

Abstract

This study investigates how newspaper closures affect environmental monitoring and enforcement activities by the U.S. Environmental Protection Agency. The rationale is based on a framework where newspapers may influence the probability of detection of environmental violations, by serving as an informant to the regulator, and to other firms. My results suggest that a daily newspaper closure leads to a drop in inspections and enforcement actions that represents 19% and 8% of its yearly average, respectively. These results are confirmed by implementing new methods in difference-in-differences estimation, and event study analyses show that the effects are persistent over time. Exploring the mechanisms behind these results, I find suggestive evidence that (1) newspapers enhance spillover effects of deterrence for facilities in the same jurisdiction, and (2) the drop in monitoring and enforcement after a newspaper closure is more pronounced for firms that are not obliged to self-report, which suggests newspapers have a role in disclosing information to the regulator about facilities whose actions are harder to observe.