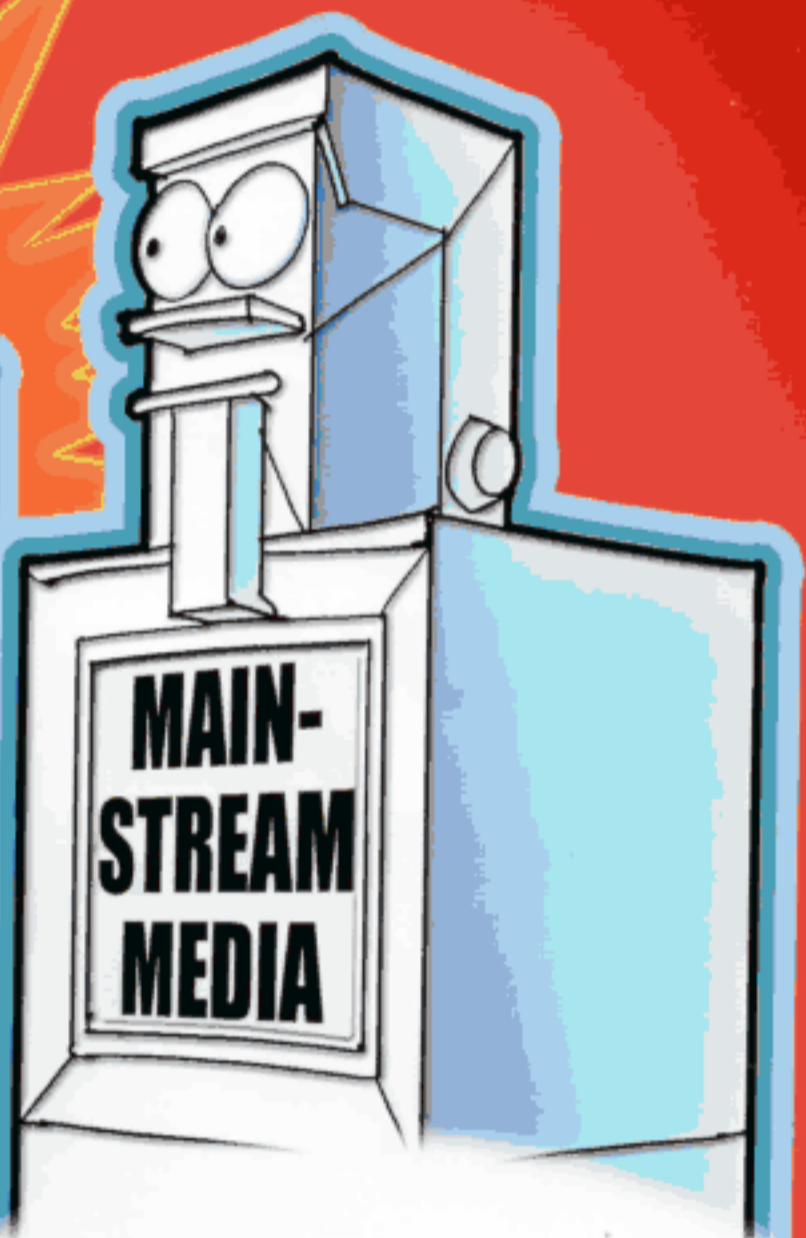


St. Louis Journalism Review Presents:

# GATEWAY

## JOURNALISM REVIEW



**Multicultural media gain clout**  
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# Impact of Mirage series still felt *35 years later*

by William Recktenwald

**O**n Jan. 8, 1978, the first of a 25-part investigative series published by the Chicago Sun-Times about corruption in Chicago hit the newsstands.

Thirty-five years have passed, but the series is still talked about – not so much as to what was reported, but how it was reported, and its impact not on the crooks that were exposed, but on reporting methods.

“The Sun-Times series certainly was the most inventive (undercover project) and maybe the longest in modern times,” said Brooke Kroeger, a New York University researcher and author of “Undercover Reporting: the truth about deception,” which examines nearly two centuries of undercover reporting.



From left: William Recktenwald (Better Government Association chief investigator), Pamela Zekman and Zay N. Smith (both Sun-Times reporters) and Jeff Allen (Mirage “owner”).

# Our 'bar' uncovers payoffs, tax gyps

By Pamela Zekman and Zay N. Smith  
Copyright 1978 The Chicago Sun-Times

It looked like any neighborhood tavern in Chicago. The beer was cold, the breakfast hot.

But the Mirage, 731 N. Wells St., was never quite what it seemed.

It was a tavern operated by The Sun-Times and the Better Government Assn.

The bartenders were reporters and investigators. The repairs were photographed for a hidden list.

All were investigating years of complaints from small businesses about the day-to-day corruption they have to endure in Chicago, the city that works if you know how to work it.

The Sun-Times will tell the Mirage's story—with names, dates and amounts—in the days to come.

This newspaper will detail:

- Payoffs of \$10 to \$100 grabbed by city inspectors who ignore health and safety hazards when the price is right.
- Shakedowns by state liquor inspectors who demand whatever it is a tavern's cash register for their silence about liquor violations.
- Tax fraud by accountants who conspire with taverns to cheat on state and federal taxes in a practice so widespread it may be



## A payoff in the taking

Payoffs to city inspectors were the rule rather than the exception at the Mirage prepared to open under new management — The Sun-Times and the BGA. A Chicago Fire Department lieutenant (left) will be named later in this series. He was photographed concealing an envelope containing \$10 in a pile of inspection papers. He ignored the Mirage's many code violations, later described as extremely lax because by the city's top Department official.

This article begins a month-long series detailing the firsthand experiences of Sun-Times reporters and photographers and Better Government Assn. investigators as they opened a small bar to document pervasive public and private corruption in Chicago.

How the public gets hurt — (in editorial) Page 20

costing Illinois \$16 million in sales tax alone.  
● Misconduct and negligence by public employees who loaf on the job, use city equip-

ment for private gain and routinely demand cash under the table for what should be public services.

● Illegal kickbacks, tax skimming and offers of political favors from jakebros and pinball machine operators—including one former policeman who alone may be failing to report a half-million dollars a year in taxable income.

City inspectors marched through the Mirage on Page 4

Triggered by decades of reports and rumors of shakedowns of businesses by city inspectors, the Sun-Times, in tandem with a civic group, the Better Government Association, opened a tavern named the Mirage and painstakingly documented what it encountered.

Before the Mirage, on those rare occasions when city inspectors were caught in the act, officials such as the late Mayor Richard J. Daley would call them the "rotten apple in the barrel." Daley also used a religious metaphor, reminding us "even Christ had a bad apostle" — a rare comparison of Chicago city workers to the disciples.

For six months Sun-Times reporter Pam Zekman and BGA investigator William Recktenwald (this writer) shopped for a tavern to buy.

Zekman and Recktenwald frequently had worked together on a variety of stories, and often they would have difficulty getting people to talk. But as they shopped for their tavern, they could

hardly get people to stop talking.

In July 1977, the Mirage opened for business and operated for four months.

During the probe, dozens of inspectors and city officials came to the Mirage. Not a single one — none — did the job he was being paid to do. Some took money; others demanded money; still others simply did not do their jobs but certified the Mirage met city codes when it did not.

The series named names, gave times and often was accompanied by photos. Every word and every event was accurate and documented.

Chicago Sun-Times Reporter Zay N. Smith wrote the stories and did a magnificent job of making the series riveting for readers. Smith so carefully detailed his stories that no reasonable person could dispute the fact that, in Chicago, corruption was endemic.

It was "the city that worked if you know how to work it," the paper reported.

On the first day of the Mirage series,

the paper told its readers exactly what it had done, and exactly how it had done it.

"Our 'bar' uncovers payoffs, tax gyms" was the headline, followed by details of the probe.

Self-imposed ground rules were followed; no offers of bribes or payoffs would be made, but if asked, they would be paid. No conversations would be taped or recorded, as this would violate Illinois eavesdropping laws. The team relied on detailed notes taken after any questionable activity to supply exact conversations.

Although the tavern employed half a dozen accountants who instructed them on how to cheat on taxes, one legitimate set of books was kept and all proper taxes were paid.

The focus of the investigation was the actions (and inaction) of public employees, and those who violated laws — or who counseled the Mirage on how to cheat or break the law. The privacy of others would not be violated. Everyone who was named in the stories had the opportunity to respond before publication.

The series was widely read and praised by readers and news professionals around the world. Many public officials also praised the series and instituted new rules in the wake of the enormous and incontrovertible information in the stories.

Many thought the Mirage would be a certain Pulitzer Prize winner. Indeed, it was a nominated finalist but was not awarded the prestigious prize, reportedly because of deception used in reporting the story.

"This happened (1978) at a time of erosion of public trust in the media, and perhaps denying the prize was seen as an action that could be easily taken and would reassure the public," Kroeger said.

For many in the news business and news organizations, the actions of the Pulitzer judges effectively ended "undercover" journalism.

On several levels, this should be disturbing to journalists and those who depend on media to form opinions on important issues. News media should not do investigative projects to win Pulitzer

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prizes; they should be done because that is the right thing to do. In the words of Joseph Pulitzer, media should “always fight for progress and reform ... and never be afraid to attack wrong.”

Moreover, in the past 40 years, in every survey taken of the public about trust in the media, “no one names undercover reporting,” Kroeger said.

Instead, the public is unhappy with plagiarism, errors, difficulty in getting corrections and several other areas; a detailed examination of such surveys was published by the Freedom Forum and can be found at online at [www.tinyurl.com/ffbestpractice/](http://www.tinyurl.com/ffbestpractice/).

On another level is the question of whether it really did end undercover investigations. Did it remove that weapon from the arsenal available to journalists? Would the restaurant critic now identify himself or herself? Would reporters now need to give a journalist’s version of a Miranda warning?

The Mirage series on governmental corruption was significant and important. What made it interesting and effective was its presentation. It named names. There were no anonymous sources. The public believed what they read.

The year after the Mirage did not receive a Pulitzer, a Page 1 story in the Washington Post by Janet Cooke stunned its readers.

“Jimmy is 8 years old and a third-generation heroin addict, a precocious little boy with sandy hair, velvety brown eyes and needle marks freckling the baby-smooth skin of his thin brown arms.”

The story went on to quote “Ray,” the dealer who pumped heroin into the child, and “Andria,” the boy’s mother, who did nothing to stop him. The story was awarded a Pulitzer, but it was short-lived. It was returned after it was determined, in the words of the Washington Post, that the “article is not factually correct and is a fabrication by the author.”

Every journalist who strives day after day, story after story, to report truthfully and accurately has a right to be offended by the fabrication, particularly because

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some of the same people who reportedly pronounced the Mirage as unethical allowed the “Jimmy” fabrication to be published and later be nominated for a Pulitzer.

As years passed, newsroom staffs were cut – and, quite frankly, there were not many stories that would require undercover work to bring results. One that did unearthed inhumane conditions in a state prison where officials locked out reporters. This was the case at Pontiac Correctional Center in 1978. A Chicago Tribune reporter (this writer) applied as a guard; he used his own name and was hired.

In two weeks behind the walls, he produced a chilling series that triggered a top-to-bottom housecleaning at the Department of Corrections.

In 2006, the Washington Post earned the Pulitzer for public service for its investigation of deplorable conditions at Walter Reed Medical Center in Washington.

“Two Washington Post reporters who spent more than four months visiting the outpatient ward without the knowledge or permission of Walter Reed officials” did the reporting, the Post said.

The Washington Post series, along with the Mirage and hundreds of other stories that are examples of undercover reporting, are now available to the world in one location, thanks to New York University and Kroeger.

The repository can be found at <http://dlib.nyu.edu/undercover/>.

In January of this year, the Sun-Times’ online edition began a daily feature linking the Mirage stories from 1978 on a daily basis.

Sometimes undercover reporting is needed to obtain a clear and accurate view of what is happening or has happened, one which is not filtered through the lens of a news source.

Today many media find it easier to depend on leaks from officials and focusing of one dimwitted subject after another, calling it investigative journalism.

For example, it recently was discovered that the woman who sang the national anthem at the inauguration of the president had actually “lip-synched” her own voice. Is that really an investigation? Is it really worthy of airtime or newspaper inches?

Kroeger is persuasive when she says that undercover reporting is valuable for its power to reveal truths and affect reform.

“Just look at the results,” she said.

It should be used only when other sources have been exhausted, and it should be a last resort, not the first. And it should only be used for unquestioned important issues involving lives, public safety and human dignity.

In 1996, the Society of Professional Journalists adopted its current code of ethics, which states that journalists should “avoid undercover or other surreptitious methods of gathering information except when traditional open methods will not yield information vital to the public. Use of such methods should be explained as part of the story.”

The Mirage met these standards, as has every other undercover project that this writer has been a part of.

Before the 1996 code a shorter code was in place: “ACCURACY AND OBJECTIVITY: Good faith with the public is the foundation of all worthy journalism. Truth is our ultimate goal.” ■

*The New York University Library collection of stories can be found online at <http://dlib.nyu.edu/undercover/>. The Mirage Series can be found online at [www.themiragetavern.blogspot.com](http://www.themiragetavern.blogspot.com)*

*The Pontiac Prison Series can be found online at [www.tinyurl.com/1978prisonriot/](http://www.tinyurl.com/1978prisonriot/).*