

Designing for Diversity, Accuracy, Efficiency and Control: Incorporating Stakeholder Values in News Recommenders

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Abstract

With the introduction of algorithmic personalization and suggestions, news media have undergone a significant transition. In contrast to many other common recommendation fields, news organisations have a clear responsibility to society. For this reason, we believe that we must go beyond solely performance-driven optimization, but incorporate more value-driven metrics (e.g. diversity) when designing a news recommender. In this paper we propose a value-sensitive design approach to uncover the values in a news recommender. We set out to explore how our news recommender can effectively incorporate these values algorithmically.

Keywords

news recommendation, incorporating values

1 INTRODUCTION

With the introduction of algorithmic personalization and suggestions, news media have undergone a significant transition. The algorithmic suggestions are used to improve the access to the growing amount of news information online (Sappelli et al., 2018). In contrast to many other common recommendation fields, such as e-commerce or television, news organisations have a clear responsibility to society (Helberger, 2019). According to Bertrandt (2018), news media have the responsibility to watch the environment, ensure social communication, provide an image of the world, transmit culture, contribute to happiness and to sell. Where the responsibilities used to lie at the editor's side, these responsibilities have now shifted towards algorithms (Carlsen, 2018). As Bernstein and colleagues (2021) described in their work, there is a need for interdisciplinary research on news recommenders and diversity and a need for the strengthening of the role of public values in news recommenders. For this reason, we believe that we must go beyond solely

performance-driven optimization, but incorporate more value-driven metrics (e.g. diversity) when designing a news recommender. In this paper we propose a value-sensitive design approach to uncover the values in a news recommender. We set out to explore how our news recommender can effectively incorporate these values algorithmically and introduce a user interface.

2 RELATED WORK

This section covers related work with a wide range of topics, including the importance and effect of recommenders in the news domain, technological considerations and metrics that go beyond click optimization.

Recommender systems in personal media have been researched thoroughly throughout the years with different theories and models. A summary can be found in Table 1. According to Nguyen and colleagues (2014), the recommender system can be designed to open users to a variety of perspectives. As a result, it is possible to provide users with not only information that they have been searching for, but also information that they consider important to them or that they are most likely to watch (Nguyen et al., 2014).

However, a line needs to be drawn in the statement of Nguyen and colleagues when it comes to creating a recommendation system for news outlets. When the recommended news is too personalized such that the content is circled around the user, then not only does it degrade the user's opinion by isolating the user from challenging perspectives, it also has a significant negative effect on the knowledge of the user (Beam et al., 2014).

A lot of recommender systems prevent this in numerous ways. Luostarinen and colleagues (2013) experimented with content based filtering using a variety of algorithms. The result shows that K-Nearest Neighbor (kNN) performs decently well for a task of news recommendation. However, Karimi and colleagues (2018) suggest that relying solely on content-based techniques can be insufficient when it comes to real world challenges.

Fortuna and colleagues (2010) prevented this issue by merging support vector machine (SVM) with collaborative filtering that allows real-time recommendations of news

articles. To prevent personalization to go overboard, the system recommends categories opposed to items, which means it implicitly uses collaborative filtering by taking into account user context and popular items.

Research by Lu and colleagues (2015) went one step further and explicitly combined content based filtering with collaborative filtering (CCF). On one hand, CCF makes recommendations based on the rich contexts of the news. On the other hand, CCF collaboratively analyzes the scarce feedback from the long-tail users. CCF benefits from both techniques, resulting in a robust model that is able to perform in real world environments.

Liu and colleagues (2010) personalized the approach by combining individual data of the user with collaborative filtering. Based on the user's click history, the system predicts the user's interests by combining genuine interest and the local news trend. Instead of collaborative filtering only, a combined method improves the quality of news recommendation. Due to the mapping of user data with local news trends, it prevents a delivery of over personalized news feed (Liu et al., 2010).

Brocken and colleagues (2019) show that using the mixed methods is not a mandatory approach. With the rise of NLP, the recommender system is able to explore a different approach to tackle the collaborative filtering problem. The Bing CF-IDF model uses cosine similarity as a foundation to search for articles according to the article the user is currently reading. The result shows how strong NLP is paired with cosine similarity, as it outperforms the classic recommenders (Brocken et al., 2019).

Authors	Data	Model	Outcome
Luostarinen et al., 2013	Finnish news	Content based (kNN)	kNN outperforms other test models
Fortuna et al., 2010	Not stated	SVM + collaborative filtering	Real-time recommendations of news articles, recommends categories instead of items, to prevent over-personalization
Lu et al., 2015	Bing	CCF	Increased rich content
Liu et al., 2010	Google	Information filtering mechanism using learned user profiles with an existing collaborative filtering mechanism	Personalized news feed
Brocken et al., 2019	Bing	BING CF-IDF	Surpassing the classic benchmarks at recommending news articles

Table 1. Summary of work on news recommenders

3 VALUE-SENSITIVE DESIGN

We use a Value Sensitive Design approach (Friedman, 1996) to understand the benefits and challenges of a recommender system in the media domain. This approach requires researchers to look at both direct and indirect stakeholders and bring out values and value tensions. The design method consists of a tripartite investigation: a conceptual investigation, an empirical investigation and a technical investigation.

3.1 Conceptual investigation

The conceptual investigation examines the values of direct and indirect stakeholders. Direct stakeholders are those who are directly impacted and who interact directly with the technology. Indirect stakeholders are people who are affected by the context, but do not directly interact with the technology. Following a preliminary identification of stakeholders, conceptual investigations are typically followed by brainstorming potential benefits and drawbacks for each stakeholder group, as well as a collection of corresponding values (Rector et al., 2015).

Stakeholders. We began our conceptual investigation by brainstorming direct and indirect stakeholders. Results of this brainstorming session can be found in Appendix I. The most important stakeholders are the audience, journalists and society as a whole. Due to our scope and time limitations, this paper focuses on the end-users (see Limitations).

Values. To identify preliminary values to help focus our interviews, related work about values and news recommendation technologies was read. From here, possible stakeholder values were uncovered. These include but not limited to; user engagement (Lagun et al., 2016), diversity (Sullivan et al., 2019) and privacy (Hoadley et al., 2010).

3.2 Empirical investigation

During the empirical investigation, we dive deeper in the stakeholder's values in the context of use. The empirical investigation can both validate and expose values that were previously missed in the conceptual investigation. We did this by conducting interviews

with stakeholders. Interviews have certain advantages over self-completion questionnaires. The interviewer can explain questions that the respondent has not understood and can ask for further elaboration of replies (e.g. ‘Why do you say that?’), Phellas, Bloch & Seale (2011). The design of the interviews was semi-structured. Data was collected about their current habit of news consumption, currently used technologies and possible new technologies. Short descriptions of the 6 participants can be found in Table 2.

Persona	Description
Persona A	Parent, 42, small family, middle class, values accurate information in news articles, cares about spending time with the children, busy, lives in the suburbs
Persona B	Young professional, 29, middle class, independent, loves travelling, social, doesn't like to be provided news regarding celebrities, hopes to build a successful career
Persona C	Student, 23, middle class, lives with his parents, values all kinds of news but is mostly interested in sports, gamer, likes to read.
Persona D	Starter, 26, upper class, environmental activist, cares about quality, social person, in a loving relationship
Persona E	Student 21, middle class, independent, currently on an exchange in Taiwan, likes board games, hopes to become a doctor and save lives
Persona F	Student 19, zoomer (generation Z) who likes stocks and cryptocurrency, values money, has a soft spot for cats

Table 2. Descriptions of participants.

In the interviews, we inquired about the advantages and disadvantages of news recommendations as well as technology's role herein. First, the participants were asked how and how often they use news websites. Then, they were asked what added value a personalized offer would be (i.e. *What would be the added value for you of a personalized news website?*) and what their considerations would be of not receiving a personalized offer

(i.e. What could be reasons for you not to receive a personalized offer? and What wouldn't you want a news website to do?). Lastly, they were asked what kind of technology would be beneficial for news websites (i.e. What new kind of technology could be beneficial for news websites?). All interviews were conducted over the phone or in person and lasted approximately 15 minutes to 30 minutes. Notes were taken to distill themes and values.

Opportunities, values and value tensions

We discuss emergent opportunities and values mentioned by the participants. Summarized results can be found in Table 3.

Opportunity	Values
Be aware of the latest and trending news	Accuracy, efficiency
Receive a diverse offer	Diversity
Possibility of personalizing shown articles	Efficiency
Improved user experience	Control

Table 3. Distilled opportunities and corresponding values.

Opportunity: be aware of the latest and trending news

In the interviews, all of the participants reported the main reason for using news websites is to be aware of the latest news. Persona A: “I have downloaded the NOS app and have notifications turned on in order to have the most recent news notified to me.” When asking why, the participants stated that “I believe news regarding Politics or the current governmental changes are important. News that indirectly affect me.” News that does not directly or indirectly affects the participant “I would still like to be notified. I would probably not open the article, but only reading the headlines still keeps me up to date with the latest news”. Persona D reported the reason to be aware of the latest news also has to do with social aspects: “The conversations I have with my friends and roommates are also quite often

*about the latest news, so I think it is important to stay informed.” Both value **accuracy** and **efficiency** when reading the news.*

Opportunity: receive a diverse offer

When asking about diversity in the news, it became clear that diversity means something else for everyone. Persona A: “Diversity means being news provided that attracts everyone. My wife for instance doesn’t read the same news as I do. I can imagine that not everyone reads the same news as I do. So diversity for me means that my grandma can read news that is in her interest. But also provided news that are in the interest of my wife.” However, when asking persona B on diversity, the opposite was proposed: “Diversity in news means that different news articles are provided and that we should all see the same. If not, you will receive news articles that you want to see and not what everyone else should see and I don’t think that’s correct. I don’t think that news should be personalized”. Persona D agrees on this point: “I do want to see everything that the rest of the Netherlands sees, not that some news items are withheld. I don’t see the point of a personalized offer that you just described. I think you really get tunnel vision then.” Persona C mentions that “When it comes to perspectives, a news site should highlight multiple perspectives as long as it is well-reasoned and factual. For the rest, breaking news does not really distinguish diversity, the news is the news.” Persona E: “Diversity means both subject broad and within subject also broad. With subject broad I mean sports, politics and economics. But within such a subject I also want to read the left and right opinion.”

Based on these opinions, it became clear that **diversity** means being provided a wide range of news articles, which are of interest for all types of end-users.

Opportunity: personalizing shown news articles

Incorporating recommender systems in news websites leads to personal recommended articles. Persona A is clear about what he wants and does not want to read: “I don’t read news regarding BN’ers in the media. I don’t care about Andre Hazes being separated again or who he cheated with. That is not newsworthy for me. Luckily I am not following RTL Nieuws, but actual “news” *points to NOS app*”.

Persona B: *Goes through the NOS page* I am not a fan of news articles regarding climate change for instance. So I just scroll through these news articles.

Providing the articles that you want to read at first glance, instead of scrolling through articles that are not of your interest, has the underlying value of **efficiency**.

Opportunity: Improved user experience

We also inquired about the possible technological improvements a news website can incorporate. Again, this was diverse among the participants. Persona C mentioned the following: “*suggestions for in-dept articles on topics that I find interesting would be a good addition*”. Persona D “*would like to see a news website that offers different perspectives on the same topic*” and persona F suggests “*If possible, no suggestions at all because navigation on the news website is so good that you can find preference quickly*”.

The corresponding value of the improved user experience is **control**. Users are involved in the process by having control over its provided recommendations.

3.3 Technical investigation

The technical investigation analyses design features within the recommender system in order to identify technical issues and at the same time, implement important values in a recommender system. This enhances the RS by increasing user experience and providing accurate personalized recommendations.

However, an issue that can be easily overlooked is privacy and security of user's information. Existing recommender systems utilizes amounts of data from the user in order to generate personalized recommendations (Li et al., 2005). Some even use demographic-based RS where users are categorized based on demographic information and user characteristics.

The RS recommends news articles by identifying active users nearby which has approximately the same read history on the base of demographic information. However, let us assume a scenario where Persona B, the young professional, uses the News RS and reads the trending news page. Due to his busy work schedule, he currently does not have the time to spend on scrolling through the news page to find other interesting news. He plans

on reading new articles the day after. At the same time, Persona C (the student who coincidentally lives with his parents in the same demographic area) goes to the news website and reads the same trending news and additionally, all sports and entertainment related news articles. This can lead to Persona B receiving the same recommendations. This may lead them to gravitate towards the same news articles, even though they do not have similar interests.

Privacy and *Informed consent* are values that need to be taken into consideration when implementing a RS. Previous studies have shown multiple possibilities of privacy-preserving recommender systems (Badsha et al., 2016; Frey et al., 2016; Xu et al., 2018). Studies have mentioned approaches such as differential privacy, filtering techniques and encryption-based techniques. While applying these techniques is beyond the scope of our research and will not be implemented in our algorithm, they will help protect user privacy and data in the field of recommender systems.

4 DESIGNING RECOMMENDER SYSTEM

4.1 Metrics

The Recommendation system uses implicit and explicit feedback mechanisms to provide personalized recommendations to improve user experience. Explicit feedback requires additional input by the user to allow the algorithm develop audience metrics. An example of the end-user providing explicit feedback to the RS is for instance:

1. Sharing news articles directly with friends and family

In addition, the end-user is able to provide implicit feedback. Implicit feedback involves the users' behaviors being converted into underlying preferences. This type of feedback mechanism is easier for the RS to be obtained and can be gathered in much larger amounts. The following metrics are examples of implicit feedback:

1. The amount of time a user is viewing the news website. When opening the website or application, a timer starts and when switching browsers or closing the application, the timer stops.

2. The number of clicks until a user reaches a news article recommendation that he or she is interested in and is willing to read
3. The number of times a news article has been ignored. For instance, if a certain article has been recommended and ignored ten times, this article will no longer be recommended for a certain amount of time as the user has most likely no interest in reading the article at the current time being.
4. The amount of times a user removes a news article from its read history. Perhaps the user didn't like the content or miss-clicked on a news article and does not want the RS to save this information
5. The number of times a user resets its news recommendations
6. The number of times a user gives in on the news articles recommended by others

Ultimately, these feedback mechanisms feed data to the algorithm, allowing the algorithm to respect user control over values while also improving user experience.

4.2 User Interface

The user interface was designed in Figma and was based on several design strategies to incorporate the values of the end-users mentioned in Table 3. Below, one can find a list of algorithmic affordances and other elements, where the human values of the end-user are considered in the interface (Table 4).

Value	Algorithmic Affordances
Accuracy	<ul style="list-style-type: none"> - Trending news articles
Efficiency	<ul style="list-style-type: none"> - Recommended articles based on read history
Diversity	<ul style="list-style-type: none"> - Surprise me button - Search through articles - Articles categorized in subjects - Editor's Pick
Control	<ul style="list-style-type: none"> - Reset button with undo and redo button - Remove articles from read history

Table 4. Overview of aspects considering the values of the end-user in the User Interface

All these algorithmic affordances have been implemented in the interface (Appendix II & III)

5 ALGORITHM

We have used two types of recommender systems: a simple recommender system and content based recommender system. The simple recommender system is used to display the front page and the personalized page, while the content based recommender system shows other similar articles.

5.1 Simple recommender system

As it is essential for a news website to bring attention to important matters happening throughout the world, the front page should not be personalized. Instead, the simple algorithm looks for the recent news (an interval of one day) and counts the total times the news is clicked. For each category, the top news is extracted and shown on the front page. This ensures less bias coming from an individual, and represents the most important news in the eyes of everyone. We also created a page that allows for more customization. This page is an expansion of the front page based on the categories the user likes.

5.2 Content based recommender system

When users are done reading an article, they may want to read more about the similar topic to understand the perspectives from different sides. Content based recommender system takes care of this. By combining the texts in the columns ‘Category’, ‘SubCategory’, ‘Title’ and ‘Abstract’, we can check which articles are similar to each other using cosine similarity (Li et al., 2013). The algorithm returns a list that contains the most similar articles. This is then applied to the ‘You may like to read’ section.

6 LIMITATIONS

Considering this is a preliminary study, this paper has several limitations.

First, we admit the limited number of subjects in the empirical investigation. Due to the time limitations and restrictions due to COVID, a convenience sample was used. As a result, we have received less of a representative sample. The recruitment of participants might give a biased view of the stakeholders.

Furthermore, we have only had access to members of the audience. Preferably, we would have had conversations with other stakeholders, such as journalists and competitors.

For future work, we hope to involve more stakeholders (direct and indirect). Furthermore, A/B testing and focus groups should be used to uncover if the used affordances and metrics truly align with the values we tried to incorporate.

7 CONCLUSION

This paper represents opportunities and design considerations for a news recommendation system by using a Value Sensitive Design approach. Interviews with direct stakeholders were conducted. The following opportunities were found; be aware of the latest and trending news, receive a diverse offer, possibility of personalizing shown articles and improved user experience. Values that were distilled from these opportunities. We explored how our news recommender can effectively incorporate these values algorithmically. A new interface was presented.

8 ACKNOWLEDGEMENTS

The collaboration between authors was successful and enjoyable. We were aware of each other's talents and ensured that they were used. See Appendix III for a distribution of shared and individual responsibilities. We are convinced that the final grade should be distributed equally between group members.

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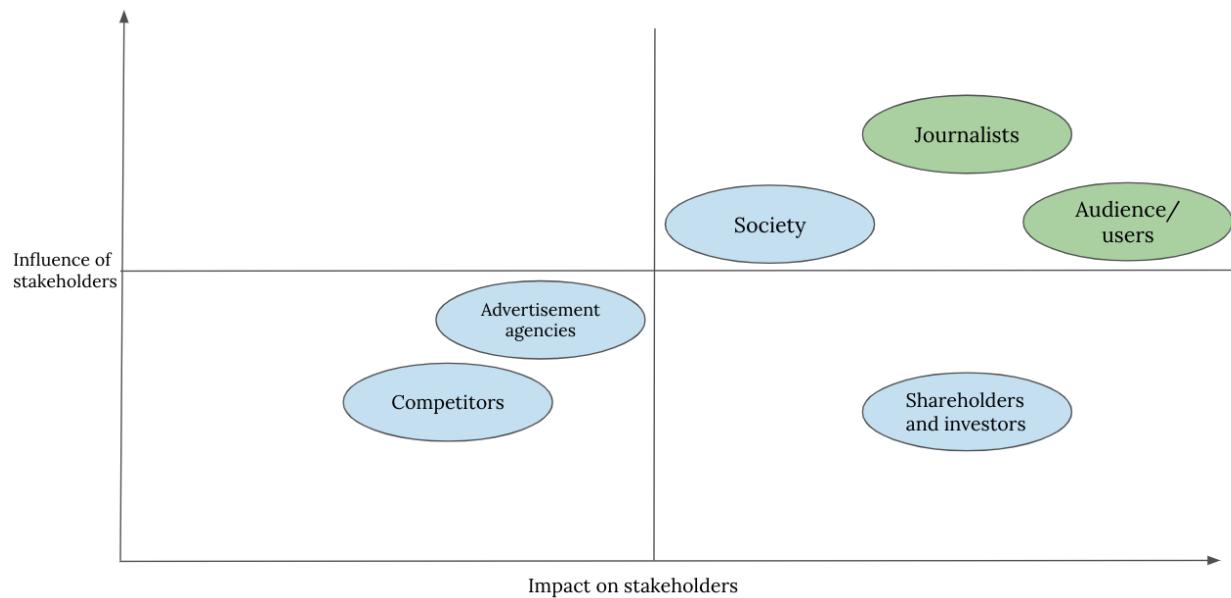
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APPENDIX I

Stakeholder Analysis



APPENDIX II User Interface – Page I

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NOK

Trending News

1 Walmart releases Black Friday ad with \$129 Apple Watch, TV deals, electronics doorbusters

2 Six pretenders entering the 2019 NFL home stretch

3 One in a million' deer captured on camera in Michigan woods

4 Car of Marine linked to Virginia slaying is found in South Carolina, authorities say

5 University of Florida student president faces impeachment for Trump Jr.'s \$50K campus talk

Trending



University of Florida student president faces impeachment for Trump Jr.'s \$50K campus talk



Six pretenders entering the 2019 NFL home stretch



Latest News



The Real Reason McDonald's Keeps the Filet-O-Fish on Their Menu

Latest News

1 The Real Reason McDonald's Keeps the Filet-O-Fish on Their Menu

2 Marlboro Man Bob Norris dies at 90, having reportedly never been a smoker

Health



LASIK eye surgery should be taken off market, ex-FDA adviser says

Model, 23, Didn't Know She Was Pregnant Until She Gave Birth to a Full-Term Baby [Read More](#)

Cannabis Use Disorder is Rising in U.S. States Where Weed is Legal

3 Former Seminoles star

Deion Sanders is not candidate for Florida State football coaching job

4 Suspect arrested in disappearance of college student

5 UCF teammates Nate Evans, Kenny Turner get into heated altercation

Finance



Walmart releases Black Friday ad with \$129 Apple Watch, TV deals, electronics

Baby in Her Bathroom



The 1 reason you shouldn't hesitate to claim Social Security early



Powell's Warning to Congress About the Next Recession

Sports



Richard Sherman tells NFL players to save their money and prepare for a strike



Hernandez: Anthony Davis' impact on LeBron James apparent even when he doesn't play



Browns cut WR Antonio Callaway hours before kickoff amid reported substance-abuse ban



Editor's Pick

Tear gas grenades kill 4 protesters in Baghdad: medics

Surprise me!



Kim Kardashian's Most Iconic Moments



LeBron brings back iconic pre-game chalk toss



Crews battle overnight fire at auto supply building in South Louisville

Based on your reading history



Martin County Sheriff's Office nabs fleeing criminal



Shooting at 7-Eleven under investigation



Alex Gordon a free agent after Royals decline \$23 million option

Read history



Martin County: Armed and dangerous' suspect captured in Asheboro after 2 people found dead in Alamance County



Shooting: Deadly shooting at Upstate apartment complex under investigation



Alex Gordon: OF Gordon goes free after \$23M option declined by Royals

NOK News

Appendix III User Interface – Page II

Home Page Finance ✓ Health ✓ Sports ✓ Weather ...

e.g. Donald Trump

Trending News

1 Walmart releases Black Friday ad with \$129 Apple Watch, TV deals, electronics doorbusters

2 Six pretenders entering the 2019 NFL home stretch

3 One in a million' deer captured on camera in Michigan woods

4 Car of Marine linked to Virginia slaying is found in South Carolina, authorities say

5 University of Florida student president faces impeachment for Trump Jr.'s \$50K campus talk

NOK

New Jersey tax credits turned a Camden office complex into a lucrative investment. Now the feds and state AG are investigating

When Cooper Health System was awarded \$40 million in tax credits five years ago to move jobs to Camden from Cherry Hill and Mount Laurel, hospital executives and local officials celebrated the deal as a sign of progress in the long-struggling city. The health care network's decision to lease space a few blocks from the Delaware River was supposed to contribute to the city's revitalization.



Latest News

1 [The Real Reason McDonald's Keeps the Filet-O-Fish on Their Menu](#)

2 [Marlboro Man Bob Norris dies at 90, having reportedly never been a smoker](#)

3 [Former Seminoles star Deion Sanders is not candidate for Florida State football coaching job](#)

4 [Suspect arrested in disappearance of college student](#)

5 [UCF teammates Nate Evans, Kenny Turner get into heated altercation](#)

When Cooper Health System was awarded \$40 million in tax credits five years ago to move jobs to Camden from Cherry Hill and Mount Laurel, hospital executives and local officials celebrated the deal as a sign of progress in the long-struggling city.

The health-care network's decision to lease space a few blocks from the Delaware River was supposed to contribute to the city's revitalization. But it also bolstered a lucrative new investment opportunity in the brick building where Cooper Health would use the tax credits to pay its six-figure rent each month.

That building was part of a 575,000-square-foot campus known as L3. It was owned by the New Jersey Economic Development Authority (EDA), the same state agency that approved Cooper Health's tax-credit package on Dec. 9, 2014. Three weeks later the agency sold L3 for \$32.7 million to a Camden nonprofit that on the same day transferred the property for the same price, plus a fee, to two investors.

Nearly five years later, the transaction is one focus of the state and federal criminal investigations into New Jersey's multibillion-dollar tax-break program for businesses, sources familiar with the probes told The Inquirer. Their scrutiny of the deal has not been previously reported.

The scope or subjects of the investigations aren't yet clear; a task force appointed by Gov. Phil Murphy to look into the program has said businesses or their principals could face charges of fraud or other crimes if they misled the state to get tax credits that saved them millions of dollars.

But previously undisclosed documents obtained by The Inquirer help to explain how a law meant to help one of the state's poorest cities also created a potential windfall for developers.

The records show that the EDA's sale of the complex in December 2014 was based on a year-old appraisal that did not account for how the tax-credit program — one the agency administered — would boost Camden's real estate market. The records also suggest the L3 property may have been worth at least \$20 million more than its sale price, and possibly twice that amount.



When it applied for the incentives, Cooper Health told state officials in its sworn application that it intended to lease space at the building, not become an owner. But in the days after Cooper won its tax breaks, its board approved a 49% investment in the property, giving it an ownership stake. That same week, an appraiser for the bank working with the two investors reported that the building was worth at least \$54 million.

Both private investors, Philadelphia financier Ira Lubert and South Jersey commercial landlord Howard Needleman, had previously worked with Cooper Health or its board chairman, George E. Norcross III, the political power broker and businessman who has overseen the health network's emergence as a major employer and economic engine. The year before the L3 purchase, Norcross and Lubert had been partners in an unsuccessful \$10 million bid to buy a Cherry Hill golf club.

This month, ProPublica and WNYC reported that Norcross and his brother Philip, a lawyer, steered the L3 property to the two men after effectively wresting it from the Camden nonprofit, Cooper's Ferry Partnership. Through their representatives, the Norcross brothers deny the claim.



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Falling investment revives attacks against Trump's tax cuts



A Trump Tax Break To Help The Poor Went To a Rich GOP Donor's Superyacht Marina



22 Smart Tax Moves to Make Before the End of the Year

NOK News

C

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Trending News

- 1 Walmart releases Black Friday ad with \$100 Apple Watch, TV and electronics discounts
- 2 Six pretenders entering the 2019 NFL home stretch
- 3 One in 10 Ellen deer captured on camera in Michigan woods
- 4 Car of Marine linked to Virginia school found in South Carolina authorities say
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New Jersey tax credits turned a Camden office complex into a lucrative investment. Now the feds and state AG are investigating

When Cooper Health System was awarded \$40 million in tax credits five years ago to move jobs to Camden from Cherry Hill and Mount Laurel, hospital executives and local officials celebrated the deal as a sign of progress in the long-struggling city. The health care network's decision to lease space a few blocks from the Delaware River was supposed to contribute to the city's revitalization.

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The health-care network's decision to lease space a few blocks from the Delaware River was supposed to contribute to the city's revitalization. But it also bolstered a lucrative new investment opportunity in the brick building where Cooper Health had been based since 1996.

That building was part of a 575,000-square-foot campus known as L3. It was owned by the New Jersey Economic Development Authority (EDA), the same state agency that helped develop Cooper's original site in Cherry Hill in 2009. Five weeks later the agency sold L3 for \$32.7 million to a Camden nonprofit that on the same day transferred the property for the same price, plus a fee, to two investors.

Nearly five years later, the transaction is one focus of the state and federal criminal investigations into New Jersey's multibillion-dollar tax-break program for businesses, sources familiar with the probes told The Inquirer. Their scrutiny of the deal has not been previously reported.

The scope or subjects of the investigations aren't yet clear: a task force appointed by Gov. Phil Murphy to look into the program has said businesses or their principals could face charges of fraud or other crimes if they misled the state to get tax credits that saved them millions of dollars.

But previously undisclosed documents obtained by The Inquirer help to explain how a law meant to help one of the state's poorest cities also created a potential windfall for developers.

The records show that the EDA's sale of the complex in December 2014 was based on a year-old appraisal that did not account for how the tax-credit program — one of Murphy's signature initiatives — would boost Camden's real estate market. The records also suggest the L3 property may have been worth at least \$20 million more than its sale price, and possibly twice that amount.

When it applied for the incentives, Cooper Health told state officials in its sworn application that it intended to lease space at the building, not buy it. But just three days earlier, after Cooper won its tax breaks, its board approved a 49% investment in the building by its chairman's family trust. That same week, an appraiser for the bank working with the two investors estimated the building was worth at least \$54 million.

Both private investors, Philadelphia financier Ira South, 70, and commercial landlord Howard Needelman, had previously worked with Cooper Health or its board chairman, George E. Norcross III, the political power broker and businessman who has overseen the health network's emergence as a major player in the state's medical industry. The year before the L3 purchase, Norcross and Lubert had been partners in an unsuccessful \$10 million bid to buy a Cherry Hill golf club.

This month, ProPublica and WNYC reported that Norcross and his brother Philip, a lawyer, claimed the L3 property to the two men after effectively wresting it from the Camden nonprofit, Cooper's Ferry Partnership. Through their representatives, the Norcross brothers deny the claim.

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APPENDIX IV

Planning and distribution of tasks