

Bloomberg

Bloomberg L.P. 731 Lexington Ave Tel +1 212 318 2000
New York, NY 10022 bloomberg.com

January 13, 2015

To The Pulitzer Prize Committee:

*"The Feds may be screaming, but we all are beaming
'Cause we'll never pay taxes again."*

Until Bloomberg News reporter Zachary Mider began writing about the topic in January, an “inversion” was best known as a change in air temperature. Only corporate tax lawyers and a few financiers knew the term also referred to a tax-avoidance technique. Simply by claiming a new legal address in a foreign country, corporations could lower their taxes and gain an edge on competitors, even if their top executives remained in the U.S.

In a ground-breaking series, clearly written on an immensely complex topic, Mider documented how the purported moves abroad often took place on paper only, and that the Obama administration, despite its populist rhetoric, often facilitated the tax dodge.

Mider’s reporting helped spur reforms. The Obama administration, after previously saying it lacked authority, imposed tougher rules. Obama denounced inversions in July, calling them “unpatriotic.”

Two days after Mider revealed that inverted companies continued to receive federal contracts, avoiding a Congressional ban, the U.S. House of Representatives added language targeting companies’ use of these loopholes to a spending bill. Connecticut Congresswoman Rosa DeLauro, who sponsored the measure, summarized and quoted from Mider’s article on the House floor. The Obama administration then began drafting an executive order to restrict contracts for inverted companies.

Other Mider exclusives showed that the Treasury Department helped a large U.S. corporation get a foreign address in 2009, and that a federal law meant to discourage inversions was being exploited to create windfalls for corporate chief executives.

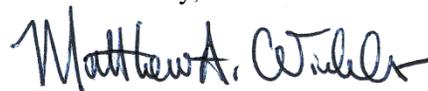
Mider analyzed hundreds of corporate filings in the U.S. and Europe and spoke with dozens of tax lawyers, executives, and government officials. In a first-ever calculation that was cited on the House floor by Massachusetts Congressman Richard Neal, Mider showed that the cost of inversions to taxpayers has topped \$10 billion and is accelerating. Mider even tracked down the father of inversions – and the operetta, quoted above, that his law-firm colleagues wrote and performed to celebrate his achievement.

Mider and Bloomberg News withstood lobbying from inverted companies. When Mider was compiling the only authoritative list of all inversions since 1982, three firms including investment bank Lazard Ltd. asked to be removed from the roster. They weren’t.

Fortune, Reuters, *The New York Times* and other media followed Mider’s exposes. His stories became grist for critics of Obama’s November nomination of Lazard investment banker Antonio Weiss as a Treasury under-secretary. Massachusetts Senator Elizabeth Warren highlighted that Lazard had worked on three of the past four inversions and itself had exploited a loophole to move offshore – both facts that Mider was the first to report. The backlash prompted Weiss to withdraw his nomination this month.

Mider’s meticulous, innovative reporting introduced a new term to the American political lexicon and compelled President Obama and members of Congress to tackle a formerly obscure threat to the U.S. tax base.

Sincerely,



Matthew Winkler
Editor-in-Chief