But with the Lincoln scandal, all that seems to have changed, according to Stephen Koff, a staff writer at the *St. Petersburg (Fla.) Times* who formerly worked at a *Cincinnati* magazine. As of Nov. 30, the *Enquirer* has mentioned William Keating's role in the Lincoln case only once since the news broke Sept. 16 that a federal lawsuit had been filed, Koff says. Keating continues to be listed on the *Enquirer's* masthead as its chairman, even now after approval of the JOA in Detroit where he heads the DNA.

The meeting with Meriwether didn't seem to resolve the reporters' concerns about Keating coverage. But Cook came away with at least one conviction: "Meetings around here tend to be friendly but this was the first really negative meeting we had ever attended. The reason for this was the combative and defensive posture of Heath Meriwether.

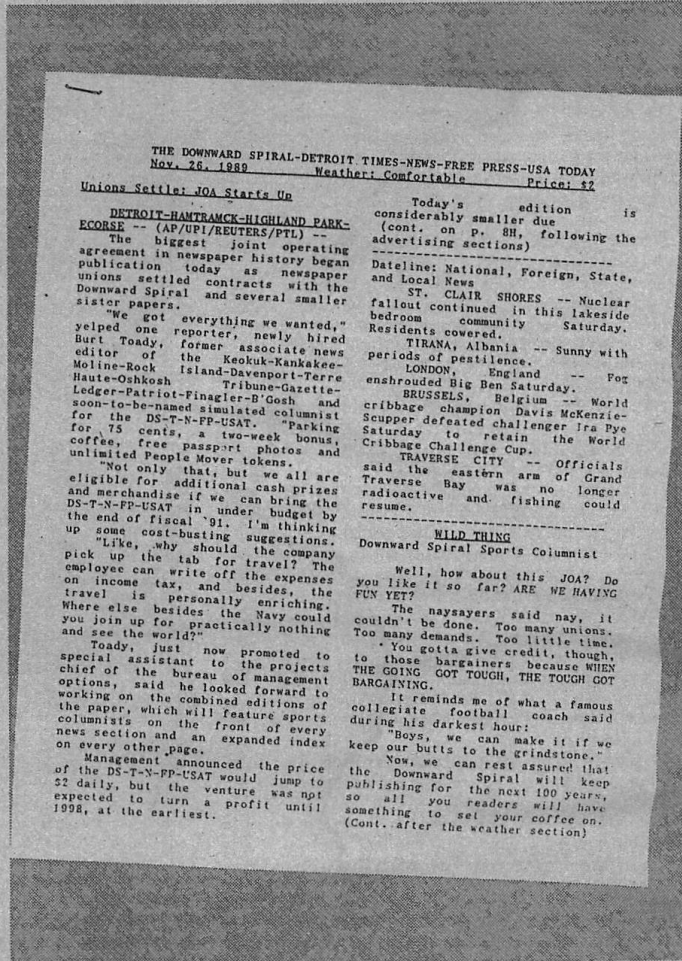
"The editors cited all that had been done—X number of stories with Keating's name mentioned. But what has been done here is that coverage has been delegated from one person to the next in an evolutionary way that has allowed mid-level department heads to decide how it will be done, rather than anyone at the top making an executive decision that this is the way it will be done."

For comic relief, "Downward Spiral" is there to tweak management and parody the confusion and doubletalk in the newsroom. The second issue was titled the "Downward Spiral-Detroit Times-News-Free Press-USA Today." Regular features include "Clark Clifford's Diary"; the former Secretary of Defense had been hired by Knight-Ridder as its legal strategy coordinator during the battle to win the JOA. Another regular column is "Ask Ms. Monopoly," with questions and answers on the JOA.

"I don't think it's outrageous that we're doing this," says city-county bureau chief Bill McGraw, who helped plan the publication. "I am willing to take blame or credit, as the case may be. Every workplace should have an employee newsletter. The *Free Press* has had a corporate in-house publication for years. The company has done a masterful job of putting out all kinds of information here over the last three years. There are many people who have many differing opinions than management's. 'Downward Spiral' is a forum for them, for everyone."

"Downward Spiral" is a technical term—repeated like a mantra by the *Free Press* during its 43-month "nightmarish quest" for a joint operating agreement—that describes a financial tangle of circulation and advertising losses that failing newspapers suffer. Like its name, the newsletter's tone is tongue-in-cheek, but it also addresses serious issues.

A Dec. 4 piece by Betzold headlined "We Have Met the Enemy . . . Us" focused on the need to



THE DOWNWARD SPIRAL-DETROIT TIMES-NEWS-FREE PRESS-USA TODAY
Nov. 26, 1989 Weather: Comfortable Price: \$2

Unions Settle: JOA Starts Up
DETROIT-HAMTRAMCK-HIGHLAND PARK-ECORSE -- (AP/WPI/REUTERS/PTL) --
The biggest joint operating agreement in newspaper history began publication today as newspaper unions settled contracts with the Downward Spiral and several smaller sister papers.
"We got everything we wanted," yelped one reporter, newly hired Burt Toady, former associate news editor of the Keokuk-Kankakee-Moline-Rock Island-Davenport-Terre Haute-Oshkosh Tribune-Gazette-Ledger-Patriot-Finagler-B'Gosh and soon-to-be-named simulated columnist for the DS-T-N-PP-USAT. "parking for 75 cents, a two-week bonus, coffee, free passport photos and unlimited People Mover tokens."
"Not only that, but we all are eligible for additional cash prizes and merchandise if we can bring the DS-T-N-PP-USAT in under budget by the end of fiscal '91. I'm thinking up some cost-busting suggestions."
"Like, why should the company pick up the tab for travel? The employee can write off the expenses on income tax, and besides, the travel is personally enriching. Where else besides the Navy could you join up for practically nothing and see the world?"
Toady, just now promoted to special assistant to the projects chief of the bureau of management options, said he looked forward to working on the combined editions of the paper, which will feature sports columnists on the front of every news section and an expanded index on every other page.
Management announced the price of the DS-T-N-PP-USAT would jump to 22 daily, but the venture was not expected to turn a profit until 1992, at the earliest.

Today's edition is considerably smaller due (cont. on p. 8H, following the advertising sections)
Dateline: National, Foreign, State, and Local News
ST. CLAIR SHORES -- Nuclear fallout continued in this lakeside bedroom community Saturday. Residents covered.
TIRANA, Albania -- Sunny with periods of pestilence.
LONDON, England -- Fog enshrouded Big Ben Saturday.
BRUSSELS, Belgium -- World cribbage champion Davis McKenzie-Scupper defeated challenger Ira Pye Saturday to retain the World Cribbage Challenge Cup.
TRAVERSE CITY -- Officials said the eastern arm of Grand Traverse Bay was no longer radioactive and fishing could resume.

MILD THING
Downward Spiral Sports Columnist
Well, how about this JOA? Do you like it so far? ARE WE HAVING FUN YET?
The naysayers said nay, it couldn't be done. Too many unions. Too many demands. Too little time. You gotta give credit, though, to those bargainers because WHEN THE GOING GOT TOUGH, THE TOUGH GOT BARGAINING.
It reminds me of what a famous collegiate football coach said during his darkest hour:
"Boys, we can make it if we keep our butts to the grindstone."
Now, we can rest assured that the Downward Spiral will keep publishing for the next 100 years, so all you readers will have something to set your coffee on.
(Cont. after the weather section)

unite all *Free Press* workers in the wake of the JOA. "We need a conference or a series of workshops at which all the employees of the *News*, *Free Press*, and DNA can discuss their situations and try to arrive at ways to work more effectively together," he wrote in the publication's first bylined article. "By what management techniques do you suppose Knight-Ridder and Gannet plan to make \$100 million a year in the Detroit market? By expanding payrolls, maximizing news gathering budgets and spending freely to create the best working conditions for staffs? We have to put away past divisions. We have to grow up, sober up and get to work on building a much stronger union."

Thurtell says "Downward Spiral" addresses those internal issues that readers will never see in the *Free Press's* pages. "As reporters our moral values are to tell the public, even just a small segment of it, about what is going on. This is a journalists' forum to report and reflect upon events and ramifications of events in the workplace. These are things which may impact our jobs.

"It is like group therapy due to the frustration of our being targeted as a failing newspaper during the JOA struggle. The difference between us and the regular *Free Press* is that we don't make money and we don't put empty platitudes on our masthead." ■

Rosanne Less is a Metro Times contributing editor who first wrote about the Keating brothers in our July 16-22, 1986 issue.