



Corporation
for Public
Broadcasting

SEMIANNUAL REPORT

OFFICE OF THE INSPECTOR GENERAL AND AUDIT RESOLUTION ACTIVITIES

OCTOBER 1, 2020 THROUGH MARCH 31, 2021

Foreword

Congress created the Corporation for Public Broadcasting (CPB) in 1967 to promote public media and help keep it free from government interference. CPB is a private non-profit corporation that is governed by a Board of Directors (Board) appointed by the President and confirmed by the Senate. CPB funds 1,546 public media stations, as well as research, technology, and program development for public radio, television, and related online services. For fiscal year 2021, CPB received \$445 million for its general appropriation, \$20 million for a public media interconnection appropriation from Congress, \$24.3 million in Ready to Learn funds as part of a five-year grant from the U.S. Department of Education, and \$175 million in American Recovery Plan Act of 2021 funding.

Congress created CPB's Office of the Inspector General (OIG) in 1988 to promote the economy, efficiency, effectiveness, and integrity of CPB initiatives and operations. As an independent component of CPB, the OIG reports to the CPB Board through its Audit and Finance Committee.

Congress requires that the Inspector General and the head of CPB report semiannually about OIG operations and activities and about CPB audit resolution results. Because CPB is a small organization, we created this joint report. In the first section, we report on the OIG's efforts and in the second, we present CPB's audit resolution activities.





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I. OFFICE OF THE INSPECTOR GENERAL

Message from the Inspector General

March 31, 2021

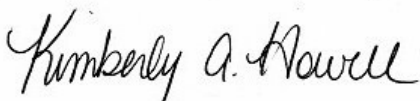
I am pleased to submit this Semiannual Report to Congress detailing the Office of the Inspector General's activities during the period October 1, 2020 through March 31, 2021. The work highlighted in this report is the product of our objective to promote economy, efficiency and effectiveness in public media through our oversight of the Corporation for Public Broadcasting's (CPB) important mission.

During this reporting period and into the foreseeable future, our office will continue to work within the unique landscape resulting from the COVID-19 pandemic. The pandemic has caused all of us to make major adjustments to both our work and daily lives while striving to maintain safety and health. Our office, like many offices, continues to work from home and has been innovative in maintaining connections with colleagues, auditees, and the public. I am exceedingly proud of the adaptability and resilience of my staff and how they have dealt with the obstacles related to conducting work in this extremely challenging environment. Our office will continue to innovate and use technology to develop new and creative ways to expand our oversight of the CPB.

During this period, we issued three final audit reports. Two of the audits we completed this period were of Community Service Grants (CSG) and other grants awarded to public television and radio stations and the other audit was a production audit. We audited \$11,270,459 in CPB grants and identified questioned cost of \$45,532. For the two station audits, we examined \$48,450,726 in reported Non-Federal Financial Support (NFFS) revenues and found \$960,424 in overreported NFFS. This resulted in \$100,091 of CSG overpayments to the audited stations.

To continue our outreach efforts in the virtual environment, our office presented two virtual training sessions covering topics including CPB compliance, OIG audits, and fraud to key public media personnel in partnership with the Public Media Business Association. To further broaden our reach, we have initiated limited scope reviews of stations' transparency and Communications Act compliance.

Finally, I would like to express sincere appreciation to the talented individuals responsible for the work contained in this report. I am honored to serve, and I look forward to continued work with the Board, Congress, CPB management, and stations to further accountability in CPB initiatives and operations.

A handwritten signature in black ink, reading 'Kimberly A. Howell'.

Kimberly A. Howell
Inspector General

Reports Issued in the Period Ending March 31, 2021

Report Number / Date Issued	Report Title	Questioned Costs		Funds Put To Better Use	Administrative Recommendations
		Total	Unsupported		
ASJ2006-2102 3/12/2021	Audit of Community Service and other Grants Awarded to the University of Utah, KUER-FM and KUED-TV, Salt Lake City, Utah, for the Period July 1, 2017 through June 30, 2019	\$0	\$0	\$100,091	3
APR2004-2103 3/30/2021	Audit of CPB Production Grants Awarded to StoryCorps, Inc, for the Period September 1, 2017 through February 29, 2020	\$33,882	\$28,898	\$0	3
AST2008-2104 3/31/2021	Audit of Community Service and Other Grants Awarded to Arkansas Educational Television Commission (AETC), Conway, Arkansas, for the Period July 1, 2018 through June 30, 2020	\$11,650	\$6,087	\$0	6
	March 31, 2021 Total	\$45,532	\$34,985	\$100,091	12

As defined by the Inspector General Act (IG Act), as amended, “questioned costs” are those that are: 1) identified due to an alleged violation of a provision governing the expenditure of funds, 2) not supported by adequate documentation, or 3) unnecessary or unreasonable. “Funds put to better use” are those that could be used more efficiently, e.g., by reducing expenditures or deobligating funds. We use the latter category to report excess CSG funds that stations received, because the funds should have been available for distribution to other eligible stations.

Audit Activities

Audit of Community Service and Other Grants Awarded to the University of Utah, KUER-FM and KUED-TV, Salt Lake City, Utah, for the Period July 1, 2017 through June 30, 2019

We found that KUER-FM and KUED-TV overstated the NFFS reported on their FY 2018 and FY 2019 Annual Financial Reports (AFR) by \$960,424. The station claimed \$452,001 of ineligible endowment revenue, \$450,947 of unallowable indirect administrative support, \$70,800 of unsupported underwriting trades, \$24,000 of ineligible revenue from public broadcasting entities, revenue of \$32,772 not used for public broadcasting purposes, and overstated the premium offset against membership contributions by \$70,096, which results in a net NFFS overstatement of \$960,424.

We audited radio and television Community Service Grants (CSG), Interconnection, Distance Service, Universal Service, Healthy Network Initiative and Ready to Learn Community Collectives grants for the period July 1, 2017 through June 30, 2019 to determine whether KUER-FM and KUED-TV claimed NFFS on its AFRs in accordance with CPB guidelines; expended grant funds in accordance with the grant agreements; and complied with the certification and statutory requirements of the Communications Act, as amended (Act).

Based on our findings, we have reported the CSG overpayments as funds put to better use and recommended that CPB management: 1) recover the \$100,091 in CSG overpayments; 2) require KUED to reconcile membership premiums provided to donors in FY 2021 and in subsequent years to contributions received for each year; 3) require station management to identify the corrective actions it will implement to ensure future compliance with CPB requirements; and 4) consider using CPB's new FY 2020 Standard Indirect Administrative Support (IAS) methodology to calculate the IAS KUER/KUED can recover as NFFS in FYs 2020 and 2021 CSG award amounts.

In response to the draft report, KUER and KUED management agreed that the stations overstated NFFS of \$960,424 because they reported revenue from ineligible endowment revenue, donations, contribution sources, and other errors. They also indicated corrective actions have been implemented for future reporting.

Audit of Community Service and Other Grants Awarded to the University of Utah, KUER-FM and KUED-TV, Salt Lake City, Utah, for the Period July 1, 2017 through June 30, 2019, Report No. ASJ2006-2102, (March 12, 2021)

***Audit of CPB Production Grants Awarded to StoryCorps, Inc. for the Period
September 1, 2017 through February 29, 2020***

We found that StoryCorps was not in compliance with certain grant recordkeeping requirements to fully account for CPB and other funded expenditures on a grant agreement basis; incurred questioned costs totaling \$51,873, of which CPB funded \$33,882; and was not in compliance with CPB grant terms for annually reporting ancillary revenues.

StoryCorps, Inc. (StoryCorps) is an independent producer and is known as America's oral history project. It has initiated projects to support recording, preserving, and sharing stories recorded by individuals. These stories are shared on a variety of platforms including weekly NPR broadcasts, podcasts, animated shorts, and books.

We audited six CPB grants totaling \$3,573,737 awarded to StoryCorps that were active during our audit period of September 1, 2017 through February 29, 2020. The budgets for these productions totaled \$5,536,489.

Specifically, we audited the final financial reports submitted by StoryCorps to CPB to determine whether: the financial reports fairly presented grant revenues and expenditures; costs were incurred in accordance with grant requirements; and the grantee complied with grant requirements. We found that StoryCorps' financial reports fairly present the results of its activities in conformity with CPB grant agreement compliance requirements except for the recordkeeping requirements, \$33,882 in CPB questioned costs, and not submitting annual ancillary revenue reports in accordance with the grant agreements.

Based on our findings, we recommended that CPB management require StoryCorps to repay \$33,882 in questioned CPB costs and identify the corrective actions and controls it will implement to ensure future compliance with CPB grant requirements for recordkeeping, incurring allowable CPB costs, and reporting ancillary revenues.

In response to our draft report, StoryCorps agreed with our findings and recommendations and said it has taken corrective actions.

Audit of CPB Production Grants Awarded to StoryCorps, Inc. for the Period September 1, 2017 through February 29, 2020, Report No. APR2004-2103, (March 30, 2021)

Audit of Community Service and Other Grants Awarded to Arkansas Educational Television Commission (AETC), Conway, Arkansas, for the Period July 1, 2018 through June 30, 2020

We found that AETC did not fully comply with Act and General Provisions Eligibility Criteria requirements for open and closed meetings, open financial records, and making the Employment Statistical Report and Local Content and Service Report available to the public. We found that AETC incurred \$11,650 in questioned production grant costs and was noncompliant with other grant reporting requirements. We also found AFR reporting errors.

AETC operates a statewide public media network as part of the Division of Elementary and Secondary Education, a commission of the Arkansas state government and licensee of Arkansas Educational Television Network/Arkansas PBS. The Arkansas Educational Telecommunication's Network Foundation is a non-profit Arkansas corporation formed to administer funds and other property on behalf of AETC. Our audit examined the underlying financial data from both entities.

We audited CPB's CSG and other grants awarded to AETC for the period July 1, 2018 through June 30, 2020. Our objectives were to examine AETC's certifications of compliance with CPB grant terms to: a) claim NFFS on its AFRs in accordance with CPB Financial Reporting Guidelines (Guidelines); b) expend grant funds in accordance with grant agreement requirements; and c) comply with the Certification of Eligibility requirements and the statutory provisions of the Act.

Based on our findings, we recommended that CPB management require AETC to fully comply with Act and General Provisions requirements for open meeting advance notices, reasons for closing meetings, open financial records, and making the Employment Statistical Report and Local Content and Service Report available to the public; repay the questioned costs of \$11,650; establish a Grantee-Developed method approved by CPB for calculating indirect administrative support (IAS) reported on AFR Schedule B; and identify the corrective actions it will implement to ensure future compliance with Act and General Provisions requirements, CPB AFR reporting, and other CPB production grant budget, recordkeeping, and reporting requirements.

In response to our draft report, AETC management agreed with most of our findings but did not agree that its Employment Statistical Report and Local Content and Service Report were not available to the public. The station agreed with our findings on the production grant and said that all grant funds were properly spent on grant activity. Station management said they have taken corrective actions to ensure compliance with CPB Act and grant requirements.

Audit of Community Service and Other Grants Awarded to Arkansas Educational Television Commission (AETC), Conway, Arkansas for the Period July 1, 2018 through June 30, 2020, Report No. AST2008-2104 (March 31, 2020)

Additional Reporting Requirements

Resolution of Recommendations

The following table summarizes CPB management's resolution activities for this reporting period. We have included reports with monetary and non-monetary administrative recommendations.

Description	Number of Reports	Questioned Costs		Funds Put To Better Use
		Total	Unsupported	
Reports for which no management decision had been made by the start of the reporting period.	1	\$9,238	\$0	\$1,322,291
Reports issued during the reporting period.	3	\$45,532	\$34,985	\$100,091
Subtotals	4	\$54,770	\$34,985	\$1,422,382
Reports for which a management decision was made during the reporting period:	1			
• Dollar value of recommendations agreed to by management		\$9,238	\$0	\$1,424,587*
• Dollar value of recommendations not agreed to by management		\$0	\$0	\$0
Reports with no management decision at the end of the reporting period.	3	\$45,532	\$34,985	\$100,091

** This total includes disallowed amount of \$1,355,797 and CPB assessed penalties of \$68,790. Penalties were added during audit resolution; therefore, this column does not add up to the \$100,091 reported for the three reports with no management decision at the end of the reporting period.*

Reports Issued Before This Reporting Period with Open Recommendations

The following table presents the audit reports that we issued before October 1, 2020 with recommendations open as of March 31, 2021.

Open Recommendations

Audit Entity / Report Number / Date Issued	Recommendations	Audit Resolution Date	Potential Cost Savings	Number of Open Recommendations	Date of Corrective Action
WUFT-TV/FM ASJ1902-1903 6/12/2019	1) Recover \$25,393 in excess CSG payments in FY 2019	12/18/2019	\$25,393	1	May 2021
WEAA-FM ASR1904-1906 9/24/2019	1) Recover potential CSG overpayments of \$6,821	1/02/2020	\$6,712	1	May 2021
WCBE-FM ASR1912-2005 3/31/2020	3 & 6) Recover the expired \$90,923 of CSG funds & potential CSG overpayments of \$2,409	8/31/2020	\$121,175*	11**	To be determined
	Total		\$153,280	13	

* Total includes additional recoveries of \$27,843 assigned during audit resolution.

** Total open recommendations include nine administrative recommendations.

Investigative Activities

The IG Act provides for the OIG to receive and investigate complaints or allegations involving potential violations of law, rules, or regulations, mismanagement, gross waste of funds, or abuse of authority. We receive allegations through a variety of means, including our hotline. We review allegations to determine whether the complaint should be the subject of an audit, evaluation, or investigation, or referred to CPB or another entity. If we decide to investigate, our results must be reported here. We may refer the results of our investigations to appropriate prosecuting authorities for action, and such actions must be reported in this report.

Allegations and Hotline Complaints

At the beginning of this reporting period, we had no complaints carried over from the prior period and received 24 new complaints. Of those 24 complaints, we closed 22. We referred two for possible audit/evaluation/investigation, conferred with or referred four complaints to CPB management. We referred four complaints to the CPB Ombudsman and/or public editors of PBS and NPR. In response to one complaint, we provided information to the complainant and closed the matter. We closed another eleven complaints because we determined that they either lacked specificity or the complaint was not within our purview. At end of the reporting period, two complaints remained open.

Investigations

During this reporting period, we opened one investigation. That matter remains open. We did not issue any investigative reports or refer any persons to prosecuting authorities. We also had no indictments or information resulting from referrals for prosecution.

Other OIG Activities

Audit Peer Review

OIG's most recent audit peer review was conducted by the Export-Import Bank of the United States' OIG for the year that ended March 31, 2019. We received a rating of pass, which is the highest level of assurance an audit organization can receive, and the report contained no recommendations. The report is dated September 11, 2019 and can be found on our website.

[*Audit Peer Review of the Corporation for Public Broadcasting Office of the Inspector General*](#)

Inspection & Evaluation Peer Review

A team of evaluators from two OIG offices conducted a peer review of our evaluation and inspections work and issued its final report on December 4, 2018. The review team determined that our policies and procedures generally met the seven standards of the Council of the Inspectors General on Integrity and Efficiency's (CIGIE) Quality Standards for Inspection and Evaluation that were addressed in this review — Quality Control, Planning, Data Collections and Analysis, Evidence, Records Maintenance, Reporting, and Follow-up. The team also concluded that the two reports tested met CIGIE's inspection standards and complied with our internal policies and procedures. The report is on our website.

[*Inspection and Evaluation Peer Review of the Corporation for Public Broadcasting Office of the Inspector General*](#)

OIG Outreach

Station outreach enables us to inform the station about the Office of the Inspector General mission and purpose, discuss compliance and other issues we have identified in our work, and better understand the challenges facing public media station officials.

Webinars in Cooperation with the Public Media Business Association

In January and February, OIG staff members hosted two one-hour online webinars with the Public Media Business Association for its members and public media station employees. The webinars presented OIG Lessons Learned from our audit and Tips for Better Compliance. The January webinar focused on how to report on membership premiums, how internal controls can improve NFFS and expense reporting on station AFRs, and how to meet Communications Act and CPB requirements. The February webinar focused on the four elements of NFFS criteria, especially unallowed source criteria, how to comply with Communications Act and transparency requirements, and how to protect stations from fraud. The webinars enabled OIG to reach over 125 participants during each session and were well received.

Station visits

During this semiannual reporting period, the Inspector General was unable to schedule any actual visits to public media stations because of the pandemic.

Participation in CIGIE

The IG continues to serve as a member of three CIGIE Committees: Audit, Legislation, and Inspection and Evaluation and on a new working group focused on Diversity, Equity, and Inclusion (DE&I). As part of the new DE&I working group, the IG leads a team of other IGs focusing on diversity, equity and inclusion in performance, recognition, and awards. She also served as the chair for CIGIE's Presidential Rank Award Selection Panel. She also regularly participates with the Pandemic Response Accountability Committee's meetings and activities.

II . CPB AUDIT RESOLUTION ACTIVITIES

Message from the Chief Financial Officer and Treasurer

March 31, 2021

The audit function provided by the OIG plays a critical role in enforcing compliance with both statutory requirements and CPB policies in relation to eligibility and utilization of funds received in the form of grants or contracts from the corporation. CPB continues to work closely with the OIG with an overall goal to maximize the value to the American Public of the public media system. In addition to compliance, OIG audits provide an important tool for CPB management to assess the effectiveness of our many programs to ensure that limited resources provided by CPB are utilized with their intended statutory purposes. The collaborative working relationship between CPB and OIG staffs has led to many enhancements in the public media system consisting of 1,186 public radio and 360 public TV stations.

Audit findings provided by the OIG are an important element in assessing the effectiveness of and influencing modifications to CPB policies and procedures. Our staffs communicate frequently and work cooperatively to discuss and resolve report findings and address their recommendations. We believe the success of these efforts has been demonstrated by the current trend in both fewer audit findings and reduced questioned costs.

CPB continues to communicate with grantees and provide training on compliance with the Communication Act and CPB policies and procedures. The OIG also makes presentations at public media meetings in their efforts to provide insight on their audit findings and to provide recommendations to licensees on compliance matters.

While our normal processes of communicating with our grantees may be impacted with the modifications in our work environments resulting from the current COVID-19 pandemic, we are all working together, utilizing multiple aspects of technology to maintain the integrity of our programs and grants and address the needs of the America's public media system.



William P. Tayman, Jr.
Chief Financial Officer and Treasurer

Recovering Disallowed Costs and Funds Put to Better Use

During this reporting period, CPB management issued four management decisions that addressed OIG findings with questioned costs and funds put to better use. The following table presents the results of management's actions.

Description	Number of Reports	Dollar Value of Disallowed Costs	Dollar Value Funds Put to Better Use
Reports with management decisions for which final action had not been completed by the start of the reporting period.	7	\$118,766	\$151,186
Reports for which management decisions were made during the reporting period	1	\$9,238	\$1,424,587
Subtotal	8	\$128,004	\$1,575,773
Reports for which final action was taken during the reporting period.	7*		
• Dollar value of disallowed costs that have been recovered through collection or offset.		\$0	\$116,672
• Dollar value of disallowed costs written off as uncollectible.		\$0	\$0
Reports for which final actions were not completed by the end of the reporting period.	4	\$128,004	\$1,459,101

* Penalty collections were received on two reports and final collection actions occurred on six reports during this reporting period.

Corrective Actions Not Completed Within One Year of a Management Decision

At the end of the reporting period, there were two reports with significant administrative corrective actions that had not been completed within one year of the management decision date.

Report No.	Report Title	Date Issued	Date Resolved	Fiscal Year Corrective Action to be Completed
ASJ1902-1903	Audit of Community Service Grants Awarded to WUFT TV and Radio, Gainesville, Florida, for the Period July 1, 2016 through June 30, 2018	6/12/2019	12/18/2019	May 2021
ASR1904-1906	Audit of Community Service Grants Awarded to Morgan State University, WEAA-FM, Baltimore, Maryland, for the Period July 1, 2016 through June 30, 2018	9/24/2019	1/02/2020	May 2021

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Section 5(a)(4)	Matters referred to prosecutive authorities and prosecutions/convictions resulting	NA
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Section 5(a)(6)	List of audit and inspection reports issued, including questioned costs, unsupported costs, and funds put to better use	2
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Section 5(a)(10)(B)	Summary of audit reports issued before the start of the reporting period - for which no establishment comment was returned within 60 days of providing the report the establishment	NA
Section 5(a)(10)(C)	Summary of audit reports issued before the start of the reporting period - for which there are outstanding unimplemented recommendations, including the aggregate potential cost savings of those recommendations	6
Section 5(a)(11)	Description and explanation of reasons for any significant revised decisions by management during the reporting period	NA
Section 5(a)(12)	Information concerning significant decisions by management with which the Inspector General disagrees	NA
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Section 5(a)(20)	Description of instances of whistleblower retaliation	NA
Section 5(a)(21)	Description of instances of interference with Inspector General independence	NA
Section 5(a)(22)	Description of audit or investigation reports not made available to the public	NA
Section 5 Notes	Disclosure of government contractor audit findings	NA

	CPB Management Reporting Requirements	
Section 5(b)(2)	Statistical table showing the total number of audit reports and results from disallowed costs	11
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Contact CPB/OIG

If you have information about fraud, waste, or abuse involving CPB funds, initiatives, or operations, please call, write, or e-mail the Office of the Inspector General or file a complaint through our website. Your report may be made anonymously or in confidence.

Call: Inspector General Hotline
202-879-9728 or
800-599-2170

Email: oigemail@cpb.org

Write: Inspector General Hotline
Office of the Inspector General
Corporation for Public Broadcasting
401 Ninth Street, NW
Washington, DC 20004-2129

Website: cpboig.oversight.gov/hotline



On October 1, 2017, the Council of the Inspectors General on Integrity and Efficiency (CIGIE) announced the official launch of Oversight.gov. This new website provides a “one stop shop” to follow the ongoing oversight work of all Inspectors General that publicly post reports.

The Corporation for Public Broadcasting, like the other OIGs, will continue to post reports to its own website. But with the launch of Oversight.gov, users can now sort, search, and filter the site’s database of public reports from all of CIGIE’s member OIGs to find reports of interest. In addition, the site features a user-friendly map to find reports based on geographic location, and contact information for each OIG’s whistleblower hotline. Users can receive notifications when new reports are added to the site by following CIGIE’s new Twitter account, [@OversightGov](https://twitter.com/OversightGov).



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