



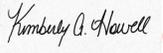
Corporation
for Public
Broadcasting

Office of the Inspector General

September 27, 2023

To: Jackie J. Livesay, Deputy General Counsel and Vice President, Compliance
Kathy Merritt, Senior Vice President, Radio, Journalism and CSG Services

From: Kimberly A. Howell, Inspector General

 Digitally signed by
Kimberly Howell
Date: 2023.09.27
15:18:39 -04'00'

Subject: Evaluation of KDHX-FM, Double Helix Corporation, Compliance with Selected
Communications Act and General Provisions Diversity and Transparency
Requirements, Report No. ECR2314-2315

We have completed an unannounced evaluation of compliance with selected requirements of the 2023 Corporation for Public Broadcasting (CPB) Community Service Grant (CSG) awarded to KDHX-FM, licensed to the Double Helix Corporation, Saint Louis, Missouri. Our specific objectives were to verify compliance with twelve requirements of the Communications Act of 1934, as amended (Act) for open and closed meetings and open financial records, as well as the CSG General Provisions and Eligibility Criteria (General Provisions) for diversity and transparency as presented in Exhibit A. Background information on the station and CSG program can be found in Exhibit B.

Based on our review of KDHX's website on June 28, 2023, we found the station was compliant with eight of the ten requirements applicable. The station was not compliant with one requirement and partially compliant with another requirement. The remaining two requirements were not applicable.

Specifically, we found that KDHX:

- was not compliant with posting the most recent CPB Annual Financial Report (AFR) on the station's website; and
- was generally compliant with the Diversity Statement requirements, except for addressing the following points in its Diversity Statement:
 - 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
 - ensuring that the diversity statement is at least 500 words.

We recommend that CPB require KDHX to:

- 1) identify the corrective actions and controls it will implement to ensure future compliance with Act requirements for open financial records;

- 2) update its Diversity Statement to fully address the CPB Diversity statement requirements; and
- 3) identify the corrective actions and controls it will implement to ensure future compliance with Diversity Statement requirements.

In response to our draft report, KDHX management detailed the processes implemented to ensure the prompt posting of the AFR, including assigning responsibility for reviewing the website annually to ensure CPB compliance. After receiving the preliminary observations, the station took immediate corrective action and posted the current AFR to the website. Further, the station expanded and updated their diversity statement to reflect the extent to which the Grantee's staff and governance reflect diversity and progress made toward its diversity goals over the last two to three years. To ensure future compliance, the station will formalize the annual review process to ensure compliance with CPB diversity requirements and obtain acceptance of the statement from the Board of Directors. The station's full response to the draft report and updated Diversity Statement is presented in Exhibit D.

Based on KDHX-FM's response to the draft report, we consider our three recommendations resolved but open pending CPB's management decision accepting the station's corrective actions.

We initiated this evaluation to address station accountability as identified in our Annual Plan. We conducted our evaluation in accordance with the Council of the Inspectors General on Integrity and Efficiency *Quality Standards for Inspection and Evaluation*. Our scope and methodology are discussed in Exhibit C.

cc: Laura Ross, Chair, CPB Board of Directors
Elizabeth Sembler, Chair, Audit and Finance Committee, CPB Board of Directors
U.S. Senate Committee on Homeland Security and Governmental Affairs
U.S. House of Representatives Committee on Oversight and Government Reform
U.S. Senate Committee on Commerce, Science and Transportation
U.S. House of Representatives Energy and Commerce Committee
U.S. Senate Committee on Appropriations
U.S. Senate Labor-HHS-Education Appropriations Subcommittee
U.S. House of Representatives Committee on Appropriations
U.S. House of Representatives Labor-HHS-Education Appropriations Subcommittee

FINDINGS AND RECOMMENDATIONS

I. ACT COMPLIANCE

Open Financial Records

Our evaluation found that KDHX-FM was not fully compliant with the Act requirements for open financial records to be available on the station's website. Specifically, we found that KDHX-FM had not posted its FY 2022 AFR to its website as of the date of our review, June 28, 2023.

The Act provides:

Funds may not be distributed pursuant to this subsection to any public telecommunications entity that does not maintain for public examination copies of the annual financial and audit reports, or other information regarding finances, submitted to the Corporation ...

47 U.S.C. Section 396 (k)(5). CPB's compliance guidance restates the requirement:

The Public's Access to Financial Information: The Act requires stations to make available to the public their annual financial and audit reports and other financial information they are required to provide to CPB. CPB also requires that each CSG recipient post the following documents on its station website:

- 1) its most recent audited financial statement or un-audited statement for stations exempt from providing audited financial statements; and
- 2) its most recent annual financial report (AFR) or annual financial summary report (FSR) (whichever is applicable).

CPB Act Compliance 2021 - III. Open Financial Records, Section E.

After receiving our Preliminary Observations on June 28, 2023, the station took immediate corrective action to post the AFR to its website and brought the station into compliance with this requirement. Station officials stated that they believed they were in compliance with CPB requirements by providing its audited financial statements and 990 tax forms on its website. They acknowledged that they did not understand that the annual financial report was the CPB AFR.

At the time of our initial review on June 28, 2023, the station was not compliant with Act open financial records requirements and may be subject to penalties under CPB's Non-Compliance Policy.

Recommendation:

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

KDHX-FM Response:

In response to our draft report, KDHX management detailed the processes implemented to ensure the prompt posting of the AFR, including assigning responsibility for reviewing the website annually to ensure CPB compliance. After receiving the preliminary observations, the station took immediate corrective action and posted the current AFR to the website.

OIG Review and Comment:

Based on KDHX-FM's response to the draft report, we consider recommendation one resolved but open pending CPB's management decision accepting the station's corrective actions to ensure future compliance.

II. GENERAL PROVISIONS

Diversity Statement

Our evaluation on June 28, 2023, found that KDHX-FM generally complied with the CPB requirements to provide a Diversity Statement. However, we found that KDHX did not address the following points in its diversity statement:

- 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
- ensure that the diversity statement is at least 500 words.

Station management stated that the diversity plans for the coming year are in the station's strategic plan with progress on strategic plan priorities shared with the public through blogs, newsletters, and other content. Further, station management reviews the diversity statement annually and reports on supporting strategic plans and goals of building anti-racist capacity six times a year at each board meeting.

KDHX's states the following in its strategic plan:

As part of an explicit commitment to anti-racism, by 2024, KDHX will identify systemic barriers to racial equity in its industry, in St. Louis, and within KDHX; will institute policy changes and cultural shifts to overcome those barriers; and will serve as a catalyst for accelerating action toward a racially equitable St. Louis.

While the KDHX diversity statement and strategic plan clearly reflect the elements that KDHX finds important and its goals, we did not identify any reporting on the extent to which Grantee's staff and governance reflect diversity or on the station's progress over the last two to three years to increase its diversity.

CPB's FY 2023 Radio Community Service Grant General Provisions and Eligibility Criteria, Section 8. Diversity Statement states:

The Act requires CPB to support diverse non-commercial educational content for unserved and underserved audiences. CPB's goal, therefore, is to support stations in providing a wide variety of educational, informational, and cultural content that addresses the following elements of diversity: gender, age, race, ethnicity, culture, religion, national origin, and economic status. It is appropriate that Grantee engage in practices designed to reflect such diversity of the populations it serves. In support of these objectives, Grantee must comply with the following.

A. Annual Review: Annually review and make any necessary revisions to the station's established diversity goal for its workforce, management, and boards, including community advisory boards and governing boards having governance responsibilities specific to or limited to broadcast stations.

B. Diversity Statement: Undertake the following to achieve Grantee's diversity goal.

1. Annually review with the station's governing board or Licensee Official:

- a. the diversity goal and any revisions thereto; and
- b. practices designed to fulfill the station's commitment to diversity and to meet the applicable FCC guidelines (47 C.F.R. § 73.2080).

2. Maintain on its website or make available at its central office, a diversity statement (approximately 500 words) that reflects on the following points, reviewing and updating the same annually with station management:

- a. the elements of diversity that Grantee finds important to its public media work;
- b. the extent to which Grantee's staff and governance reflect such diversity;
- c. the progress Grantee has made to increase its diversity in the last two to three years; and
- d. Grantee's diversity plans for the coming year....

Based on our review we concluded that the Diversity Statement did not fully address two of the four reporting points spelled out in CPB's criteria.

Recommendations:

We recommend that CPB management require KDHX-FM to:

- 2) update its Diversity Statement to fully address the CPB Diversity Statement requirements; and
- 3) identify the corrective actions and controls it will implement to ensure future compliance with Diversity Statement requirements.

KDHX-FM Response:

In response to our draft report, the station provided an updated diversity statement. The statement expanded and updated their diversity statement to reflect the extent to which the Grantee's staff and governance reflect diversity and progress made toward its diversity goals over the last two to three years. Further, in its written response they stated that the station will formalize the annual review process to ensure compliance with CPB diversity requirements and obtain acceptance of the statement from the Board of Directors.

OIG Review and Comment:

Based on KDHX-FM's response to the draft report, we consider recommendations two and three resolved but open pending CPB's management decision accepting the station's corrective actions to ensure future compliance.

**Summary of KDHX-FM Website Review
as of June 28, 2023**

Requirements	Met	Partially Met	Not Met
1) Seven-day advance notice of governing body meeting:			
a) available on website	X		
b) available by other means			
2) Seven-day advance notice of board committee meetings:	N/A		
a) available on website			
b) available by other means			
3) Seven-day advance notice of CAB meetings:	N/A		
a) available on website			
b) available by other means			
4) If closed meetings were held, was documentation prepared explaining the basis for closing meeting in accordance with the Act:			
a) available on website			
b) available at central office	X		
5) If closed meeting documentation was prepared, was it available within 10-days of the closed meeting	X		
6) Most recent AFR available on website			X
7) Most recent audited financial statements on website	X		
8) Senior/executive management information on website	X		
9) Governing body members on website	X		
10) CAB members on website	X		
11) Diversity Statement		X	
A. Diversity Statement is available to the public on:			
i. on website	x		
ii. at central office			
B. Annual review of Diversity Statement and statement available to public reflects current goals.	x		
C. Diversity Statement is approximately 500 words.			x
D. The Diversity Statement reflects each of the following points			
i. the elements of diversity that Grantee finds important to its public media work;	x		
ii. the extent to which Grantee's staff and governance reflect such diversity;			x
iii. the progress Grantee has made to increase its diversity in the last two to three years; and			x
iv. the Grantee's diversity plans for the coming year	x		

Exhibit A (continued)

**Summary of KDHX-FM Website Review
as of June 28, 2023**

Requirements	Met	Partially Met	Not Met
E. Does the station’s management annually review with the Governing Board or licensing official the diversity goals and revisions?	x		
12) Grantee’s annual report on local content and services included in the grantee’s current 2022 SAS on its content and services that serve local needs; and analysis about the reach and impact of the local services in its community.			
i. on website			
ii. at central office	X		

Legend: X designates that the 12 requirements tested were met, partially met, or not met.
x designates that the 5 sub-components of the CPB Diversity Statement requirements were met or not met.

Background

KDHX-FM, Saint Louis, Missouri, is a public broadcasting station licensed to the Double Helix Corporation. According to the KDHX-FM website, the station has been recognized as a public service broadcaster and community radio station since 1987. Further, KDHX provides commercial free music programs and they rigorously curate education music programming to platform voices traditionally underrepresented by mainstream media.

CPB's Community Service Grant Program

The Act provides that specific percentages of the appropriated funds CPB receives annually from the United States Treasury must be allocated and distributed to licensees and permittees of public TV and radio stations. CPB distributes these funds through its CSG program. Grant award amounts are based in part on the amount of Non-Federal Financial Support (revenues) claimed by all stations on their AFRs and Financial Summary Reports (FSR) submitted to CPB.

In addition to the annual filing of a station's AFR(s) or FSR for radio and/or television, the chief executive of the station and a licensee official annually certify to CPB the station's compliance with Act requirements and selected General Provisions requirements in the legal agreement awarding the station CSG funds.

These certifications specifically address Open and Closed Meetings, Open Financial Records, Community Advisory Board, CPB Employment Statistical Report, and Donor information requirements under Section IV Communications Act Compliance of the agreement. Station officials responsible for closed meetings and the CPB Employment Statistical Report requirements are identified in the grant agreement. The certification also includes Website Postings Required under Section V. Selected General Provisions Requirements of the agreement.

Scope and Methodology

We performed an evaluation of KDHX-FM's compliance with selected CSG provisions of the Act and grant certification requirements. Our specific objectives were to verify compliance with selected Act requirements for open and closed meetings and open financial records, as well as Radio Community Service Grants General Provisions and Eligibility Criteria for diversity and transparency. The scope of the evaluation included review of the information posted on the station's website as of June 28, 2023, as well as information provided in response to our Preliminary Observations issued on August 1, 2023.

We reviewed documents supporting the station's compliance with the Act requirements to provide advance notice of public meetings, notice of closed meeting reasons, and make financial information available to the public. We also reviewed the station's website and processes to determine its compliance with CPB's diversity and transparency requirements for eligibility. We informed station management of our evaluation on August 1, 2023, and we requested additional information to support the station's compliance, including as applicable transparency information maintained at its central office for documents that was required to be made available to the public at its central office if not posted on its website. Additionally, we requested station management to complete a Diversity Questionnaire to obtain information on the station's actions to annually review and update its Diversity Statement in compliance with CPB requirements.

We also reviewed CPB's Integrated Station Information System (ISIS) to determine if the evaluated information made available to the public was the most recent information submitted to CPB. In addition, we verified with station management that board and management listings posted to its website were current.

Our fieldwork was conducted June through August 2023, and our evaluation was performed in accordance with the Council of the Inspectors General on Integrity and Efficiency Quality Standards for Inspection and Evaluation.



September 15, 2023

Kimberly A. Howell
William J. Richardson III
Office of the Inspector General
Corporation for Public Broadcasting
401 Ninth Street, NW
Washington, DC 20004-2129

Ms. Howell and Mr. Richardson,

Thank you for the opportunity to share information and steps taken to ensure transparency and compliance concerning the recent review.

Station management understands the importance of financial transparency and immediately added the last four years of CPB Annual Financial Reports to our website. The following process has been implemented to make sure we are posting financials promptly to our website:

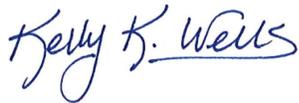
- KDHX has added the CPB Annual Financial Report to the list of financial reports that we annually post to the station website. Annually, on April 1, I will request in writing from the KDHX Director of Community Connections that our most recent Audited Financial Statement, 990, and CPB Annual Financial Report be posted on KDHX.org. The Director will respond in writing when the reports have been listed, and I and the KDHX Board of Directors treasurer will confirm that all reports have been posted.
- Additionally, the Director of Community Connections and I will review CPB's compliance requirements annually and ensure that KDHX meets them thoroughly.

Since its inception, KDHX has held diversity as a value of the station. In 2020, KDHX made specific commitments that named "building anti-racist capacity" as one of our top three priorities in our 2021-2024 Strategic Plan. Believing that a commitment to anti-racism cultivates a framework for diversity, equity, and inclusion, the strategic plan outlines specific foundational goals for KDHX.

We have updated our Diversity Statement to include commitments in our strategic plan, the extent to which KDHX staff and governance reflect diversity and the progress we've had in recent years to meet our diversity goals. We have also expanded the diversity statement to at least 500 words. The following process has been implemented to ensure our Diversity Statement meets CPB requirements:

- The Diversity Statement is reviewed annually by the staff leadership team and the Board of Directors in the first quarter of the year in conjunction with an annual review of our policies and procedures. I initiate the review in January of each year with a goal of having policies and statements updated and accepted by the Board of Directors at the annual meeting in March.
- Additionally, the Director of Community Connections and I will review CPB's Diversity Statement requirements annually and ensure that KDHX meets them thoroughly.

We are grateful for the opportunity to correct these matters and will work diligently to ensure compliance in the future.

A handwritten signature in blue ink that reads "Kelly K. Wells". The signature is written in a cursive style with a horizontal line underlining the name.

Kelly K. Wells
Executive Director



KDHX Diversity Statement

KDHX believes that to authentically live into its mission to build community through media, the organization must be diverse, inclusive, and anti-racist. Diversity at KDHX is defined as a wide range of nationalities, ethnicities, races, genders, LGBTQIA+ identities, abilities, economic statuses, ages, and much more. The board, the staff, and the volunteers of KDHX engage in regular, extensive training so that there is a shared understanding of diversity, equity, and inclusion within an organizational context. Dismantling cultural biases is a priority. KDHX seeks to create a sense of belonging for a diverse set of board members, staff, volunteers, and listeners.

KDHX's vision of diversity is reflected in our [mission, purpose, and values](#). KDHX believes in being people-centered, transparent, and honest and that the proper management of diverse people, things, and ideas is in the best interest of the organization's long-term health and sustainability.

The [KDHX Strategic Plan for 2021-2024](#) includes objectives to support our priority of building anti-racist capacity. Many objectives have been completed, such as:

- Anti-bias, anti-racist training for the staff and the board
- Create an organization-wide anti-racist charter with goals
- Update hiring protocols/processes to ensure diverse candidate pools and questions to assess cultural competency and biases of incoming staff members and volunteers
- Complete top-to-bottom review of all Board and organization policies and procedures to check for cultural biases and make recommendations to address and change

Year 2 and 3 objectives are ongoing:

- Develop and implement annual DEI training for all active KDHX volunteers
- Develop a clear action plan for addressing systemic racism and investing in systemic change
- Develop a plan for enhancing board, staff, and volunteer diversity

KDHX's full-time staff is currently comprised of 7 staff members, 1 of whom identifies as a white presenting man of Native American heritage, 3 of whom are white women, and 3 of

whom are white men. Additionally, KDHX has four contract production and broadcast engineers who are white men between the ages of 24 and 55.

KDHX has not increased the number of staff since 2018. As we look to increase the number of full-time staff in 2024, the station will be implementing hiring protocols to ensure diverse candidate pools.

The KDHX board is made up of 8 members, 2 of whom are white women, 2 of whom are African-American men, and 4 of whom are white men.

KDHX volunteers serve as on-air programmers, podcast hosts, and production and event volunteers. Currently, the volunteer population is comprised of about 20% people of color, 20% women, and otherwise, white men. Ages range from 32 to 78.

In the last year, KDHX has added two new programmers to on-air programming, 1 of whom is a white woman and 1 of whom is a Hispanic man. KDHX continues to focus on expanding the human and musical diversity of our on-air programming as we recruit new programmers.

Through the Board of Directors, Community Advisory Board, and working groups, including staff and volunteers, KDHX regularly reviews its policies, strategies, and vision to ensure that its diversity, equity, and inclusion goals are being met.