

Our Mission

Truthout works to broaden and diversify the political discussion by introducing independent voices and focusing on undercovered issues and unconventional thinking. Harnessing the expanding power of the Internet, we work to spread reliable information, critical thought and progressive ideas.

Our Values

We are devoted to equality, democracy, human rights, accountability and social justice. We believe in the power of free speech, and know that democratic journalism can make the world a better place.

TRUTHOUT 2009 ANNUAL REPORT

A Letter From Our Executive Director



Maya Schenwar, Executive Director

I am honored to be writing the introduction to this year-long history of Truthout's transformation. In the pages that follow, you will find a portrait of an innovative, broad-reaching, growing news organization with a solid foundation and a bright future. Amid an eroding media landscape plagued by diminishing resources and lowered standards, Truthout is a powerful independent voice, combining groundbreaking investigative reporting with thoughtful analysis, free of corporate bias.

Over the past year, we have managed to triple our original content, moving from our previous role as primarily a news aggregator to our current position as a daily platform for original muckraking, breaking news and commentary, supplemented by pieces from a select group of partner sites.

Along with our expanded vision, our real-world impact has grown substantially. In the past year, Truthout's investigative reports and analyses have prompted Congressional hearings on torture, spurred a rejection of absurd anti-education policies in Florida and elsewhere and hastened the reversal of unfair decisions by the military regarding veterans and service members. We have exposed the silencing of military contracting whistleblowers, delved into little-known aspects of the health care debate, shone light on the hidden expenses in war spending bills and conducted on-camera interviews with public figures like Ralph Nader, ACORN CEO Bertha Lewis and former CIA agent John Kiriakou. After the earthquake in Haiti, we covered its devastating effects on people and families on the ground—and didn't let up after the earthquake had become "old news." We have also added an educational component: an internship and fellowship program designed to train the next generation of skilled, socially conscious investigative reporters.

Readers have noticed Truthout's growth, and they are spreading the word. Our traffic doubled this fiscal year. The site currently receives approximately 1.2 million unique visitors per month. We also delved into social media full force,

utilizing tools like Digg, Reddit and Facebook to reach new readers and new populations. In six months, our Facebook group fan count increased from 1,200 to 17,500. Additionally, we've established new partnerships with other media outlets and nonprofit organizations, expanding our audience and maximizing our impact.

Truthout's ability to grow and innovate throughout this fiscal year speaks to the unwavering dedication of its staff: a group of intense, passionate people who have committed themselves to serving the public good. Our staff believes in the power of courageous journalism to change hearts, minds and public policy—and they prove it every day.

I am incredibly grateful for your support in making this crucial work possible, and look forward to many inspiring years to come!

Sincerely,

A handwritten signature in black ink that reads "Maya Schenwar". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Maya Schenwar

Executive Director, Truthout

Truthout's Growing Impact

Groundbreaking, Original Reporting and Analysis

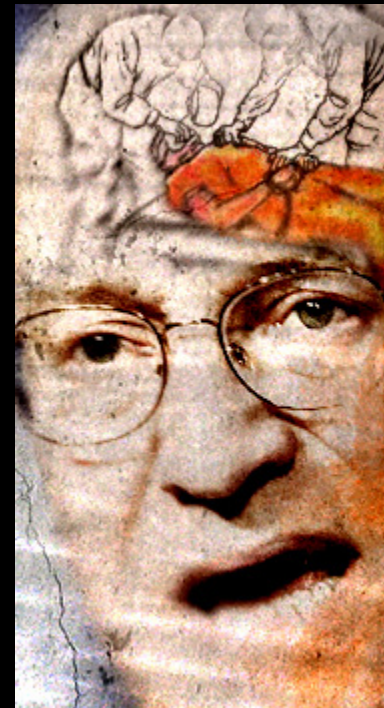
In the latter eight months of the fiscal year, Truthout underwent a large-scale change in its editorial framework, tripling original editorial content while slashing costs. We began publishing a wider variety of pieces from renowned contributing writers, and drew in some important new voices.

Our top-notch reporters include *Jason Leopold, Greg Palast, Dahr Jamail, John Pilger, Dina Rasor, Anne Elizabeth Moore, David Bacon* and *Art Levine*, and we feature such renowned opinion writers as *William Rivers Pitt, Henry Giroux, Ellen Brown, Bill Moyers, Noam Chomsky, Kathy Kelly, Zygmunt Bauman* and *George Lakoff*.

In the past year, we have witnessed a true amplification of our work's journalistic impact. We have seen our stories make waves on a number of different political fronts, helping to influence policy and promote social justice on a national scale.



Lance Page, Truthout; Adapted from: US_Air_Force, pablosanz



Lance Page, Truthout; Adapted from: Mike Licht, NotionsCapital.com



Truthout's Deputy Managing Editor Jason Leopold has been a vital part of the continued investigation into US torture policy in the war on terror.

Just a few examples:

A story Truthout reported in June 2009, based on a little-known document that indicated George W. Bush had authorized the use of dogs and other methods to intimidate prisoners in Iraq, was picked up by MSNBC's "Countdown with Keith Olbermann" and led lawmakers, such as Senate Armed Services Committee Chairman Carl Levin, to begin making inquiries into these interrogation techniques.

Investigative journalist and Truthout Board of Advisers Member Dina Rasor has done tremendous work exposing how the Department of Justice has failed to join with whistleblowers and hold defense contractors accountable for billions of dollars of fraud and waste. Her investigation for Truthout shed light on the ways in which a system established by the Lincoln administration to prevent war profiteering has now fallen apart.

Truthout has been a vital part of the continued investigation into US torture policy in the "war on terror." In a report from March, Truthout's Jason Leopold was the first journalist to disclose the fact that the Department of Justice was backing away from claims that detainee Abu Zubaydah, the first "war on terror" prisoner subjected to waterboarding, was the No. 3 official in al-Qaeda and that he helped to plan the 9/11 attacks. This disclosure has already had far-reaching effects, with Truthout's report being cited in multiple legal proceedings. Leopold has broken dozens of stories regarding torture, including a recent video interview with former CIA agent John Kiriakou, who led the team which captured Zubaydah and was involved in Zubaydah's torture.

Lawyer, author and economist Ellen Brown has been at the forefront of reporting on the formation of state-owned banks, which can function in the interest of the population, instead of serving only Wall Street. Truthout features her work on a regular basis and has been an important platform for discussion of this idea.

Truthout reporter Dahr Jamail was the first to cover the story of Alexis Hutchinson, a single mother in the Army who missed deployment last year when her childcare plans fell through at the last

Truthout's Growing Impact

minute and was subsequently court-martialed, facing the prospect of imprisonment. The story was picked up by a number of other media outlets, and eventually, the public attention paid off: Hutchinson was granted an administrative discharge instead of jail time.

Truthout contributor Beverly Bell has been reporting regularly from post-earthquake Haiti since January. Bell broke a story about Haitian farmers banding together to reject corporate domination, burning millions of dollars worth of genetically modified seeds donated by agrigiant Monsanto.

The story went viral and was read by hundreds of thousands across the Internet.

Truthout board member and contributing writer Henry Giroux's work on the degradation of public education has garnered national attention and directly influenced policy. For example, a piece Giroux wrote in April 2010, "In Defense of Public School Teachers in a Time of Crisis," which called attention to a Florida bill that would have judged teachers' worth solely on their students' test scores, was distributed to the governor of Florida, all Florida state legislators and all Florida public

school teachers, after a campaign by motivated Truthout readers. Shortly thereafter, Florida's governor vetoed the bill.

Following the BP Deepwater Horizon catastrophe, a groundbreaking Truthout report provided firsthand testimony and documented evidence that BP risked another—potentially even larger—oil spill at their Deepwater Atlantis drilling site. CBS's "60 Minutes" contacted Truthout and picked up the story a month later, making it a centerpiece of its show on May 16, 2010. Shortly thereafter, 20 members of Congress wrote to the

Obama administration demanding that Atlantis be shut down pending a full inspection, based on information from the whistleblower cited in Truthout's original report.

Truthout conducted an extensive investigation into how the Bush administration's Department of Justice backed off of a criminal case which threatened to net top BP executives. The story quickly caught the attention of establishment media, and the issue was catapulted into the public sphere.



Truthout's Deputy Managing Editor Jason Leopold interviews former CIA counterterrorism official John Kiriakou. (Photo: Troy Page / Truthout)

Developing Partnerships

This year, Truthout established collaborative agreements with more than a dozen other publications and nonprofit organizations. Partners include *In These Times*, *Miller McCune*, *Council on Hemispheric Affairs*, *TomDispatch*, *AlterNet*, *Yes! Magazine*, *GRITtv*, *Berrett-Koehler Publishers* and more. We also began syndication relationships with *GlobalPost*, the *Washington Post Writers Group*, *Creators Syndicate*, *Tom Tomorrow* and *The Christian Science Monitor*.

These partnerships have allowed us to broaden the scope and depth of our coverage. They have also helped us work with other media organizations to amplify their impact, through promoting and publicizing their most important stories. We believe firmly that, in this tough climate, independent media outlets must support each others' efforts, working together to develop, share and disseminate crucial stories.

Beginning in October 2009, we began offering all of our original content under a Creative Commons license.



Jared Rodriguez, Truthout; Adapted from: Staff Sgt. Marelli, DVIDSHUB, designshard

This means that our original reports, op-eds and images can now be reproduced by other organizations, as long as the content is cited correctly and not used for commercial purposes. Since we incorporated this license, our original images have been picked up and reposted at least 80,000 times across the Internet and our articles are reprinted on a daily basis by hundreds of blogs and small news sites across the globe. To date, Google has indexed nearly three million pages with the quoted term, "Truthout" and Google Books indicates over 6,000 books and print publications which reference Truthout.

Educational Impact

In October 2009, we established a Truthout reporting internship program. It is a two-phased endeavor: a three-month internship leading up to a six-month fellowship for top interns. Our deputy managing editor works directly with the interns, guiding them in the production of short articles and showing them the ropes of our fast-paced online newsroom. Four interns have successfully "graduated" the program to date. At the fellowship level,

Educational Impact / Artistic Additions

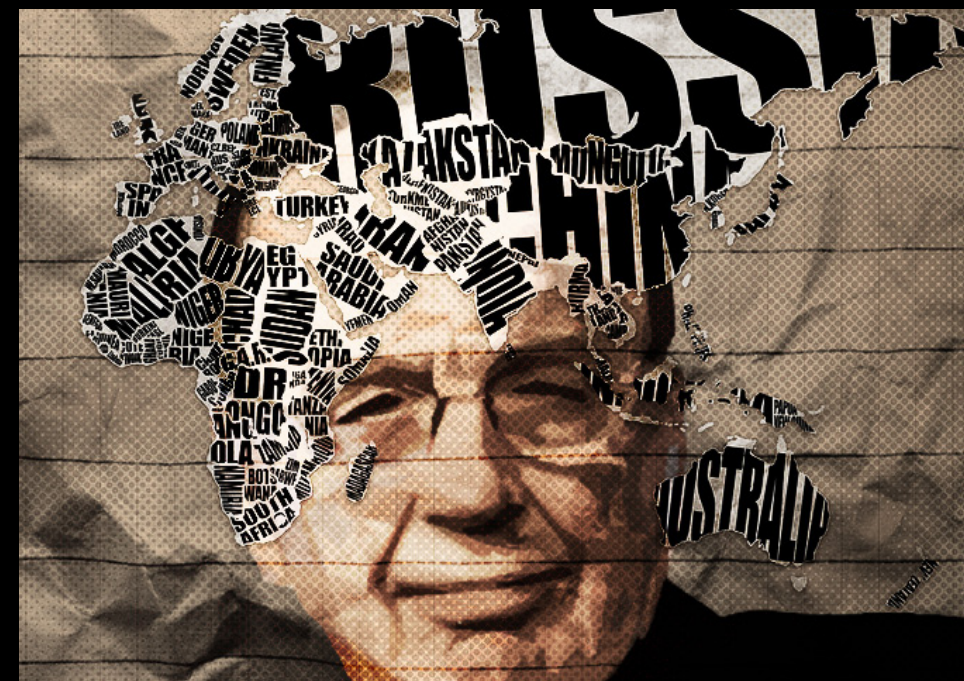
trainees take on a supervised, long-term, investigative project. They spend time shadowing Truthout editors and writers, learning about varied aspects of the field and best practices for truly independent journalism. It is a rigorous—and highly necessary—training program. At a time when traditional news sources have largely abandoned their role as a check on power and corruption, there is a fresh hunger for incisive journalism—the type of reporting that lives up to the ideal of the "Fourth Estate."

Our first Truthout Fellow, Yana Kunichoff, has had the chance to cover Arizona's controversial immigration legislation, the politics around changes to the Whistleblower Protection Act and the ways in which census policies fuel prison-based gerrymandering. Kunichoff is currently working on a series about the daily lives of undocumented immigrants. She has developed an ability to produce true journalistic impact: In December, we published a report by Kunichoff about a new Army policy, under which female soldiers serving in some parts of Iraq could face a court-martial for becoming pregnant.

This report prompted an immediate response from Gen. Anthony Cucolo, the general who instated the policy. We published his response on Truthout, and the two pieces provoked an outpouring of comments and ideas from our readers. The story began appearing in other publications, and soon after, the policy was retracted. Kunichoff will be on assignment at the US Social Forum in Detroit from June 22-26, 2010. Truthout's summer interns are already hard at work covering the BP oil disaster and the upcoming campaign season.

Artistic Additions

In 2009, our on-staff designers began creating original artwork to accompany many of our featured stories. These images add depth and character to our journalism, and highlight aspects of crucial issues that sometimes cannot be captured in words. We have found Truthout's imagery distributed widely across the Internet and featured by many reputable publications. See our Flickr stream at: <http://www.flickr.com/truthout>



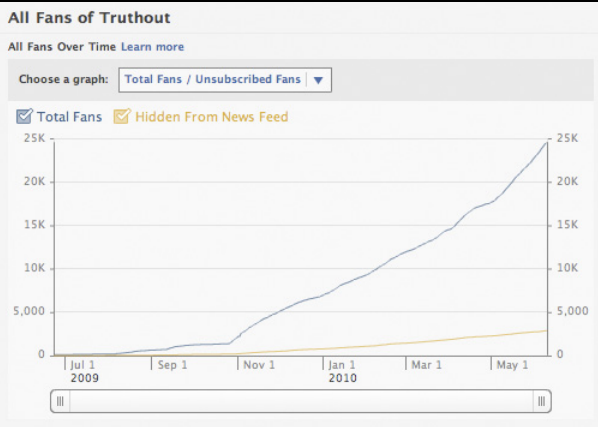
Lance Page, Truthout; Adapted from: World Economic Forum, vladstudio, GrungeTextures

Expanded Community

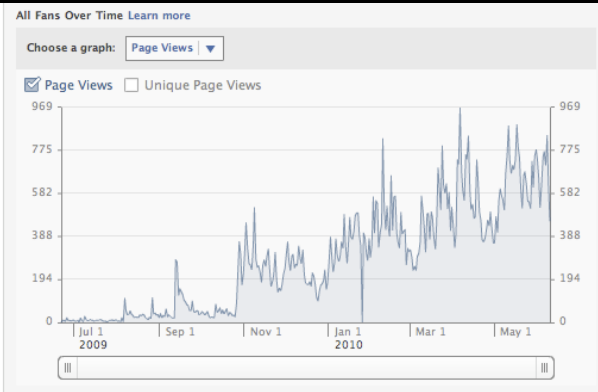
Beginning in early October, we launched a comprehensive effort to expand our presence across the Internet to attract new readers and begin breaking into new demographics. Part of the mission of independent new media organizations must be to attract young readers, who are currently underserved by the atrophying traditional media and the hollow 24-7 television news cycle.

On Facebook, we grew from 1,200 fans in October 2009 to more than 21,000 as of May 2010. We also added 4,000 new followers on Twitter in that same period. By targeting the social media networks Facebook and Twitter, we have seen explosive growth in readership and in the potential for our articles to "go viral," extending their life and impact across the Internet. Google News has begun syndicating our articles, exposing a massive new audience to our work and has additionally featured our content in their coveted *Spotlight* section reserved exclusively for "news and in-depth pieces of lasting value." Our stories have frequently hit the "Top in All Categories" area of the popular Digg.com social aggregator web site.

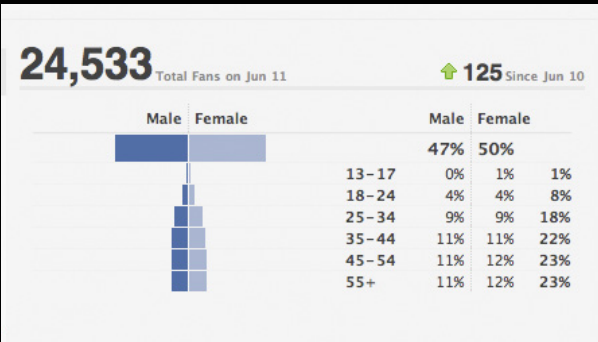
Truthout has seen a very healthy growth in readership over the past year. According to Quantcast, our baseline daily traffic has nearly doubled, catapulting Truthout to the top 6,000 web sites on the Internet. Traffic from social media sources like Facebook, Twitter, Digg and Reddit has skyrocketed. Facebook-generated traffic has increased by 600 percent, while Digg-generated traffic has increased by 10,700 percent. Our SEO (Search Engine Optimization) presence has also grown substantially, with an improvement of 91 percent for organic Google searches and an increase in Google PageRank score to an exceptional rating of 7.



A chart of all fans of Truthout from the Truthout Facebook Page. Currently, our fan growth is over 1,000 new fans per week.



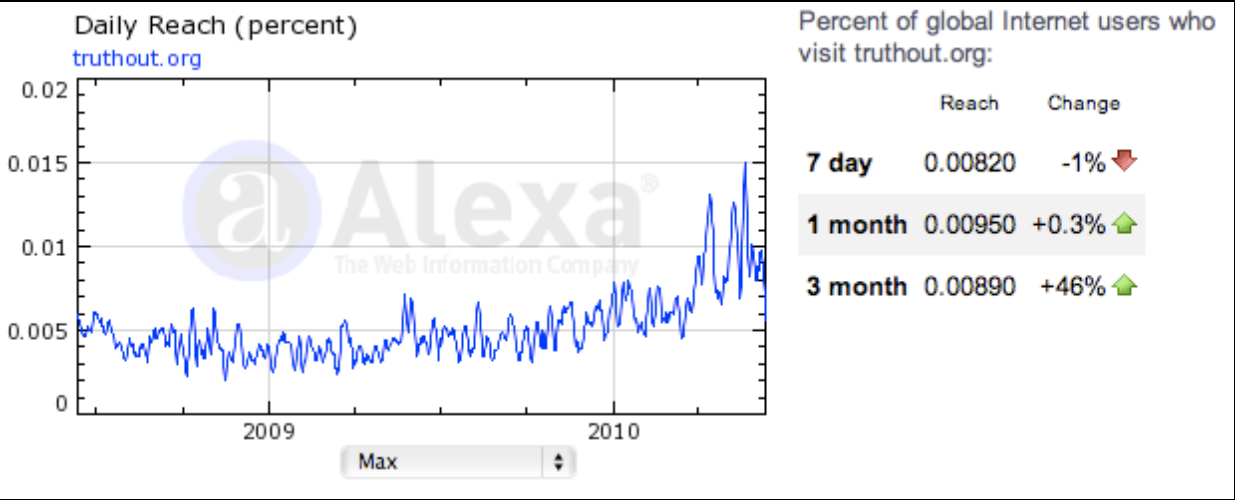
A chart of all page views via the Truthout Facebook Page. This number has grown dramatically in line with our fan base.



Demographic statistics from our Facebook Page that demonstrate the increase in diversity that the social media campaign has achieved.



This Quantcast graph demonstrates Truthout's explosive growth over the last year, via a rolling monthly graph of unique visitors to the web site. Unlike many other web sites which are overestimated by Quantcast, Truthout is a verified "Quantified" web site ensuring more accurate results.



This is a graph by Alexa that demonstrates Truthout's daily reach as expressed as the percentage of all Internet users who visit the web site. In many respects this number is of greater important than site traffic because it is a relative estimate to a holistic system of users.

Behind the Scenes - Truthout's Governance

Truthout added three members to our board of directors in 2009, bringing in new, innovative voices:

Henry A. Giroux currently holds the global TV network chair professorship at McMaster University in the English and cultural studies department. His primary research areas are: cultural studies, youth studies, critical pedagogy, popular culture, media studies, social theory and the politics of higher and public education. In 2002, he was named as one of the top 50 educational thinkers of the modern period in *Fifty Modern Thinkers on Education: From Piaget to the Present* as part of Routledge's Key Guides Publication Series. In 2005, he received an honorary doctorate from Memorial University in Canada. He is on the editorial and advisory boards of numerous national and international scholarly journals, and he serves as the editor or co-editor of three scholarly book series. He has published numerous books and articles.

Robert Naiman is policy director at Just Foreign Policy. Naiman edits the Just Foreign Policy daily news summary and writes regularly for Truthout, Huffington Post and Common Dreams. Recent writing by Naiman has appeared in Extra! and NACLA Report. He is a frequent commentator on radio, including recently on NPR and the BBC. Naiman has worked as a policy analyst and researcher at the Center for Economic and Policy Research and Public Citizen's Global Trade Watch. He has master's degrees in economics and mathematics from the University of Illinois, and has studied and worked in the Middle East.

Melinda Carmack has more than 30 years experience in successfully building fundraising programs in the San Francisco Bay Area to support higher education, the arts, international relations, social services and the environment. She joined the staff of Earthjustice as vice president for development in September 2005. There, she is responsible for the day-to-day operations of all fundraising activities and developing a long-term strategy that ensures the organization's sustained growth. Prior to joining Earthjustice, Melinda served as a fundraising and campaign consultant and taught workshops for fundraising professionals

on such topics as "Capital Campaigns: Strategies for Success," "Advanced Major Gifts Programs" and "Identifying and Building Relationships with Major Donors." She honed her major gifts and campaign skills as assistant dean for development and alumni relations for the Haas School of Business and Director of Development for International House at the University of California at Berkeley.

They join board members Steven Sugarman, Leonore A. Herzenberg and Arlene Ash:

Steven Sugarman has an MA in research psychology and is executive director of the International Humanities Center. He is the former executive director of the Social & Environmental Entrepreneurs (SEE) and co-founder of the Bolsa Chica Stewardship Group. Steve is also the author of *The Blueprint for Planetary Evolution*, as well as an avid creator of conceptual statistical models that are translated into games of strategy and probability.

Leonore A. Herzenberg is a professor of genetics at Stanford University and a leading AIDS researcher. She is the recipient of the American Cancer Society's Eleanor Roosevelt Cancer Fellowship, the ComputerWorld Smithsonian Award, and numerous other prizes.

Arlene Ash is a professor and division chief in the department of quantitative health sciences at the University of Massachusetts Medical School in Worcester, Massachusetts. She is a mathematician and biostatistician with special expertise in payment systems and value assessment in health care. More generally, she has provided statistical advice and testimony on public issues for 30 years, focusing on the integrity of US elections since December 2000, when she testified in the Martin County, Florida, absentee ballot fraud trial. She is currently working with colleagues in the American Statistical Association and "good government" groups to develop and disseminate guidelines for best practices in election audits.

Behind the Scenes - Strengthened Financial Picture



Jared Rodriguez, Truthout / Adapted from:
sbluerock, borman818

Since Truthout's leadership change in September 2009, our managers and staff have worked to streamline our production process and business model. Faced with the challenge of keeping the organization from overspending, everyone on our dedicated team collaborated to make our time at work more productive and efficient.

We have worked to reconnect with organizations from across the nonprofit sector to build our network and find mutually beneficial partnerships. We re-established connections with the philanthropic community and made our organization more transparent and responsive to donors.

To make the most of our limited funds, we substantially reduced compensation for the role of executive director, reduced our in-house staff, renegotiated service contracts, cut out unnecessary expenses and invested in high-quality content from our team of contributing writers.

These efforts paid off. In just the final six months of the fiscal year, we were able to turn the organization's financial outlook around. We took an organization which lost \$239,000 in FY2008 and turned it into an organization which lived within its means, finishing FY2009 \$8,000 in the black.

This success is a testament to the hard work of our staff and, importantly, the deep connection our readers have with our organization. Despite a declining economy, our fundraising appeals to our roughly one million monthly readers were successful. We make the case for Truthout on a monthly basis and our readers respond. When we ask them why they choose to donate, the most common responses are, "we trust you," "we need you" and "we don't want you to go away."

We take our role as a nonprofit charity as a great responsibility. Our staff and our board are honored to be entrusted with the resources to make this media model a thriving success. Good information is essential for democracy and on a daily basis, we hear from readers who view our service as one of the last bastions of reliable and useful news and information. We are committed to the cause of responsive, responsible governance within our organization, within our national borders and across the planet.

Truthout's 2009 Donor Honor Roll

We are deeply thankful for the foundations and individuals that support our work. In recognition of their support, we have listed major donors from calendar year 2009 who have given us permission to use their names.

Supporting Foundations

The Park Foundation
The Denver Area Educational Telecommunications Consortium
The Susan and Ford Schumann Foundation
The William B. Weiner, Jr. Foundation
The Wilcox Family Foundation
The Bill Muster Foundation
The Brightwater Fund
The Litowitz Foundation
The Omega Point Institute
The Harold & Marion Gordon Foundation

Thomas Paine Donor Circle (\$10,000+)

Yoko Ono

Nellie Bly Donor Circle (\$1,000-9,999)

Sue King
Dianne Wilker
Clive M. Ansley
Stan Crapo
Ken Gordon

I.F. Stone Donor Circle (\$500-999)

Philip Perlman
Graham Ryan
Heather Shank
Joan Wright
Ted Curran
Judith Thompson
Frank Racette
Leslie Griffith
Robert Friese
Dean Elias
Jana Cytrynbaum
John Cerny
William Breer

Scott Blau
Carol Biernat
Richard RePass
Gretchen & Leland Jamieson
Peter Joseph
Albert Hook
Shannon Connall
Linda S. Ellis
James Murphy
Peter Van Ness
William von Hagen
Anna Toews
Paul Krehbiel
Bruce Kennedy
Betty Dodson
Jean Converse
Geraldine Buckles
The Rutherford Institute
Robert del Tufo
Patricia Rollins
Frances Miller
Ellen Baker
Stirling Scruggs
Donald Molde
Gail Corbett
Jack McNamara
Richard Pennock
Marvin Kay
Edith Simpson
Laoni Davis

Profit and Loss Standard

May 2009 - April 2010

Income		Expense	
Grants	50,000.00	Bank Service Charges	153.00
Donations		Computer Expense	871.13
Check Donations	211,413.94	Salary of Executive Director	
Electronic Donations	827,931.25	Current Director Oct-Apr '10	28,919.09
Paypal	57,807.08	Former Director May-Sept '09	67,790.92
Large Donations	97,506.00	Dues and Subscriptions	222.95
Total Donations	1,194,658.27	Filing Fees	168.00
		Insurance	
Total Income	1,244,658.27	Health Insurance	20,423.68
		Liability Insurance	2,017.00
Costs of Goods Sold		Workers' Compensation	3,945.39
Fellowship	5,000.00	Total Insurance	26,386.07
Development Consultant	5,100.00	Finance Charge	1.06
Advertising	756.70	Meetings/Meals	121.02
Intern Program	6,200.00	Office Expense	514.00
Fundraising Expense	3,382.19	Postage and Delivery	6,396.18
Syndication Expense	8,116.95	Printing	1,409.19
Credit Card Costs	46,625.06	Professional Fees	13,177.60
Equipment Expense	262.40	Rent	8,000.00
Payroll Expense	794,484.40	Equipment Repairs	1,200.31
Outside Contributors	122,659.00	Office Supplies	1,044.75
Internet	2,893.29	Telephone & Fax	21,657.74
IT Contractor	3,703.39		
Internet Hosting	56,401.81	Total Expense	178,033.01
Media Production	862.25		
Program Expenses	633.54		
Travel	1,510.97		
Total COGS	1,058,591.95		
Gross Profit	186,066.32		
		Net Ordinary Income	8,033.31
		Other Income/Expense	
		Interest Income	293.17
		Net Other Income	293.17
		Net Income	8,326.48

Profit and Loss Standard

May 2008 - April 2009

Ordinary Income/Expense		Expense	
Income		Amortization Expense	390.00
Donations		Automobile Expense	59.17
Check Donations	276,199.32	Bank Service Charges	185.00
Electronic Donations	993,226.29	Computer Expense	3,114.27
Paypal	75,389.45	Depreciation Expense	33,386.00
Large Donations	32,000.00	Salary of Former Executive	
Total Donations	1,376,815.06	Director	212,354.05
		Dues and Subscriptions	59.45
Total Income	1,376,815.06	Filing Fees	180.00
		Insurance	
Costs of Goods Sold		Health Insurance	22,396.11
Credit Card Costs		Workers Compensation	4,399.49
Credit Card Fees	47,612.23	Total Insurance	26,795.60
Entango Processing Fees	26,054.72	Interest Expense	5.89
Authnet Processing Fees	1,470.70	Meetings/Meals	1,667.70
Total Credit Card Costs	75,137.65	Office expense	40.91
PayPal Fees	3,038.96	Postage and Delivery	6,858.99
Equipment Expense	225.62	Printing	3,174.74
Payroll Expense		Professional Fees	
Staff Services	433,173.33	Accounting	2,088.00
Salary	530,542.52	Legal Fees	1,220.00
Payroll Taxes	55,535.05	Total Professional Fees	3,308.00
ADP Fees	3,996.21	Rent	28,819.00
Matching Coelect IRA	10,187.97	Repairs & Maintenance	
Total Payroll Expense	1,033,435.08	Computer Repairs	707.20
Outside Contributors	65,950.00	Equipment Repairs	20.00
Internet	2,721.64	Total Repairs & Maint.	727.20
IT Contractor	1,200.00	Supplies	
Internet Hosting	56,257.87	Office Supplies	1,131.36
Program Expenses	951.47	Total Supplies	1,131.36
Technical Support	13,207.50	Telephone & Fax	29,244.66
Travel	16,109.55	Voided checks	0.00
Total COGS	1,268,235.34		
		Total Expense	351,501.99
Gross Profit	108,579.72	Net Ordinary	-242,922.27
		Other Income	3,387.68
		Net Income	-239,534.59