



Corporation  
for Public  
Broadcasting

# SEMIANNUAL REPORT

## OFFICE OF THE INSPECTOR GENERAL AND AUDIT RESOLUTION ACTIVITIES

OCTOBER 1, 2022 THROUGH MARCH 31, 2023



## Foreword

Congress authorized the establishment of the Corporation for Public Broadcasting (CPB) in 1967 to encourage and support public media programming for instructional, educational, and cultural purposes; and to ensure that public media is 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 over 1,500 public media stations, as well as research, technology, and program development for public radio, television, and related online services. For fiscal year 2023, CPB received \$475 million for its general appropriation, \$60 million for a public media interconnection appropriation from Congress, \$21.6 million in Ready to Learn funds as part of a five-year grant from the U.S. Department of Education, and a \$40 million grant from the Federal Emergency Management Agency for the Next Generation Warning System.

In 1988, to promote the economy, efficiency, effectiveness, and integrity of CPB initiatives and operations, Congress established CPB's Office of the Inspector General (OIG). 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, 2023

I am pleased to submit this Semiannual Report to Congress detailing the Office of the Inspector General's activities during the period starting October 1, 2022. 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, we issued one full scope station audit report and four evaluation reports. The audit found errors in the reporting of Non-Federal Financial Support (NFFS) in accordance with CPB's Financial Reporting Guidelines (Guidelines), Communications Act (Act) compliance issues with posting annual financial statements to website, reporting accurate hiring information to CPB, and making the Employment Statistical Report available to the public; and with CPB General Provisions and Eligibility Certification requirements for conducting harassment and prevention training, Diversity Statements and discrete accounting of Community Service Grant expenditures. We continued to perform unannounced evaluations of stations to review compliance with Act and General Provisions and Eligibility Certification requirements.

Our office has adapted to the challenges of the changing work environment. We remain effective and productive, and we continue to innovate in maintaining connections with colleagues, grantees, and the public. Starting in fiscal 2023, we initiated new limited-scope evaluation reviews focusing on stations' compliance with specific requirements set forth in CPB's Community Service Grant General Provisions and Eligibility Criteria.

I extend my sincere appreciation to the talented individuals responsible for the work contained in this report. I am proud of their resilience and adaptability. Thank you to the CPB Board, Congress, and CPB management for consistently supporting our office. I look forward to continuing our effective working relationships with the CPB Board, CPB management, and CPB grantees to further accountability in CPB initiatives and operations.

A handwritten signature in black ink that reads "Kimberly A. Howell".

Kimberly A. Howell  
Inspector General



## Reports Issued in the Period Ending March 31, 2023

Report Number / Date Issued	Report Title	Questioned Costs		Funds Put to Better Use	Administrative Recommendations
		Total	Unsupported		
<i>Audits:</i>					
AST2114-2303 1/26/2023	Audit of Community Service and Other Grants Awarded to Valley PBS, KVPT-TV, Licensed to Valley Public Television, Fresno, California for the Period July 1, 2019 through June 30, 2021	\$0	\$0	\$214,340	3
<i>Evaluations:</i>					
ECR2216-2301 12/02/2022	Evaluation of KUNR-FM, Board of Regents of the Nevada System of Higher Education, Compliance with Selected Communications Act and Transparency Requirements	\$0	\$0	\$0	0
ECR2208-2302 12/08/2022	Evaluation of WUTC-FM, University of Tennessee at Chattanooga, Compliance with Selected Communications Act and Transparency Requirements	\$0	\$0	\$0	2
ECR2306-2305 3/30/2023	Evaluation of KBEM-FM, Board of Education, Minneapolis Public Schools, Compliance with Selected Communications Act and Transparency Requirements	\$0	\$0	\$0	2
ECR2305-2306 3/31/2023	Evaluation of KSHI-FM, Zuni Communications Authority, Compliance with Selected Communications Act, Diversity, and Transparency Requirements	\$0	\$0	\$0	3
<b>March 31, 2023 Total</b>		<b>\$0</b>	<b>\$0</b>	<b>\$214,340</b>	<b>10</b>

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 “funds put to better use” to report Community Service Grant (CSG) overpayments made to stations due to stations reporting ineligible Non-Federal Financial Support (NFFS) to CPB. CPB calculates its annual CSG award amounts based on the station’s reported NFFS. These CSG overpayments should have been available for distribution to other eligible stations.



## Audit

### *Audit of Community Service and Other Grants Awarded to Valley PBS, Fresno, California for the Period July 1, 2019 through June 30, 2021*

*We found that Valley PBS overstated NFFS by \$1,684,901 and did not fully comply with Act and Community Service Grant (CSG) General Provision and Eligibility Criteria resulting in potential CSG overpayments of \$214,340.*

We audited Community Service and other grants totaling \$2,659,985 awarded to Valley PBS for the period July 1, 2019 through June 30, 2021, to determine whether the station claimed NFFS on its Annual Financial Reports (AFR) in accordance with CPB guidelines, expended grant funds in accordance with the grant agreements, and complied with the certification and statutory requirements of the Act. Based on our audit, Valley PBS was not compliant with CPB grant and Act requirements because it:

- materially overstated NFFS totaling \$1,684,901, which resulted in potential CSG overpayments of \$214,340 that we reported as funds put to better use;
- did not comply with Act requirements for:
  - posting its annual financial statements audit to its website;
  - making its Employment Statistical Report available to the public; and
  - reporting accurate hiring information to CPB;
- did not comply with General Provisions and Eligibility (General Provisions) requirements for:
  - maintaining and updating its Diversity Statement;
  - conducting annual harassment prevention training; and
  - discrete accounting of CSG grant expenditures.

We recommended that CPB management require Valley PBS to:

- repay \$214,340 in CSG overpayments;
- fully comply with Act requirements for open financial records, reporting accurate employment and hiring information to CPB, and making its employment statistical report available to the public;
- comply with General Provisions requirements to make its current Diversity Statement available to the public; conduct harassment prevention training, and discretely account for CSG expenditures; and
- identify the corrective actions it will implement to ensure future compliance with Act and General Provisions requirements.



In its response, Valley PBS stated that “it’s important to establish that KVPT has worked through some tough times over the past five years, not even considering the effects of the pandemic on operations. A high amount of leadership turnover, dwindling governing board representation and, quite frankly, inexperienced staff in key positions, all contributed to a Valley PBS that needed help and rebuilding.” Valley PBS also stated that the current management team is taking corrective measures in standards and practices and has made progress in some key areas, such as diversity and harassment prevention training.

Regarding specific findings, Valley PBS’ response disagreed with two of the five categories of overstated NFFS, (i.e., ineligible exchange transactions of \$866,181 and ineligible contribution sources of \$582,435). In addition, its response addressed corrective actions taken for discrete accounting (including tracking presenting fees), Diversity Statement, and harassment prevention training. The response did not address overstated NFFS for membership and in-kind contribution documentation, posting its audited financial statements on its website, or making its Employment Statistical Report available to the public.

## Evaluations

### TRANSPARENCY EVALUATIONS

As part of our FY 2023 annual plan, the OIG continues to perform unannounced station evaluations to assess accountability for reporting compliance with grant requirements on station websites. The OIG reviewed each station’s website for compliance with twelve specific Act and CPB CSG requirements for transparency. These requirements included Act open meeting requirements for advance notice and closed meeting disclosures; making financial information available; and grant transparency requirements to identify station executives and Board officials, diversity goals, and the Local Content and Service Report. The findings are summarized below with links to the full reports.

#### [Evaluation of KUNR-FM, Board of Regents of the Nevada System of Higher Education, Compliance with Selected Communications Act and Transparency Requirements](#)

Based on our evaluation dated December 2, 2022, we found that KUNR-FM was compliant with six of the six requirements applicable. The remaining six requirements were not applicable.

#### [Evaluation of WUTC-FM, University of Tennessee at Chattanooga, Compliance with Selected Communications Act and Transparency Requirements](#)

Based on our evaluation dated December 8, 2022, we found that WUTC-FM was not compliant with posting the most recent AFR and most recent audited financial statement on the station’s website; posting members of the governing body, Board of Trustees, on the station’s website; and making the CPB prescribed Local Content and Service report available to the public.

We recommended that CPB management require WUTC-FM to identify the corrective actions and controls it will implement to ensure future compliance with Act requirements for open financial records.



*Evaluation of KBEM-FM, Board of Education, Minneapolis Public Schools, Compliance with Selected Communications Act, Diversity, and Transparency Requirements*

Based on our evaluation dated March 30, 2023, we found KBEM-FM was not compliant with the requirements to post its most recent AFR on the station’s website and to post its the most recent audited financial statement to the station’s website. The station was generally compliant with the Diversity Statement requirements, except for clearly reporting the extent to which Grantee’s staff and governance reflect such diversity and the progress the Grantee has made to increase its diversity in the last two to three years.

We recommended that CPB require KBEM-FM to identify the corrective actions and controls it will implement to ensure future compliance with Act requirements for open financial records, and update its Diversity Statement to fully address the four reporting points covered in the CPB diversity requirements.

*Evaluation of KSHI-FM, Zuni Communications Authority, Compliance with Selected Communications Act, Diversity, and Transparency Requirements*

Based on our evaluation dated March 31, 2023, we found KSHI-FM was not compliant with the requirements to post its most recent CPB Financial Summary Report (FSR) on the station’s website, post its the most recent unaudited financial statement to the station’s website, and post the members of the Governing Body on the station’s website.

The station was not fully compliant with the Diversity Statement requirements. The Diversity Statement did not meet the following requirements: the Diversity Statement is approximately 500 words and conduct an annual review with the station’s Governing Body or Licensee Official. Further, the Diversity Statement did not reflect the extent to which Grantee’s staff and governance reflect diversity, the progress the Grantee has made to increase its diversity in the last two to three years, and the Grantee’s diversity plans for the coming year.

We recommended that CPB require KSHI-FM to post the most recent FSR and unaudited financial statements to its website, identify the corrective actions and controls it will implement to ensure future compliance with Act and CPB requirements for open financial records, and identify the corrective actions and controls it will implement to ensure future compliance with CPB’s General Provision requirements for the Diversity Statement.



## Additional Reporting Requirements

### RESOLUTION OF RECOMMENDATIONS

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

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.	5	\$0	\$0	\$9,106
Reports issued during the reporting period.	4	\$0	\$0	\$214,340
<b>Subtotals</b>	<b>9</b>	<b>\$0</b>	<b>\$0</b>	<b>\$223,446</b>
Reports for which a management decision was made during the reporting period:	6			
• Dollar value of recommendations agreed to by management		\$0	\$0	\$26,017*
• 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	\$0	\$0	\$214,340

\* This total includes disallowed funds put to better use of \$9,106 and penalties of \$16,911.

### REPORTS ISSUED BEFORE THIS REPORTING PERIOD WITH OPEN RECOMMENDATIONS

The following table presents the audit reports that we issued before October 1, 2022, with recommendations open as of March 31, 2023.

Audit Entity / Report Number / Date Issued	Recommendations	Audit Resolution Date	Potential Cost Savings	Number of Open Recommendations	Date of Corrective Action
KUON-TV AST2112-2213 9/26/2022	1) Recover \$9,106 in CSG overpayments.	1/31/2023	\$9,106	1	Fall of 2023
	<b>Total</b>		<b>\$9,106</b>	<b>1</b>	



## 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 here.

### ALLEGATIONS AND HOTLINE COMPLAINTS

At the beginning of this reporting period, we had no carryover complaints and during this reporting period we received 28 new complaints. We closed 14 complaints because we determined that they either lacked specificity or the complaints were not within our purview. For the other 14 complaints, we provided information to submitters, referred matters to CPB management, or referred matters for potential OIG audit/evaluation. At the end of the reporting period, no complaints remained open.

During this period, we also discovered that our website complaint submission form was not working properly. We continued to receive hotlines via email and telephone, however, forms submitted through our externally managed website were not being forwarded to our office. After discovering the issue, we took immediate action to solve the routing issue and recover any complaints we did not initially receive. However, we were not able to recover complaints or determine how many we did not receive. We corrected the routing issue, and we are currently receiving complaints submitted through the website and we have implemented additional controls to ensure that we continue to receive submissions submitted through the website.

### INVESTIGATIONS

During this reporting period, we closed one investigation. The investigation was referred to the Department of Justice (DOJ) for possible criminal prosecution. After further investigation and coordination with DOJ, they decided not to proceed with a criminal indictment or information. We do not currently have any open investigations.



## Other OIG Activities

### AUDIT PEER REVIEW

The OIG's most recent audit peer review was conducted by the Office of the Special Inspector General for the Troubled Asset Relief Program for the year that ended March 31, 2022. 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 January 20, 2023, and can be found on our website at the following link.

[\*System Review Report on the Corporation for Public Broadcasting Office of Inspector General's Audit Organization\*](#)

### INSPECTION & EVALUATION PEER REVIEW

The OIG's most recent inspection and evaluation peer review was conducted by the Farm Credit Administration OIG for the period that ended September 30, 2021. The peer review determined that CPB OIG's policies and procedures were generally consistent with the seven Blue Book standards and that the two reports reviewed both generally complied with those same seven standards. The report is on our website at the following link.

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

### OIG OUTREACH

During this reporting period, the Inspector General (IG) and other OIG staff completed one audit and four unannounced station compliance evaluations. These engagements provided the opportunity for the IG and OIG staff to interact with station officials and to convey not only the results of the audit or evaluation work, but also overall information about the OIG, our mission, and compliance work.

#### *Station Outreach*

In the IG's October 2022 annual message to the station community, the IG highlighted the results of our recent work and the need to raise stations' awareness of the type of errors we are finding in our work, with the goal of improving compliance in the future. Specifically, we continue to find errors in reporting NFFS and noncompliance with Communications Act requirements. Finally, the IG's message highlighted our new initiative this year to evaluate station compliance with the Diversity Statement requirements.

#### *Participation in the Council of the Inspectors General on Integrity and Efficiency (CIGIE)*

The IG continues to serve as a member of CIGIE committees: Integrity, Audit, Legislation, Inspection and Evaluation, and Diversity, Equity, Inclusion and Accessibility.



## II . CPB AUDIT RESOLUTION ACTIVITIES

### MESSAGE FROM THE CHIEF FINANCIAL OFFICER AND TREASURER

March 31, 2023

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 management works closely with the OIG in support of an overall shared goal to maximize the value to the American Public of the public media system from the financial support provided by Congress. 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 staff has led to many enhancements in the public media system.

Audit and the limited-scope evaluation review findings provided by the OIG are an important element in assessing the effectiveness of and influencing modifications to CPB policies and procedures. Our staff 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 minimal questioned costs and funds put to better use. We believe these results are highly correlated to CPB communications with grantees and required grantee training on compliance with the Communications Act and CPB policies and procedures. The OIG also conducts information sharing sessions at public media meetings and conferences to provide insight on their audit findings to licensees on compliance matters. These sessions have been highly effective in educating our grantees.

The OIG FY 2023 new limited-scope evaluation reviews regarding compliance with specific station Community Service Grant (CSG) General Provisions and Eligibility Criteria requirements has provided the impetus for us to reassess some of our station requirements, specifically as they pertain to small stations. This was particularly evident in the review of KSHI-FM, the tribal Zuni Pueblo station in Zuni, New Mexico (see page 5).

CPB's requirements apply to all stations without consideration of the station's size. In the case of smaller stations with limited full-time employees, certain CSG eligibility requirements may need to be reviewed and modified.

As provided for in the Public Broadcasting Act, CPB is required to periodically review the formula and eligibility criteria used to calculate CSGs in consultation with system representatives. Such a review will begin in April 2023, and eligibility criteria related to the above findings will be addressed.

A handwritten signature in blue ink, appearing to read 'William P. Tayman, Jr.'.

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 six management decisions that addressed OIG findings with 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.	5	\$0	\$664,116
Reports for which management decisions were made during the reporting period	6	\$0	\$26,017
<b>Subtotal</b>	<b>11</b>	<b>\$0</b>	<b>\$690,133</b>
Reports for which final action was taken during the reporting period.	9*		
<ul style="list-style-type: none"> <li>Dollar value of disallowed costs that have been recovered through collection or offset.</li> </ul>		\$0	\$677,527
<ul style="list-style-type: none"> <li>Dollar value of disallowed costs written off as uncollectible.</li> </ul>		\$0	\$0
Reports for which final actions were not completed by the end of the reporting period.	2	\$0	\$12,606

\* Collections are reported on ten reports during this reporting period. Partial collections were received on one report with the balance to be collected in the fall of 2023.



## Index of IG Act Reporting Requirements 5 United States Code Sections 405

IG Act Reference	OIG Reporting Requirements	Page
Section 404(a)(2)	Review of legislation and regulations	NA
Section 405(b)(1)	Significant problems, abuses, and deficiencies	NA
Section 405(b)(2)	Recommendations with respect to significant problems, abuses, and deficiencies	3-5
Section 405(b)(3)	Prior significant recommendations not yet completed	NA
Section 405(b)(4)	Matters referred to prosecutive authorities and prosecutions/convictions resulting	NA
Section 405(b)(5)	Summary of instances where information was unreasonably refused or not provided	NA
Section 405(b)(6)	List of audit and inspection reports issued, including questioned costs, unsupported costs, and funds put to better use	2
Section 405(b)(7)	Summary of each significant report	3-5
Section 405(b)(8)	Statistical table showing the number of audit reports and dollar value of questioned costs	6
Section 405(b)(9)	Statistical table showing the number of audit reports and dollar value of recommendations that funds be put to better use	6
Section 405(b)(10)(A)	Summary of audit reports issued before the start of the reporting period - for which no management decision has been made by the end of the reporting period	NA
Section 405(b)(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 to the establishment	NA
Section 405(b)(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 405(b)(11)	Description and explanation of reasons for any significant revised decisions by management during the reporting period	NA
Section 405(b)(12)	Information concerning significant decisions by management with which the Inspector General disagrees	NA



## Index of IG Act Reporting Requirements (cont'd)

IG Act Reference	CPB Management Reporting Requirements	Page
Section 405 (b)(14) and (b)(15)	Information regarding peer reviews involving the Office of the Inspector General	8
Section 405(b)(16)	Information regarding peer reviews conducted by the Office of the Inspector General	NA
Section 405(b)(17)	Statistical tables showing investigative, referral and prosecution results	NA
Section 405(b)(18)	Description of metrics used for investigative statistics	NA
Section 405(b)(19)	Report on substantiated investigations of high-level management officials	NA
Section 405(b)(20)	Description of instances of whistleblower retaliation	NA
Section 405(b)(21)	Description of instances of interference with Inspector General independence	NA
Section 405(b)(22)	Description of audit or investigation reports not made available to the public	NA
Section 405 Notes	Disclosure of government contractor audit findings	NA
Section 405(c)(2)	Statistical table showing the total number of audit reports and results from disallowed costs	10
Section 405(c)(3)	Statistical table showing the total number of audit reports and results from recommendations that funds be put to better use agreed to in a management decision	10
Section 405(c)(4)	Whether the establishment entered into a settlement agreement with any official found to have engaged in retaliation for whistleblower activity	NA
Section 405(c)(5)	Summary of audit reports where final action has not been completed within one year of a management decision	NA



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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.

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

Email: [oigemail@cpb.org](mailto: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: <https://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](https://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](https://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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