



**Office of Inspector General**  
United States Department of State

ISP-IB-19-22

Office of Inspections

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# **Targeted Inspection of the Governance of the United States Agency for Global Media**

U.S. AGENCY FOR GLOBAL MEDIA



# HIGHLIGHTS

Office of Inspector General  
United States Department of State

ISP-IB-19-22

## What OIG Inspected

In this targeted inspection, OIG reviewed the U.S. Agency for Global Media's governance structure and mandate; strategic direction and communication; program implementation; and resource management.

## What OIG Recommends

OIG made five recommendations to improve executive direction and supervision of U.S. Agency for Global Media in the areas of information and decision management, program implementation, and resource management, including internal controls and workforce issues.

In its comments on the draft report, the agency concurred with the five recommendations. OIG considers all five recommendations resolved. The agency's response to each recommendation, and OIG's reply, can be found in the Recommendations section of this report. The agency's formal written response is reprinted in its entirety in Appendix E.

April 2019

OFFICE OF INSPECTIONS

U.S. AGENCY FOR GLOBAL MEDIA

## Inspection of the United States Agency for Global Media

### What OIG Found

- The governance structure in place at the U.S. Agency for Global Media since 2015—led by a Chief Executive Officer supported by a bipartisan board that had transitioned to a more advisory role—significantly improved executive direction of the agency compared to the board-led governance structure in place during OIG's 2013 inspection.
- Serving concurrently as the board for its three grantee organizations allowed the agency's board to meet its responsibilities and mitigate the favoritism problems OIG noted in its 2013 inspection.
- Some provisions in the agency's governing statute—the International Broadcasting Act of 1994, as amended—relating to future board compensation, composition, and authorities are unclear or inconsistent.
- The Chief Executive Officer respected the broadcasting entities' editorial independence, but agency personnel expressed concerns that amendments made to the governing statute in 2017 potentially reduced protection for this independence.
- The Chief Executive Officer actively shared his vision and priorities internally and externally; however, not all information reached employees, and the agency's shifting governance structure since 2015 contributed to employee uncertainty about the agency's direction.
- The agency lacked a formal system for executive information and decision management.
- The agency did not effectively implement a new procedure for producing Voice of America editorials that present U.S. Government policies.
- The agency took steps to improve its internal controls, but key internal policy and procedural documents were out of date.
- The agency made progress on some persistent workforce issues, including performance management, but still failed to provide annual performance reviews for all employees.

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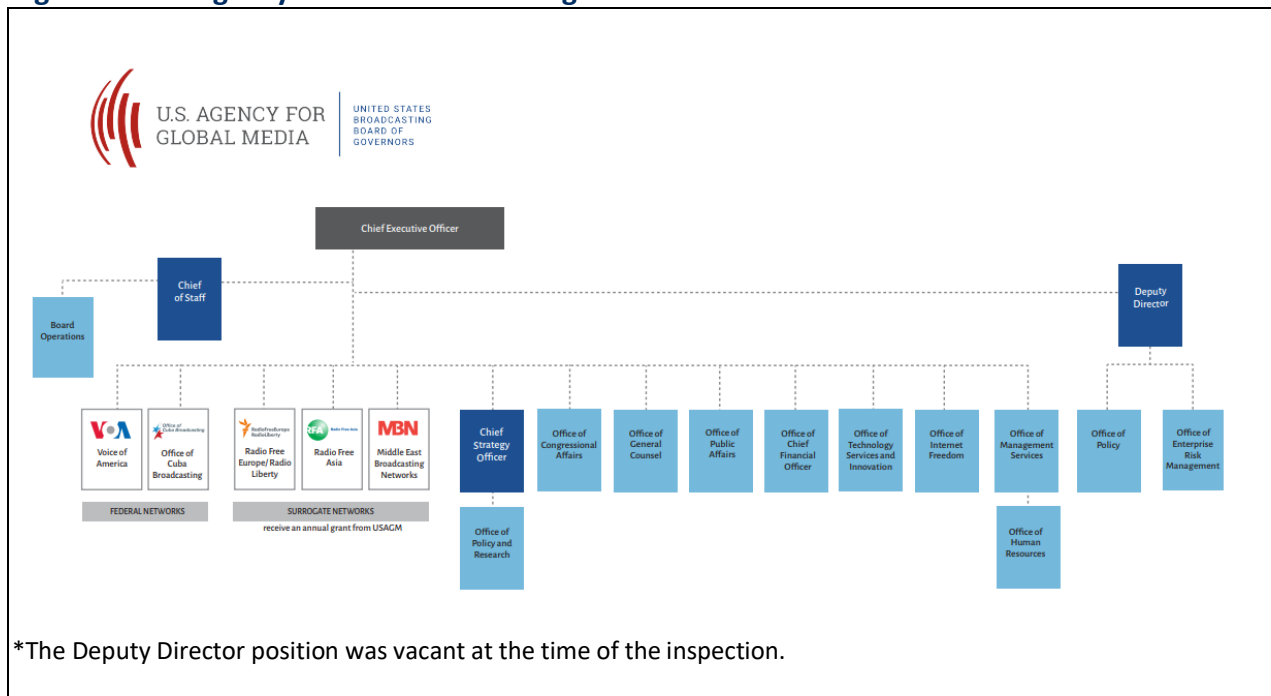
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## CONTEXT

The U.S. Agency for Global Media (USAGM), known prior to August 22, 2018, as the Broadcasting Board of Governors (BBG), is an independent Federal agency authorized by Congress to supervise U.S. Government-funded civilian international broadcasting.<sup>1</sup> Currently led by a Chief Executive Officer (CEO) with input from a presidentially appointed, Senate-confirmed part-time board, USAGM oversees two federal broadcast entities (the Voice of America (VOA) and the Office of Cuba Broadcasting) and three private, nonprofit broadcast entities (Radio Free Europe/Radio Liberty, (RFE/RL), Radio Free Asia, and the Middle East Broadcasting Networks). All five are federally funded. The three non-Federal networks receive their funding through grants issued and managed by USAGM. The agency is staffed by Civil Service administrative and technical staff who provide day-to-day support and services to the five broadcast entities.

**Figure 1: U.S. Agency for Global Media Organization Chart**



Source: USAGM

USAGM's overall mission is to inform, engage, and connect people around the world in support of freedom and democracy. Within that broad mission, however, the five broadcast entities have distinct mandates. VOA's mission is to represent the United States, its people, and its policies worldwide and to be a reliable and authoritative source of news. The other four entities have missions to broadcast to specific countries or regions where a free media is unavailable.

The combination of Federal and non-Federal entities with differing legal authorities and organizational structures under one overall agency resulted from a series of congressional and

<sup>1</sup> Throughout this report, the name BBG is used to describe the agency prior to its August 22, 2018, name change.

executive actions dating from 1948.<sup>2</sup> Key among these, the U.S. International Broadcasting Act of 1994<sup>3</sup> (the 1994 Act) consolidated all non-military, U.S. Government broadcasting, including VOA and the Office of Cuba Broadcasting, under the direction and supervision of a part-time, civilian board called the Broadcasting Board of Governors<sup>4</sup> that operated within the U.S. Information Agency. The Foreign Affairs Reform and Restructuring Act of 1998, which merged the U.S. Information Agency with the Department of State (Department), also made BBG an independent Federal agency. The 1998 Act, in creating the bipartisan BBG Board to head the newly independent agency, established a “firewall” to protect journalistic content from political interference.

OIG’s January 2013 inspection of BBG<sup>5</sup> found that its part-time board failed to provide effective oversight of all broadcasting operations and recommended that BBG create a CEO position, which it did in 2015. BBG’s board members delegated to the CEO the authority to manage day-to-day operations of the agency and its five broadcasting entities. The current BBG board-appointed CEO has served in that role since September 2015.

The FY 2017 National Defense Authorization Act<sup>6</sup> amended the 1994 Act and by establishing the CEO, by law, as a presidentially appointed and Senate-confirmed position, it elevated the CEO position over the board<sup>7</sup> and redefined the role of the board as advisory. In addition, section 6203(b)(1) of the 1994 Act, as amended, provides that until such time as a CEO is appointed by the President and confirmed by the Senate, “the current or acting Chief Executive Officer appointed by the Board may continue to serve and exercise the authorities and powers under this chapter.” At the time of the inspection, the incumbent CEO and seven board members remained in their positions, pending Senate confirmation of the White House nominee to head the agency.<sup>8</sup>

Once a CEO is confirmed by the Senate, the provisions of the amended law will be fully applicable. A newly constituted board—The International Broadcasting Advisory Board, also appointed by the President but no longer confirmed by the Senate—will have only advisory authority and receive no compensation. The future advisory board will be reduced to five members, four of whom “should” be selected from a bipartisan slate proposed by Congress, plus the Secretary of State. The CEO will serve at the pleasure of the President and will have

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<sup>2</sup> See Appendix B.

<sup>3</sup> 22 U.S.C. 6201 et seq.; Public Law 103–236. Hereafter, a section number preceding or following the phrase “1994 Act” refers to the corresponding section of the most recent version of the law as codified in Title 22 of the United States Code. Thus, for example, “Section 6203(b)(1) of the 1994 Act” means 22 U.S.C. Section 6203(b)(1) as most recently amended.

<sup>4</sup> The 1994 Act created a nine-member Broadcasting Board of Governors composed of eight private citizens, selected on a bipartisan basis, and the Secretary of State, who serves in an ex officio capacity.

<sup>5</sup> OIG, *Inspection of the Broadcasting Board of Governors* (ISP-IB-13-07, January 2013).

<sup>6</sup> Section 1288 of the National Defense Authorization Act (P.L. 114-328, enacted December 23, 2016).

<sup>7</sup> See Appendices C and D for a summary outline of the responsibilities and authorities of the CEO and board as set forth in the legislation.

<sup>8</sup> Two of the nine board positions were vacant.

sole authority to appoint and remove the leadership of USAGM's five broadcast entities. The three grantee broadcast entities, as privately registered corporations, will continue to require fiduciary boards under the provisions of applicable state law.<sup>9</sup> At the time of the inspection, the incumbent USAGM board members served concurrently on the boards for the three grantee broadcast entities to meet these fiduciary requirements.

USAGM oversees one of the world's largest news gathering and reporting operations, delivering program content in 60 languages to more than 100 countries using a range of broadcast and digital platforms. USAGM's budget for FY 2018, including funds allocated to the three grantee broadcast entities, totaled \$808 million. USAGM Civil Service technical support and administrative staff totaled approximately 330, with another 1,120 Civil Service personnel employed at VOA and the Office of Cuba Broadcasting. USAGM's five media entities combined employed more than 3,500 journalists, producers, technicians, and support personnel through a combination of Civil Service and contractor positions.

This targeted inspection reviewed how the new CEO-led governance structure, installed in 2015 and pending full implementation under the amended law, affected USAGM's ability to manage its resources to achieve organizational goals. Accordingly, OIG limited its inspection objectives to USAGM's governance structure and mandate; strategic direction and communication; program implementation and review; and resource management.<sup>10</sup>

## GOVERNANCE STRUCTURE AND MANDATE

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OIG found that USAGM's governance structure at the time of the inspection, consisting of a CEO supported by a board, improved the agency's ability to fulfill its statutory responsibilities. As detailed below, the USAGM board embraced its new, more advisory role. Its decision to serve concurrently as the corporate board for the three grantee organizations also allowed it to effectively meet its responsibilities and avoid problems with favoritism, which OIG identified as an issue in its 2013 inspection. However, USAGM's governance structure will change again when a presidentially appointed, Senate-confirmed CEO<sup>11</sup> assumes office with expanded powers and serves alongside a board stripped of all executive authorities. USAGM employees and others interviewed by OIG raised some concerns about the future structure, most notably whether the amendments to the 1994 Act could reduce editorial independence. This concern is discussed below, along with OIG's observations that the amended law is unclear or inconsistent regarding board compensation, composition, and authorities.

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<sup>9</sup> Radio Free Asia and the Middle East Broadcasting Networks are incorporated in the District of Columbia, and RFE/RL is incorporated in Delaware.

<sup>10</sup> See Appendix A.

<sup>11</sup> Senate action was pending at the time of the inspection.

## **Broad Consensus That Chief Executive Officer-Led Structure Improved Agency's Executive Direction**

OIG found broad consensus among the USAGM board members, directors of the broadcasting entities, and USAGM senior staff that shifting executive authorities to a CEO position represented a clear improvement in agency governance. In response to an OIG questionnaire,<sup>12</sup> 84 percent (73 of 87) of USAGM staff who provided an opinion believed that the creation of the CEO position had improved agency performance. All USAGM board members were unequivocal in describing the change as not merely positive but transformational in its effect on the agency. The incumbent CEO won praise for his collegial approach, managerial skill, knowledge of multi-media organizations, and dedication to the agency's mission.

### ***Cohesive, Bipartisan, and Collaborative Board Embraced the New Governance Structure***

OIG found that board members recognized their limited capacity to provide effective oversight of day-to-day operations and embraced their decision, which, as noted previously, preceded the legislation addressing this issue, to evolve into a more advisory role under a CEO-led agency. By delegating those functions to an experienced corporate manager,<sup>13</sup> the board could focus on providing expertise and counsel on key strategic initiatives, including the hiring of senior personnel, agency finances, and the development and launch of the agency's rebranding as USAGM. Board members uniformly praised the CEO for keeping them apprised of agency activities, including through weekly "CEO Flash Reports" with agency-wide updates, institution of monthly board calls to review on-going initiatives, and expansion of congressional outreach.

Throughout the inspection, OIG observed the board's cohesive, bipartisan, and collaborative approach to its new supporting role. When differences did emerge, board members sought to avoid divisive outcomes on issues where an overall board consensus was important to ensure a consistent, unified approach. For example, OIG observed a series of board conference calls convened to decide on extending an offer to a previously vetted candidate for a senior position. Opposition to proceeding with the offer emerged during the first call, including a push to consider other candidates, and rather than vote on a resolution that would have resulted in a divided board, members re-opened discussion on candidate criteria and agreed on a revised process timeline. The matter remained under deliberation as the inspection concluded, with members continuing to seek consensus.

### ***Concurrent Board Structure Met Grantee Oversight Requirements***

The USAGM board, in serving concurrently as the corporate board for the grantee organizations, decided that the three corporate boards should have a single chair with

<sup>12</sup> OIG sent personal questionnaires to the 330 USAGM Federal employees under CEO direction, seeking their confidential assessment of the CEO-led governance structure. Questionnaires were not sent to employees of the five broadcast entities, each of which is led by its own director.

<sup>13</sup> On August 14, 2015, and again on January 20, 2017, the board delegated to the CEO all its authorities to the extent allowed by law, including BBG general administrative management, oversight, and direction of all non-military U.S. Government international broadcasting activities.

members having the same responsibilities on all boards. This allowed the board to meet its responsibilities while avoiding problems associated with the previous structure when different BBG board members had served as chair and vice-chairs on the three grantee boards. By ending that practice, the USAGM board resolved the problem OIG identified in its 2013 report,<sup>14</sup> in which individual members demonstrated or were perceived to demonstrate favoritism to the entity on whose board they served when they made agency-wide budget and policy decisions. By assigning the same responsibilities to all board members, individual members had less incentive to favor one entity over another. OIG also observed that the USAGM board structure offered efficiencies by reducing the burden on grantee entity heads to separately staff and brief distinct boards and allowing USAGM to convene all board meetings on a single day.<sup>15</sup>

### **CEO Respected Editorial Independence, but the Amended Law Raised Concerns**

All five broadcast entity heads told OIG that the CEO respected their networks' editorial independence and the professional journalistic standards set forth in the agency's legislation (commonly referred to as "the firewall"). However, several expressed concerns, which were shared by the CEO and other senior USAGM staff, that the amended law potentially reduces firewall protections. Specifically, the amendments removed all but advisory authorities from future USAGM boards, thereby eliminating an institutional check on CEO authority. The amended law also suggests, rather than mandates, that future boards be bipartisan.<sup>16</sup> Board members, network entity heads, and senior USAGM staff stressed to OIG the importance of the board's bipartisan composition as a means of protecting the journalistic integrity of USAGM's content and the editorial independence of the networks against potential interference from the Executive Branch. Notwithstanding these concerns, OIG found wide agreement that the most important protection for the firewall was having incumbents in the CEO and board positions who embrace and model the standards and principles as enunciated in law and summarized in the VOA charter.<sup>17</sup>

### ***Amended Law Provides No Travel or Per Diem Compensation for Future Advisory Board***

The amendments to USAGM's governing legislation created disparities<sup>18</sup> in compensation and composition between the future USAGM advisory board and the grantee organizations'

<sup>14</sup> ISP-IB-13-07, January 2013, noted the practice of individual BBG board members serving concurrently with different responsibilities on grantee corporate boards gave rise to "a widespread perception of favoritism in Board decisions."

<sup>15</sup> USAGM generally convenes all board meetings on the same day, holding the public (open) board meeting in the morning and the closed portion of the agenda plus separate corporate grantee board meetings in the afternoon to accommodate the members' schedules, all of whom serve on a part-time basis.

<sup>16</sup> Section 6205(d)(3) of the 1994 Act, as amended, instructs Congress to provide the President with bipartisan lists of potential candidates to consider for appointment to the board. However, the legislation does not mandate appointment from those lists. Instead, it states that candidates "should" (rather than "shall") be appointed from them.

<sup>17</sup> Section 6202(a-c) of the 1994 Act layout the standards and principles for U.S and international broadcasting, including VOA broadcasts.

<sup>18</sup> For example, under the 1994 Act, as amended, the CEO has the authority to name and replace grantee boards whose members may receive compensation based on applicable state law governing privately incorporated



corporate boards.<sup>19</sup> Notably, the amended statute states that the incoming USAGM advisory board members “may not receive any fee, salary, or remuneration of any kind,”<sup>20</sup> which the agency’s general counsel determined would preclude reimbursement for travel and per diem expenses. USAGM board members and most other stakeholders OIG interviewed agreed that future USAGM advisory board members could forego a fee or salary for their service but should continue to receive reimbursement for travel, per diem, and reasonable expenses. Failure to reimburse future USAGM board members for these expenses risks undermining the agency’s capacity to recruit a diverse and distinguished board in the future and to ensure the board’s ability to have a quorum for its meetings. During the inspection, OIG advised USAGM to coordinate with the Office of Management and Budget and the congressional oversight committees to clarify the reimbursement of travel, per diem, and reasonable expenses for its future board members.

### ***Some Aspects of Grantor-Grantee Relationship Remained Unclear***

The amended law lacks clarity on some authorities with respect to the CEO position and the grantee organizations. For example, one section of the amended law<sup>21</sup> authorizes the CEO to “direct and supervise all broadcasting activities,” including those of the grantee organizations, while another section<sup>22</sup> states that “the Board of Directors of RFE/RL shall make all major policy determinations governing the operation of RFE/RL.” This relates to a broader, and still unsettled, issue about the appropriate degree of involvement between USAGM, as the Federal grantor, and the three non-Federal private broadcast entities, as grantees. Relevant legislative history and policy discussions spanning decades reflect a tension between those advocating increased centralization and Federal oversight as a means of achieving greater efficiency and control and those who believe that the missions of the grantee entities are best achieved by

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entities. (As noted previously, Radio Free Asia and the Middle East Broadcasting Networks are incorporated in the District of Columbia, and RFE/RL is incorporated in Delaware.) If a future CEO continues the current “mirror board” approach, members serving on both the future USAGM advisory and grantee boards would be eligible for compensation under state or D.C. law for fiduciary service on the grantee boards but ineligible under Federal law for serving on the USAGM board. The language in the 1994 Act, as amended, also differs regarding the appointment of Federal officials as members to the two boards. Specifically, the legislation states the President “shall” appoint to the USAGM advisory board U.S. citizens who (with the exception of the Secretary of State) are “not regular, full-time employees of the United States Government.” Section 6205 (d)(1). However, language in a different section of the same legislation authorizes the CEO to name and replace the members of the grantees’ corporate boards with Federal officials. Section 6204 (a)(21).

<sup>19</sup> The 1983 Radio Broadcasting to Cuba Act, (22 U.S. Code Sec. 1465c) mandated a separate nine-person advisory board, appointed by the President and confirmed by the Senate, for the Office of Cuba Broadcasting. However, this advisory board—the subject of controversy in the 1990s (*see* Congressional Research Service report for Congress on *Radio and Television Broadcasting to Cuba: Background and Issues Through 1994*, August 30, 1994, page 5)—has been inactive since 2001. In contrast to provisions for the future USAGM advisory board, Congress mandated that the Office of Cuba Broadcasting advisory board members receive compensation, travel expenses, and per diem for their service. The office continued to comply with Federal Advisory Committee Act reporting requirements for this board as recently as 2018.

<sup>20</sup> The 1994 Act, Section 6205(f).

<sup>21</sup> The 1994 Act, Section 6204(a)(1).

<sup>22</sup> The 1994 Act, Section 6207(a)(2).

strengthening their autonomy and non-Federal status. That core issue represents a policy determination upon which OIG takes no position.

## STRATEGIC DIRECTION AND COMMUNICATION

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OIG assessed USAGM's development of strategic goals and policies and how well the agency communicated and executed them. As detailed below, OIG found that improved strategic direction and communication at the executive level was not consistently supported by clear, sustained communication throughout the organization. In addition, process deficiencies undermined effective operational follow-through on some policy initiatives.

### ***Proposed Reorganization Aimed to Strengthen Operational Oversight, Strategic Direction***

The CEO developed an agency reorganization plan, centered on the creation of a Deputy Director for Operations position to improve day-to-day senior level oversight of management, personnel, transmission infrastructure, and technology. The CEO told OIG he sought to strengthen the agency's executive office to bolster his ability to focus on overall strategy and direction and increase senior-level oversight on operational issues. The plan also proposed consolidating the agency's offices involved in policy and research under a recently created Chief Strategy Officer position. The agency sent the draft Congressional Notification letter of the plan to the Office of Management and Budget for review on August 6, 2018. It remained under review at the time of the inspection.

### ***CEO Rebranded the Agency and Shared His Vision Internally and Externally***

OIG found that the CEO actively sought to communicate his vision for USAGM both internally and externally. Most visibly, he rebranded BBG as USAGM to reflect the agency's modernization and expansion into digital and social media. He hired a public affairs specialist with experience in supporting change management at another Federal agency and created an additional full-time public affairs position dedicated to internal communications. To communicate with USAGM employees, the CEO, along with the broadcast entity directors, conducted annual global town halls in 2017 and 2018 that reached all domestic and overseas agency and broadcast entity employees. Among other issues, these town halls addressed the importance of professional standards and workplace issues. He also shared "CEO Flash Reports"—weekly updates on agency issues prepared for the board—with all USAGM and grantee employees and solicited employee feedback through "Talk to John" intranet-based and physical suggestion boxes. The agency adopted the Facebook "Workplace" application to facilitate internal communication among all USAGM and grantee employees. In addition, the CEO engaged externally through public speaking, media interviews, and Twitter, and expanded the agency's congressional affairs office and met with members of Congress or their staffs two to three times a month.

### ***Not All Chief Executive Officer Messaging Reached Agency Employees***

Not all CEO communication efforts met with success, however, and some lacked sustained follow-through. For example, OIG found the most recent online "Talk to John" entry was from

December 2017, and entries on the agency's SharePoint leadership page were outdated and included names of senior staff who left USAGM more than a year earlier. Additionally, despite the CEO's efforts through town halls and meetings to promote the agency's Management Accountability Charter, which outlines steps for managers to address workplace issues such as timely performance evaluation and access to training, several managers told OIG they were unfamiliar with it. More broadly, OIG found that the shifting governance structure since 2015, and additional changes anticipated with a new CEO and advisory board, contributed to a sense of uncertainty. During interviews and in response to OIG questionnaires, some employees said they were unclear about the CEO's plans for the agency and their sections. Many employees also said they lacked a clear understanding of the respective roles, responsibilities, and lines of authority of the CEO, the board, and the heads of the broadcasting entities. OIG advised the CEO to strengthen information sharing at middle and lower management levels. Additionally, as noted below, OIG stressed the importance of following up major policy pronouncements with clear procedures and implementation plans to enforce the new policies.

### ***Agency Lacked a Formal System to Manage Information and Clearance Processes***

USAGM lacked a formal system to coordinate, assign, track, and review information and decision documents for the CEO and senior managers and to manage the clearance of policy and operational proposals with appropriate stakeholders. Three employees in the CEO's office managed information, but OIG found that each had developed individual, non-standardized systems for tracking tasks and sharing and filing information. Additionally, OIG found that although the executive office had begun to develop standardized document templates and clearance procedures, agency staff did not uniformly follow them. For example, in June 2018, agency staff neglected to clear with its own general counsel an intended memorandum of understanding between USAGM and the Department that proposed a new approach to statutory requirements relating to VOA editorials. Because the document had not gone through the proper clearance procedures, it lacked substantive clarity and was moreover improperly formatted and transmitted. As a result, it caused confusion among Department officials who did not understand USAGM's intent that the document serve as an inter-agency agreement. According to the Government Accountability Office's *Standards of Internal Control in the Federal Government*,<sup>23</sup> management should design a process to identify information requirements and obtain relevant data from internal and external sources in a timely manner. The lack of a formal system for task and document management weakened the efficiency and effectiveness of USAGM information-sharing, decision-making, and policy implementation.

**Recommendation 1:** The U.S. Agency for Global Media should implement a formal system to solicit, clear, and document information required for efficient executive decision making. (Action: USAGM)

<sup>23</sup> Government Accountability Office, *Standards for Internal Control in the Federal Government* (GAO-14-704G September 2014), Sections 13.02-13.05.

## PROGRAM IMPLEMENTATION AND REVIEW

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OIG reviewed steps that the CEO and USAGM senior leadership took to meet the agency's statutory requirements<sup>24</sup> for strategic planning, annual reporting, language review, and presenting U.S. policy on VOA through editorials and other means. OIG also reviewed the CEO's effectiveness in implementing the agency's strategic objectives and major program initiatives. OIG found that improvements in collaboration among networks fostered successful new program and content initiatives. However, as discussed in the preceding section and below, OIG also found that process deficiencies, including a lack of standard operating procedures for some new policies, undermined implementation and follow-through.

### ***CEO's Twice-Monthly Meeting with Entity Heads Improved Collaboration Among Networks***

The CEO initiated and led twice-monthly meetings of the International Communication Council, consisting of the five broadcast entity heads. This Council was designed to enhance strategic cooperation and collaboration among the agency's networks. OIG found that the CEO effectively used the meetings as a forum to advance policy initiatives that took advantage of the assets of more than one network. For example, in February 2017, USAGM launched *Current Time*, a joint RFE/RL-VOA Russian-language TV and digital network that aimed to provide an alternative narrative to official Russian propaganda. The agency replicated that model with a new 24/7 Persian channel, which launched in early February 2019, as a joint venture between VOA Persian and RFE/RL's Persian radio service. Additionally, the council generated subgroups to assist in the coordination of specific operational or programmatic elements, such as *The Dragon's Reach*, which reports on China's global expansion, with each network producing pieces that focus on their broadcasting regions. At the time of the inspection, VOA was developing a new content management system to help the five network entities track and share content more quickly and effectively.

All five network heads told OIG they found the council meetings useful. However, OIG found that the lack of meeting notes or structured follow-through sometimes undermined the communication and implementation of the council's decisions. For example, operations staff who report to the CEO learned of the planned launch of *Current Time* only indirectly when VOA requested additional staff support. This shortcoming could be addressed through a more formal system to manage and document information, as recommended above.

### ***CEO Stressed Increased Focus on Digital Platforms for Content Delivery***

OIG found that the CEO focused USAGM's resources toward increased use of digital and mobile platforms to deliver content in the ways that targeted audiences use media, and encouraged broadcast entities' directors to identify initiatives to move into these areas. At the Middle East Broadcasting Networks, for example, the director decided to eliminate all radio programming with the exception of Radio *Sawa*'s targeted Iraq stream in FY 2019. By repositioning its Pan-Arab content from radio to digital programming, the network projected net savings of \$1.8

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<sup>24</sup> See Appendix C.

million to its operations and \$12.5 million annually to USAGM's overall operations, which would include \$7.7 million in transmission savings. In other examples, RFE/RL reported a 72 percent increase in content viewed over YouTube from FY 2016 to FY 2017 while Radio Free Asia's Cantonese Service reported a 792 percent increase in YouTube views during the same period, boosted by greater emphasis on short-form video content. In addition, VOA reported its strongest ever audience growth in social media, with triple-digit percentage gains in FY 2017 in Facebook engagement and video viewership in languages such as Urdu and Bosnian.

### ***CEO Sought to Improve Performance Metrics and Research***

The CEO sought to modernize USAGM's performance metrics by supplementing traditional measures of audience reach with more focus on impact, which the agency's FY 2018-FY 2022 Strategic Plan defined as "the concrete change that happens in the world as a result of our work." The plan reaffirmed the three pillars of USAGM's "impact model"—inform, engage/connect, and be influential—and provided statistical and anecdotal examples of its measurement tools. The CEO spoke publicly of the need to develop research that allowed USAGM to evaluate its impact model using multiple methods, including digital analytics. He created a new senior Chief Strategy Officer position to implement the new model and update agency research with current data science methodology. At the time of the inspection, newly created cloud-based dashboards had begun to provide staff with real-time measurement of user engagement.

OIG found, however, that a lack of transparency and inclusiveness in the development of the new research approach, as well as inadequate information sharing, initially undermined its effective implementation. For example, during a briefing to update the International Communication Council on progress using the new research methods, several entity heads questioned expectations about their role in the new approach. Additionally, they expressed concerns that the new methodology might not accurately capture data among certain rural radio audiences and had not been synchronized with previously planned surveys. As the CEO became aware of these issues, he pressed for better internal consultation on the changes among all those affected to address the confusion and concerns before moving forward.

### ***New Policy for Voice of America Editorials Lacked Implementation Plan***

USAGM did not effectively implement a new standard procedure for producing VOA editorials that present U.S. Government policies. The agency is required by statute to ensure that U.S. international broadcasting include "clear and effective presentation of the policies of the United States Government and responsible discussion and opinion on those policies, including editorials, broadcast by the Voice of America, which present the views of the United States Government."<sup>25</sup> By longstanding practice, USAGM's Office of Policy drafted editorials for VOA and cleared them with the Department. However, in July 2018, USAGM and the Department discussed a new policy with the Office of the Under Secretary for Public Diplomacy and Public Affairs and the Bureau of International Information Programs to draw on existing

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<sup>25</sup> The 1994 Act, Section 6202(c)(3).

interviews and Department-generated material to produce this editorial content. USAGM and the Department reasoned that by repurposing available, cleared material, VOA could meet the statutory requirement without the staff burden and time delay associated with drafting and clearing original editorial content.

Successful agreement and implementation of this new policy required communication and collaboration among different elements of USAGM, the Department, and VOA. However, OIG found that USAGM managers did not clearly communicate the policy to affected staff or develop an implementation plan to assign responsibilities and tasks. As a result, USAGM provided no editorials to VOA between early September and the end of October 2018. Failure to communicate the policy to affected staff or develop an implementation plan undermined the agency's ability to implement its new policy successfully.

**Recommendation 2:** The U.S. Agency for Global Media, in coordination with the Office of the Under Secretary for Public Diplomacy and Public Affairs, should develop a clear policy and accompanying standard operating procedures to meet its statutory requirement to present U.S. policy on Voice of America through editorials and other means.  
(Action: USAGM, in coordination with R)

#### ***Agency Met Annual Program Reporting and Language Review Requirements***

OIG found that USAGM met all its statutory reporting requirements. USAGM published annual reports as required under section 6204(a)(9) of the 1994 Act. It released its quadrennial strategic plan for FY 2018 to FY 2022 in February 2018, as required by 5 U.S.C. 306(a). Furthermore, USAGM conducted language reviews as required under section 6204(a)(4) of the 1994 Act. At USAGM's request, the Department ranked the most widely used languages in all regions of the world to assist with the language prioritization process. The CEO and network leaders used their biweekly International Communication Council meetings to review and decide on proposals to add, remove, or otherwise change language service programming. For example, in FY 2018, USAGM ceased programming in the West African languages of Songhai and Tamachek and subsumed Croatian into its Serbian broadcasts.



## RESOURCE MANAGEMENT

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OIG limited its review of resource management to steps the agency took at the executive and policy level to address general internal controls and workforce and workplace issues.<sup>26</sup> Under the CEO's direction, USAGM instituted several reforms to improve overall resource management, some of which were too new for OIG to evaluate. However, the inspection also found specific deficiencies, including, outdated administrative policies and procedures and a lack of timely employee evaluations, among others, as discussed below.

### Internal Controls

#### *The Agency Took Steps to Improve Longstanding Internal Control Deficiencies*

OIG found that while USAGM strengthened internal controls during the CEO's tenure, many initiatives were only newly instituted or remained incomplete. The CEO recognized the agency's need to improve operational oversight at all levels, which, as noted previously, he sought to address by establishing a Deputy Director for Operations position. While awaiting Office of Management and Budget approval of his reorganization plan and the new position, the CEO delegated much of the day-to-day operations oversight to the Chief of Staff in order to focus on strategy and content development.

Following the agency's establishment in FY 2017 of an OMB Circular A-123 program for management controls,<sup>27</sup> the CEO, for the first time, was able to sign a limited management controls statement of assurance. The limited statement reflected deficiencies identified in the agency's Independent Auditor's Report for FY 2017, which included grants monitoring, information technology (IT) security, unliquidated obligations, and the lack of an enterprise risk management program.<sup>28</sup> To address these issues, the agency in FY 2018 hired a Risk Management Officer, created a Risk Management Council that began instituting an enterprise risk management process, and took steps to address unliquidated obligations. In addition, USAGM's Chief Financial Officer issued grants management standard operating procedures in August 2018 and applied them beginning with FY 2019 grants, which were being drafted at the time of the inspection. The CEO took responsibility for signing all grants and grants amendments. The CEO and the board also received monthly reports on compliance with OIG and Government Accountability Office recommendations in order to track their progress.

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<sup>26</sup> OIG did not conduct a full assessment of management controls and operations or review individual contracts, grant awards, or other financial documents to verify compliance with Federal standards.

<sup>27</sup> OMB Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control* (July 15, 2016) provides guidance to Federal managers to improve accountability and effectiveness of Federal programs as well as mission-support operations through implementation of enterprise risk management practices and by establishing, maintaining, and assessing internal control effectiveness.

<sup>28</sup> For more detail regarding deficiencies in unliquidated obligations, grantee monitoring, and IT security see *Independent Auditor's Report on the Broadcasting Board of Governors 2017 and 2016 Financial Reports* (Kearney & Company) AUD-FM-IB-18-10, November 13, 2017.

### ***New Director of Contracts Improved Training, Tracking, and Oversight***

USAGM took action to address its insufficient oversight of contracting, a problem OIG cited in a May 2015 Management Alert.<sup>29</sup> Specifically, in 2016, the agency hired a new Director of Contracts, who standardized training for contracting officer's representatives through the Federal Acquisition Institute Training Application System. A total of 182 of the agency's 187 contracting officer's representatives received certification in 2017 or 2018. The office director also implemented new contract review procedures and reorganized the office to provide better training and oversight of its contract specialists by setting up teams under the direct supervision of a contracting officer. In September 2017, the office began collecting data on overseas awards and purchases to provide better visibility on overseas contracting. This information, now available on the agency's SharePoint site, previously was unavailable due to incompatibility between overseas and domestic tracking software. To address the incompatibility problem in the longer term, the office in September 2018 allocated \$1.3 million to upgrade its contracts tracking software to better capture overseas data.

### ***Chief Information Officer Council Established to Guide Information Technology Management***

The CEO initiated organizational changes to improve coordination and oversight of the agency's IT systems and security. In response to OIG's FY 2017 audit of the agency's information security program,<sup>30</sup> the CEO in May 2018 delegated responsibility over agency-wide IT and information security to the Chief Information Officer. Subsequently, the CEO created a Chief Information Officer Council to promote more effective IT management practices, including review and evaluation of proposed IT initiatives, acquisitions, and ongoing projects, as well as providing a forum to share information and discuss IT decisions that affect all broadcast entities. The CEO also instituted a Digital Governance Council, under a newly designated Chief Technology Officer, to coordinate shared issues related to content management and delivery on digital platforms. Because these bodies were only newly created, OIG could not evaluate their effectiveness.

### ***CEO Explored Cost Savings Through Shared Services and Grantee Consolidation***

At the CEO's direction, USAGM explored ways to achieve efficiencies through consolidation of administrative services among the five broadcast entities. For example, the Office of Contracts renegotiated and consolidated approximately two dozen individual contracts for news wire services into just three. USAGM told OIG that these three contracts, valid from FY 2018 through FY 2022, cost less in the first year than had been originally contracted and budgeted. The consolidated contracts over 5 years also included \$9.6 million worth of additional content and license rights at no additional cost.

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<sup>29</sup> OIG, *Management Alert: Broadcasting Board of Governors Significant Management Weaknesses* (MA-15-01, May 2015).

<sup>30</sup> OIG, *Audit of the Broadcasting Board of Governors Information Security Program* (AUD-IT-IB-18-13, October 2017).



On a larger organizational scale, the amended 1994 Act authorized the CEO to condition future grants to the three private broadcast entities “on the consolidation of such grantees into a single, consolidated private non-profit corporation.” The CEO commissioned an outside firm to conduct a study of the advantages, disadvantages, and potential cost-savings of such a move. That study remained underway as the inspection concluded.

### ***Key Internal Policy and Procedural Documents Were Outdated***

OIG found that USAGM had not updated its Broadcasting Administrative Manual, which serves as the agency’s basic reference for policies, procedures, and regulations, including in critical areas such as the agency’s governance structure. For example, the manual did not mention that the agency is led by a CEO. Although the manual’s SharePoint landing page and many entries throughout the document acknowledged that policies were out of date, the manual itself states that “[p]olicies are intended to govern the conduct, performance, accountability, and responsibility of Agency employees and are made accessible to all employees through the Agency intranet website.”<sup>31</sup> Office managers had not prioritized reviewing and updating the policies. Staff shortages in the Office of the General Counsel and Office of Management Services Policy and Compliance Section, which are responsible for updating the manual, also contributed to the problem. This issue should be addressed, as the lack of a central source of current policies, procedures, and regulations weakened USAGM’s ability to create an effective internal control system.

**Recommendation 3:** The U.S. Agency for Global Media should update policies and procedures in its Broadcasting Administrative Manual. (Action: USAGM)

## **Workforce and Workplace Issues**

### ***Agency Scored Low in Employee Satisfaction, But Improved in Some Areas***

USAGM consistently scored below average for the global satisfaction index among medium-size agencies participating in the Federal Employee Viewpoint Survey.<sup>32</sup> The agency’s 2018 overall global satisfaction index score of 57 percent reflected modest year-to-year improvement from its score of 53 percent in 2016 but still remained 10 points below the Federal Government average of 67 percent for medium-size agencies. OIG found that steps USAGM took to improve the agency’s scores produced notable improvement from 2017 to 2018 in training, performance management, and performance recognition. For example, employees’ satisfaction with the training they received increased by 9 percent, and their sense that their work unit had the necessary knowledge and skills to accomplish organizational goals increased by 14 percent.

<sup>31</sup> Broadcast Administrative Manual, Title II, Section 100(a), dated June 1, 2013.

<sup>32</sup> According to the Office of Personnel Management, the survey measures employees’ perceptions of whether, and to what extent, conditions characteristic of successful organizations are present in their agencies. The global satisfaction index is a measure of employees’ satisfaction with their pay, their job, their organization, and their willingness to recommend their organization as a good place to work. Agencies with 1,000 to 9,999 employees are categorized as medium size.

OIG found that the creation of the Office of Workforce Support and Development in 2015 to coordinate training, employee development, and work-life programs appeared to have helped improve satisfaction with the agency's training program. In November 2017, the office implemented mandatory training for supervisors, managers, and team leaders on employee performance counseling. As of October 2018, 216 of 274 supervisors had taken the training, with two sessions scheduled for November 2018 for the remaining 58 employees. The 2018 Federal Employee Viewpoint Survey scores showed an 11 percent increase in employees indicating that in the previous 6 months their supervisor had talked to them about their performance and a 7 percent increase in employees who believed that the agency took steps to deal with poor performance.

### ***Agency Failed to Enforce Annual Performance Review Policy***

Despite the improvement in the agency's Federal Employment Viewpoint Survey scores discussed above, OIG found that USAGM senior managers did not enforce timely completion of performance reviews, as required by law.<sup>33</sup> At the time of the inspection, only 67 percent of the agency's 1,454 Civil Service employees had received performance reviews for the most recent rating period (from May 1, 2017 to April 30, 2018). In the prior rating period, 71 percent received performance reviews. VOA, however, raised its compliance to 100 percent in 2018 from 70 percent the preceding year. USAGM was unable to provide OIG the performance review data for the 2015-2016 rating cycle because the agency did not have a centralized system at that time to monitor and track compliance with requirements for employee performance reviews. The agency implemented an automated performance management system (ePerformance) in July 2017 and, for the first time, assigned personnel to track and monitor performance management.

OIG found that despite having performance management policies, procedures, and training to guide supervisors on their responsibilities, senior managers did not hold supervisors accountable for completing annual performance reviews within 60 days of the end of the rating period. Failure to provide timely performance reviews can harm employee development, morale, and overall organizational efficiency as well as prevent employees from receiving merited within-grade and quality salary step increases and promotions.

**Recommendation 4:** The U.S. Agency for Global Media should enforce its personnel policy for timely completion of annual performance reviews. (Action: USAGM)

### ***Hiring Practices Met Requirements, but Fed Perceptions of Favoritism***

In OIG questionnaires and interviews, several USAGM employees cited instances of hiring, especially at senior levels, which they believed showed favoritism and a lack of transparency and competition. Similar allegations had been made earlier to OIG's Hotline and, based on 13 allegations, OIG's Office of Evaluations and Special Projects examined BBG hiring practices from

<sup>33</sup> 5 U.S. Code Part III, subpart C Chapter 43, Subchapter I § 4302, Establishment of performance appraisal systems, states: "(a) Each agency shall develop one or more performance appraisal systems which— (1) provide for periodic appraisals of job performance of employees."

March 1, 2015, to March 1, 2017. In an April 2018 memorandum, OIG concluded that, although none of the actions it reviewed violated laws, rules, or regulations governing Federal hiring practices, some agency actions could have contributed to concerns. For example, one GS-15 position opening resulted in a certification of 20 eligible candidates, but a candidate was ultimately selected without interviews of any of those 20 people. Three other positions were advertised over holidays and in one case failed to meet Office of Personnel Management suggested guidance for the minimum number of days that a vacancy announcement should be open. During this inspection, OIG advised the agency to monitor and adjust practices to reduce the number of actions that could suggest a lack of fair and open competition.

### ***CEO Supported Equal Employment Opportunity Program***

The CEO expressed his support for the agency's policies on Equal Employment Opportunity (EEO) and sexual harassment prevention and his expectations with senior managers regarding EEO programs. In June 2018, the agency adopted a zero-tolerance policy regarding all forms of harassment, harassing conduct, and discrimination. That same year, the CEO spoke at three Office of Civil Rights-sponsored events within the agency and promoted USAGM's efforts to address and prevent, through email notices and videos, all forms of harassment in the workplace.

### ***Agency Did Not Enforce Mandatory Equal Employment Opportunity and No FEAR Act Training***

Despite the CEO's support for EEO and anti-harassment programs, OIG found that USAGM senior managers did not have a policy to ensure that employees complied with mandatory EEO and Notification and Federal Employee Antidiscrimination and Retaliation (No FEAR) Act training.<sup>34</sup> The Office of Workforce Support and Development, in coordination with the Office of Civil Rights, promoted EEO training through emails, flyers, centrally placed television monitors, and Workplace by Facebook. Additionally, the CEO sent out an administrative notice to endorse the agency's mandatory harassment prevention training. However, senior managers did not implement a policy to ensure compliance with the mandatory biennial EEO and No FEAR Act training. For example, although 650 employees took the No FEAR Act training in 2016, none took it in 2017. In 2018, 457 of the agency's 1,454 Civil Service employees had taken the training as of October. For the prevention of sexual harassment training, USAGM reported that 1,021 employees took the training in 2016, 8 in 2017, and 927 as of October 2018. USAGM cannot ensure that employees understand their rights and duties while in the workplace without instituting a policy to enforce compliance with the required EEO and No FEAR Act training.

**Recommendation 5:** The U.S. Agency for Global Media should implement a policy to enforce compliance with mandatory Equal Employment Opportunity and Notification and Federal Employee Antidiscrimination and Retaliation training. (Action: USAGM)

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<sup>34</sup> 5 CFR 724.203.

***CEO Demonstrated Attention to Physical Security and Safety***

OIG determined that the CEO took action to improve physical security and safety for personnel and facilities domestically and overseas. Upon his arrival in 2015, the CEO asked the agency's security office to prepare a global security audit to assess the status of VOA and grantee overseas facilities' compliance with applicable physical security standards, as well as threats and actions taken against reporters. The audit, including steps taken to address identified risks, continued to be updated quarterly and shared with the board.

Among 156 respondents to OIG's questionnaire, 65 percent indicated that the CEO and agency leadership demonstrated attentiveness to the safety and security of facilities and staff. In the 2018 Federal Employment Viewpoint Survey, 64 percent of the 793 respondents agreed that "my organization has prepared employees for potential security threats." In interviews with OIG, USAGM staff credited the CEO with taking a number of actions to improve security, including installing badge-reading turnstiles for entry and exit at the USAGM headquarters and encouraging staff to support training, drills, and emergency provisioning. He dedicated a memorial wall at the USAGM headquarters to commemorate agency journalists killed in the line of duty, and presided over two ceremonies in 2018 to honor three RFE/RL reporters killed in Afghanistan in 2018 and a VOA reporter who died in Somalia in 2017.

## RECOMMENDATIONS

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OIG provided a draft of this report to USAGM and Department stakeholders for their review and comment on the findings and recommendations. OIG issued the following recommendations to the U.S. Agency for Global Media. The agency's complete responses can be found in Appendix E.<sup>35</sup> The agency also provided technical comments that OIG incorporated in the report, as appropriate.

**Recommendation 1:** The U.S. Agency for Global Media should implement a formal system to solicit, clear, and document information required for efficient executive decision making. (Action: USAGM)

**Management Response:** In its April 2, 2019, response, the agency concurred with this recommendation.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation of a formal system for efficient executive decision making.

**Recommendation 2:** The U.S. Agency for Global Media, in coordination with the Office of the Under Secretary for Public Diplomacy and Public Affairs, should develop a clear policy and accompanying standard operating procedures to meet its statutory requirement to present U.S. policy on Voice of America through editorials and other means. (Action: USAGM, in coordination with R)

**Management Response:** In its April 2, 2019, response, the agency concurred with this recommendation.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation of a policy and standard operating procedures to present U.S. policy on Voice of America.

**Recommendation 3:** The U.S. Agency for Global Media should update policies and procedures in its Broadcasting Administrative Manual. (Action: USAGM)

**Management Response:** In its April 2, 2019, response, the agency concurred with this recommendation.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation of the updated policies and procedures in the agency's Broadcasting Administrative Manual.

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<sup>35</sup> This work was delayed because of the lapse in OIG's appropriations that occurred from 11:59 p.m. December 21, 2018, through January 25, 2019.

**Recommendation 4:** The U.S. Agency for Global Media should enforce its personnel policy for timely completion of annual performance reviews. (Action: USAGM)

**Management Response:** In its April 2, 2019, response, the agency concurred with this recommendation.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation of the agency's enforcement of its personnel policy for timely completion of annual performance reviews.

**Recommendation 5:** The U.S. Agency for Global Media should implement a policy to enforce compliance with mandatory Equal Employment Opportunity and Notification of Federal Employee Antidiscrimination and Retaliation Act training. (Action: USAGM)

**Management Response:** In its April 2, 2019, response, the agency concurred with this recommendation.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation of the agency's policy to enforce compliance with Equal Employment Opportunity and Notification of Federal Employee Antidiscrimination and Retaliation Act training.

## PRINCIPAL OFFICIALS

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Title	Name
<b>Chief Executive Officer</b>	
	John F. Lansing
<b>Senior Staff</b>	
Chief of Staff	Matthew Walsh
Director, Office of Management Services	Marie Lennon
General Counsel	David Kligerman
Chief Financial Officer	Grant Turner
Chief Strategy Officer	Shawn Powers (Acting)
Associate Director for Program Support	Gary Thatcher
Director, Technical Services and Innovation	Phillip Terry Balazs
<b>Board of Governors</b>	
Chairman	Kenneth R. Weinstein
Member	Leon Aron
Member	Ryan C. Crocker
Member	Michael W. Kempner
Member	Karen F. Kornbluh
Member	Jeffrey S. Shell
Secretary of State (Member <i>ex officio</i> )	Michael Pompeo

Source: USAGM

## **APPENDIX A: OBJECTIVES, SCOPE, AND METHODOLOGY**

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This inspection was conducted from September 4 to December 17, 2018, in accordance with the Quality Standards for Inspection and Evaluation, as issued in 2012 by the Council of the Inspectors General on Integrity and Efficiency, and the Inspector's Handbook, as issued by the Office of Inspector General (OIG) for the Department and the U.S. Agency for Global Media (USAGM).

### **Objectives and Scope**

The Office of Inspections provides the Secretary of State, the Chief Executive Officer of USAGM, and Congress with systematic and independent evaluations of the operations of the Department and USAGM, consistent with Section 209 of the Foreign Service Act of 1980. This targeted inspection assessed how USAGM's CEO-led governance structure, provisionally installed beginning in 2015 and pending full implementation under amended law, had affected the agency's ability to manage its resources to achieve organizational goals. OIG focused on the role of the CEO position as supported by the board, keyed to the statutory responsibilities and authorities outlined in the International Broadcasting Act of 1994, as amended. OIG specifically focused on USAGM's governance structure and mandate; strategic direction and communication; program implementation and review; and resource management.

### **Methodology**

In conducting inspections, OIG uses a risk-based approach to prepare for each inspection; reviews pertinent records; circulates and compiles the results of survey instruments, as appropriate; conducts interviews with Department and on-site personnel; observes daily operations; and reviews the substance of the report and its findings and recommendations with offices, individuals, and organizations affected by the review. OIG uses professional judgment, along with physical, documentary, testimonial, and analytical evidence, collected or generated, to develop findings, conclusions, and actionable recommendations. For this inspection, OIG assessed USAGM's governance structure on the basis of 95 interviews, 182 employee and functional questionnaires, and OIG's review of documents and observations.



## APPENDIX B: THE U.S. AGENCY FOR GLOBAL MEDIA TIMELINE

<b>1948</b>	The United States Information and Educational Exchange Act of 1948, commonly referred to as the Smith-Mundt Act, established the terms for U.S. Government engagement in public diplomacy and authorized “creation of an information service to disseminate abroad information about the United States, its people, and policies.”
<b>1950</b>	Radio Free Europe/Radio Liberty went on the air with a broadcast to Czechoslovakia.
<b>1953</b>	President Eisenhower established the United States Information Agency (USIA), under Executive Order 10477 and the President’s Reorganization Plan No. 8, to carry out public diplomacy. The Voice of America, established in 1942, became the single largest element of USIA.
<b>1973</b>	The International Broadcasting Act of 1973 (P.L. 93-129) established the Board for International Broadcasting to oversee and fund Radio Free Europe/Radio Liberty.
<b>1976</b>	President Ford signed into law (P.L. 94-350) the Voice of America Charter, intended to protect the independence and integrity of VOA programming.
<b>1985</b>	The Office of Cuba Broadcasting, established by the 1983 Radio Broadcasting to Cuba Act, began Radio Marti broadcasts.
<b>1990</b>	USIA established the Bureau of Broadcasting to consolidate its three broadcasting services—Voice of America, the WORLDNET Television and Film Service, and Radio and TV Marti—under one umbrella organization supported by an Office of Engineering and Technical Operations.
<b>1994</b>	The International Broadcasting Act of 1994 (P.L. 103-236) abolished the Board for International Broadcasting, established the Broadcasting Board of Governors (BBG) within USIA, and brought all U.S. non-military international broadcasting under the aegis of BBG.
<b>1996</b>	Radio Free Asia was founded under the provisions of the 1994 Act (P.L. 103-236) and began programming in Mandarin.
<b>1998</b>	The Foreign Affairs Reform and Restructuring Act of 1998 abolished USIA and divided its duties between the Department of State and BBG, which became a separate agency in 1999. BBG assumed authority for VOA, Cuba Broadcasting, and its three grantee organizations – Radio Free Europe/Radio Liberty, Radio Free Asia, and, later, the Middle East Broadcasting Networks.
<b>2004</b>	The Middle East Broadcasting Network, established in 2003, began broadcasts with Alhurra Television and Radio Sawa.
<b>2016</b>	The National Defense Authorization Act for FY 2017 (P.L. 114-328) contained technical amendments to the 1994 Act, establishing the position of Chief Executive Officer and an International Broadcasting Advisory Board in place of the Board of Broadcasting Governors.
<b>2018</b>	BBG changed its name to the United States Agency for Global Media to reflect its modern operations beyond radio and television into digital and mobile platforms.

**Source:** Compiled by OIG from information supplied by USAGM, Department of State, and other sources.

## APPENDIX C: CHIEF EXECUTIVE OFFICER PRINCIPAL STATUTORY FUNCTIONS AND AUTHORITIES

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Principal statutory functions and authorities of the Chief Executive Officer (CEO) as set forth in the United States International Broadcasting Act of 1994, Sec. 6204(a) (as amended through P.L. 114-328, enacted December 23, 2016):

- To direct and supervise all broadcasting activities.
- To review and evaluate the mission and operation of, and to assess the quality, effectiveness, and professional integrity of, all such activities within the context of the broad foreign policy objectives of the United States.
- To ensure that United States international broadcasting is conducted in accordance with the standards and principles contained in Section 6202 of this title, which includes VOA presentation of responsible discussions and opinion on United States policy.
- To review, evaluate and determine, at least annually, after consultation with the Secretary of State, the addition or deletion of language services.
- To make and supervise grants and cooperative agreements for broadcasting and related activities in furtherance of the purposes of this Act and on behalf of other agencies, accordingly.
- To allocate funds appropriated for international broadcasting activities among the various elements of the Board and grantees, subject to reprogramming notification requirements in law for the reallocation of funds.
- To review engineering activities to ensure that all broadcasting elements receive the highest quality and cost-effective delivery services.
- To undertake such studies as may be necessary to identify areas in which broadcasting activities under its authority could be made more efficient and economical.
- To submit to the President and Congress an annual report which evaluates and summarizes activities, including steps taken to review and evaluate the mission and operation of the agency, and to assess the quality, effectiveness, and professional integrity of all such activities within the context of the broad foreign policy objectives of the United States.

## **APPENDIX D: BOARD STATUTORY FUNCTIONS AND AUTHORITIES**

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Statutory functions and authorities of the Board as set forth in the United States International Broadcasting Act of 1994, Sec. 6205(e) (as amended through P.L. 114-328, enacted December 23, 2016):

- To provide the Chief Executive Officer (CEO) with counsel and recommendations for improving effectiveness and efficiency of the agency and its programming.
- To meet with the CEO at least twice annually and at additional meetings at the request of the CEO.
- To report periodically or upon request to congressional committees specified in subsection (d)(2) regarding its counsel and recommendations for improving effectiveness and efficiency of the agency and its programming.
- To obtain information from the CEO as needed to fulfill these duties.

## APPENDIX E: MANAGEMENT RESPONSE

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April 2, 2019

### **UNCLASSIFIED**

TO: OIG – Sandra Lewis, Assistant Inspector General for Inspections

FROM: USAGM – John F. Lansing, Chief Executive Officer and Director

SUBJECT: Response to Draft Report: Targeted Inspection of USAGM Governance

Thank you for the opportunity to respond to the Draft OIG Report: Targeted Inspection of the Governance of the United States Agency for Global Media (ISP-IB-19-22). The Agency appreciates the thoroughness of the report, and the expertise and insight of the inspectors who performed this review.

The USAGM Board and I are pleased to see the comments in the report that the Agency's new governance structure, led by a Chief Executive Officer and supported by its bipartisan Board, improved the Agency's ability to fulfill its statutory responsibilities. We have worked to enhance communication and cooperation within the Agency, as well as between the Agency and its grantees. This has bolstered strategic planning and our ability to provide audiences objective news and information using both federal and grantee assets.

We also thank the inspection team for their analysis and advice that some provisions in the U.S. International Broadcasting Act, as amended, are unclear or inconsistent. The Agency intends to implement OIG's advice and work with the appropriate oversight bodies to clarify any inconsistencies.

The Agency acknowledges the five formal recommendations made in this report as helpful in improving our overall operations and efficiency. We note our concurrence with each recommendation below.

**OIG Recommendation 1:** The U.S. Agency for Global Media should implement a formal system to solicit, clear, and document information required for efficient executive decision making. (Action: USAGM)

**Management Response:** USAGM concurs with recommendation 1.

**OIG Recommendation 2:** The U.S. Agency for Global Media, in coordination with the Office of the Under Secretary for Public Diplomacy and Public Affairs, should develop a

clear policy and accompanying standard operating procedures to meet its statutory requirement to present U.S. policy on Voice of America through editorials and other means. (Action: USAGM, in coordination with R)

**Management Response:** USAGM concurs with recommendation 2. We agree that USAGM and State should continue to improve the new interagency process with a clear SOP outlining how processes are to work under the new USAGM-State MOU.

The Agency also wishes to make clear, that we take very seriously our obligation to publish editorials. As indicated in the joint State-USAGM MOU, in 2016, the State Department indicated the need to improve the then-current editorial process, due to its inefficiencies, and USAGM diligently worked with the State Department to improve the process. We are concerned that a reader might incorrectly draw inferences from the OIG narrative that the Agency took unilateral action on editorial policy or that the Agency views publishing editorials as a staff burden.

Implementing the new policy has required re-training of the editorial staff, which slowed down the overall production of content. The Agency is actively engaged in ensuring that stakeholders are aware of all elements of the new editorial processes contained in the MOU. Nevertheless, during this period, the Office of Policy published every editorial proposed by the Department of State, and continues to do so after an internal review of the content. Again, simultaneously, VOA has increased its production and distribution of content that presents and responsibly discusses the policies of the United States Government

**OIG Recommendation 3:** The U.S. Agency for Global Media should update policies and procedures in its Broadcasting Administrative Manual. (Action: USAGM)

**Management Response:** USAGM concurs with recommendation 3.

**OIG Recommendation 4:** The U.S. Agency for Global Media should enforce its personnel policy for timely completion of annual performance reviews. (Action: USAGM)

**Management Response:** USAGM concurs with recommendation 4.

**OIG Recommendation 5:** The U.S. Agency for Global Media should implement a policy to enforce compliance with mandatory Equal Employment Opportunity and No FEAR training. (Action: USAGM)

**Management Response:** USAGM concurs with recommendation 5.

Again, we appreciate the opportunity to respond to this report. We look forward to working with the OIG as these recommendations are implemented.

## APPENDIX F: FY 2018 STAFFING AND FUNDING

### STAFFING

Agency	Civil Service
<b>USAGM Executive and Support Staff</b>	334
<b>VOA</b>	1,007
<b>OCB</b>	113
<b>Total</b>	<b>1,454</b>

Source: USAGM

### FUNDING

Description	Amount (in thousands)
<b>Federal Entities</b>	
Voice of America	244,894
Office of Cuba Broadcasting	28,936
International Broadcasting Bureau	58,628
Internet Freedom; Anti-Censorship (non-add to IBB starting in FY 2017)	13,800
Office of Technology, Services, and Innovation	182,987
<b>Total, Federal Entities</b>	<b>515,445</b>
<b>Non-Federal Entities</b>	
Radio Free Europe/Radio Liberty	126,821
Radio Free Asia	44,173
Middle East Broadcasting Networks	111,547
<b>Total, Non-Federal Entities</b>	<b>282,541</b>
<b>Broadcasting Capital Improvements</b>	<b>9,700</b>
<b>USAGM Total</b>	<b>807,686</b>

Source: USAGM

## ABBREVIATIONS

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BBG	Broadcasting Board of Governors
CEO	Chief Executive Officer
EEO	Equal Employment Opportunity
No FEAR	Notification and Federal Employee Antidiscrimination and Retaliation
RFE/RL	Radio Free Europe/Radio Liberty
USAGM	U.S. Agency for Global Media
VOA	Voice of America

## OIG INSPECTION TEAM MEMBERS

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Jefferson Brown, Team Leader

Brent Byers, Team Manager

Richard Behrend

Marc Desjardins

Shannon Farrell

Martha Fikru





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