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Office of Inspector General

U.S. Department of State • Broadcasting Board of Governors

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Office of Inspections

September 2016

U.S. International Broadcasting to Egypt

BROADCASTING BOARD OF GOVERNORS

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September 2016
OFFICE OF INSPECTIONS

U.S. International Broadcasting to Egypt

What OIG Found

- The Broadcasting Board of Governors' two broadcasting operations in Egypt, the Voice of America Correspondent Cairo news bureau and the Middle East Broadcasting Networks Cairo office, supported strategic objectives outlined in the Broadcasting Board of Governor's 5-year strategic plan for 2012-2016, *Impact through Innovation and Integration*.
- The Middle East Broadcasting Networks Cairo office complied with internal administrative procedures in financial management, contracting, and property management.
- The Voice of America Correspondent Cairo news bureau's administrative operations did not comply with Broadcasting Board of Governors' policies, Federal regulations, and applicable Department of State standards in four areas: cashiering operations, contract administration, position descriptions for the locally employed staff, and inventory accountability procedures.
- The Voice of America Correspondent Cairo news bureau did not conduct fire drills as required by the Broadcasting Administrative Manual.

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OIG HIGHLIGHTS

ISP-IB-16-23

What OIG Inspected

OIG conducted the inspection of the Voice of America and Middle East Broadcasting Networks, Inc., operations in Cairo, Egypt, from October 12 to 29, 2015.

What OIG Recommended

OIG made one recommendation for Voice of America to coordinate with Embassy Cairo to oversee cashiering operations.

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CONTEXT

The Broadcasting Board of Governors (BBG) has two broadcasting operations in Egypt: the Voice of America (VOA) Correspondent Cairo news bureau and the Middle East Broadcasting Networks, Inc. (MBN) Cairo office. MBN is a BBG grantee.

The staff at the VOA Correspondent Cairo news bureau included one direct-hire American correspondent, two locally employed staff members, and two contractors. The VOA Correspondent Cairo news bureau FY 2015 budget was \$3.82 million. The VOA Correspondent prepares news content for VOA television, radio, or social media platforms, conducts interviews, and develops eyewitness reports in English using different formats, such as text, audio, video, and photographic media. The VOA Correspondent reports on a variety of subjects, including the migrant/refugee crisis in Europe, the civil war in Yemen, political instability in Libya and Tunisia, and the Iran nuclear accord in Vienna.

In FY 2015, the MBN Cairo office had a staff of 75 contract employees and a budget of \$3.1 million. The MBN Cairo office, a production center, provides content for four television programs that are broadcast through a satellite network:

- "*Al Youm*" presents a cross section of perspectives on issues from the Middle East as well as news and information about the United States. The program is broadcast live for three hours in the evening, five days a week, from four cities across the Middle East (Dubai, Beirut, Cairo, and Jerusalem) and the United States. The show is rebroadcast the following morning with updated news.
- "*Nab Al Shara*" is a weekly current affairs program that examines Egypt's most important social and cultural issues, from the streets of Cairo to rural villages.
- "*Bmit Regal*", a reality show, features the lives and accomplishments of women entrepreneurs in Egypt.
- "*Hiwar Cairo*" is a weekly talk show that discusses the latest political, cultural, and social events in Egypt. The series includes reports and interviews with experts and analysts.

BBG's Strategic Plan for 2012-2016, *Impact through Innovation and Integration*, has 12 strategic goals and serves as a foundation for helping BBG entities fulfill its mission to inform, engage, and connect people around the world in support of freedom and democracy.

As part of this inspection, OIG reviewed whether international broadcasting operations in Egypt supported applicable strategic goals included in BBG's strategic plan.

PROGRAM IMPLEMENTATION

OIG found that the VOA Correspondent Cairo news bureau supported applicable goals included in BBG's 2012–16 Strategic Plan. For example, the VOA Correspondent launched a Twitter account in Arabic and English to broaden its reach to a young, bilingual audience and encourage their participation in voicing their opinions. This activity supported BBG Strategic Plan goal 3, *Target Growth Opportunities*. In addition, the VOA Correspondent used short web videos with the goal of attracting more users to VOA stories focused on the Middle East and making this content easy to access. These videos can be downloaded easily on mobile telephones, tablets, and other small electronic devices. This activity aligned with BBG Strategic Plan goal 8, *Employ Leading-Edge Communication Techniques and Technologies*.

OIG also found that the MBN Cairo office supported applicable goals of the BBG Strategic Plan. For example, the MBN Cairo office covers Egyptian news extensively, as well as American politics, highlighting the democratic process. Through its programming, the MBN Cairo office serves as a news bureau and cultural bridge by providing a direct line of communication to the people of Egypt and the Middle East. Its news coverage supports BBG Strategic Plan goal 9, *Engage the World in Conversation about America*.

OIG also reviewed whether VOA and MBN operations in Egypt overlapped, and determined they did not. The content from the VOA Correspondent Cairo news bureau is in English and prepared for VOA's central news and other VOA news bureaus. The MBN Cairo office produces its news content in Arabic for audiences in the Middle East region.

RESOURCE MANAGEMENT

OIG reviewed the financial management, contracting, and property management operations of the MBN Cairo office and found no significant issues.

OIG found that the VOA Correspondent Cairo news bureau administrative operations did not comply with BBG policies, Federal regulations and applicable Department of State (Department) standards in four areas: cashiering operations, contract administration, position descriptions for locally employed staff, and inventory accountability procedures. Each of these points is discussed in this report.

The VOA Correspondent Cairo news bureau received human resources, financial management, and information management technical support through Embassy Cairo's International Cooperative Administration Support Services.

Cashiering Operations Are Not Conducted in Accordance with Standards

The cashier operations at the VOA Correspondent Cairo news bureau did not comply with Department standards in 4 Foreign Affairs Handbook -3 H-393.3-3(a)(2)(3) and 4 Foreign Affairs Handbook -3 H-413.5, for unannounced cash counts and separation of duties.

VOA Correspondent Cairo news bureau did not conduct unannounced cash counts in 2014 for the cashier's monthly cash advance of \$4,000. Between March and October 2015, the VOA Correspondent conducted three unannounced cash counts, but these counts occurred at the end of the month, making these verifications predictable. The Department's Bureau of the Comptroller and Global Financial Services Financial Support and Training Office made similar observations in a 2014 trip report.

The VOA Correspondent Cairo news bureau lacks sufficient employees to allow for separation of duties. In addition to serving as the Principal A Cashier, the Administrative Assistant prepares monthly financial statements, maintains administration of all purchase orders, prepares time and attendance reports, conducts inventories of supplies, and receives purchased items. This occurred because the VOA Correspondent Cairo news bureau no longer has an Administrative Officer to oversee cashing operations. The VOA correspondent travels frequently, resulting in limited oversight and non-compliance with monthly unannounced cash counts. Redesignating the Administrative Assistant as a subcashier who reports to Embassy Cairo's principal cashier in accordance with 4 Foreign Affairs Handbook -3 H-393.1-1 will improve the oversight and compliance of cash operations and decrease the risk of mishandled of cash payments.

Recommendation 1: The Voice of America, in coordination with Embassy Cairo, should redesignate the Cairo news bureau Principal A Cashier as an embassy subcashier and allow Embassy Cairo to oversee its cashing operations. (Action: VOA, in coordination with Embassy Cairo)

Security of Cash Advance

The VOA Correspondent Cairo news bureau's cash advance of \$4,000 was kept in a locked drawer in the cashier's desk, located in the office reception area. OIG advised the VOA Correspondent Cairo news bureau to acquire a U.S. Government-approved safe for which the cashier would have sole access, in accordance with 4 Foreign Affairs Handbook -3 H-393.4-3.

Better Recordkeeping Procedures for Purchase Orders and Service Contracts Needed

OIG reviewed 30 FY 2014-FY 2015 VOA Correspondent Cairo news bureau purchase order and service contract files and determined they were in compliance with applicable policies and procedures. OIG found that 6 purchase order files lacked a purchase request and quotes from three different vendors and 2 service contract files lacked market research information and price analysis. The Federal Acquisition Regulation 4.803 provides specific examples of documents that should be included in the files. OIG advised the VOA Correspondent, who is the warranted contracting officer, to implement better contracting recordkeeping procedures, such as checklists, for its purchase order and service contract files and to take refresher contracting training.

Position Descriptions

The position descriptions for the two locally employed staff members in the VOA Correspondent Cairo news bureau were outdated. As required by 3 Foreign Affairs Manual 7331, supervisors should conduct periodic reviews of position descriptions and update them if needed. The embassy's Human Resources Office conducted the last review of position descriptions in 2005.

During the past 10 years, the major duties and responsibilities for the locally employed staff members changed, but the grade classifications had not been reviewed. For example, the Administrative Assistant was still classified as an Audio Librarian, even though the VOA Correspondent Cairo news bureau does not have a library and the Administrative Assistant is involved in all administrative aspects of the organization. Also, the reporting chain is inaccurate. According to the position description the Administrative Assistant reports to the Administrative Officer, a position that does not longer exist. In addition, the Information Assistant's position description does not reflect the news bureau's social media platform-related duties and responsibilities. Previous VOA managers did not take any action to update the position descriptions. During the inspection, the VOA Correspondent started the process of evaluating the position descriptions and contacted the embassy's Human Resources Office for assistance.

Inventory Recordkeeping

OIG reviewed the VOA Correspondent Cairo news bureau's inventory records for FYs 2014-15 and found that some broadcasting items, such as cameras, televisions, and office equipment, were not documented in accordance with the Broadcasting Administrative Manual 955.4.

OIG also found that while the VOA Correspondent Cairo news bureau had a list of disposed items, the information was not properly documented in the International Broadcasting Bureau form 0400 for reporting disposed property. The VOA Correspondent and Administrative Assistant were unaware of these inventory requirements. During the inspection, the VOA Correspondent, as the designated Accountable Officer, conducted a comprehensive inventory and documented items in accordance with the standards.

Middle East Networks Cairo Office Recordkeeping

OIG reviewed MBN Cairo office administrative functions and determined they were in compliance with internal administrative policies and procedures. OIG found that the some documents in purchase order files were stored in hard copy and other documents were kept electronically, giving the false impression that the files were incomplete. OIG advised the MBN Cairo office to maintain all supporting documentation for purchase orders using only one system of recordkeeping.

SECURITY

VOA Correspondent Cairo News Bureau

The VOA Cairo news bureau did not hold fire drills, as required by the Broadcasting Administrative Manual Part 4, sections 476.4 and 476.4(c). During the OIG inspection, the VOA Correspondent conducted a fire drill with the staff and documented lessons learned. As a result of the fire drill, the VOA Correspondent purchased smoke detectors and fire extinguishers for her residence and the news bureau office.

The embassy Assistant Regional Security Officer conducted a security review of the news bureau prior the inspection and provided the observations to the VOA Correspondent. The BBG Office of Security, which is responsible for security reviews of VOA operations overseas, conducted a security assessment in November 2015 and is working with VOA management to implement the recommendations from the report.

MBN Cairo Office

OIG found that MBN Cairo office did not document completed fire drills and advised the office to document future fire drills to institutionalize safety best practices. A contracted security firm conducted a security assessment of the MBN Cairo office in October 2015. MBN Cairo expected the firm to finalize the report after the OIG inspection.

RECOMMENDATION

Recommendation 1: The Voice of America, in coordination with Embassy Cairo, should redesignate the Cairo news bureau Principal A Cashier as an embassy subcashier and allow Embassy Cairo to oversee its cashiering operations. (Action: VOA, in coordination with Embassy Cairo)

PRINCIPAL OFFICIALS

Title	Name	Arrival Date
VOA Correspondent	Heather Murdock	3/2015
Business Manager, MBN Cairo Office	Noha Saeedy Ahmed	7/2014

APPENDIX A: PURPOSE, SCOPE, AND METHODOLOGY

This inspection was conducted 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 OIG for the Department and BBG.

Purpose and Scope

The Office of Inspections provides the Secretary of State, the Chairman of BBG, and Congress with systematic and independent evaluations of the operations of the Department and BBG. Inspections cover three broad areas, consistent with Section 209 of the Foreign Service Act of 1980:

- **Policy Implementation:** whether policy goals and objectives are being effectively achieved; whether U.S. interests are being accurately and effectively represented; and whether all elements of an office or mission are being adequately coordinated.
- **Resource Management:** whether resources are being used and managed with maximum efficiency, effectiveness, and economy and whether financial transactions and accounts are properly conducted, maintained, and reported.
- **Management Controls:** whether the administration of activities and operations meets the requirements of applicable laws and regulations; whether internal management controls have been instituted to ensure quality of performance and reduce the likelihood of mismanagement; whether instance of fraud, waste, or abuse exist; and whether adequate steps for detection, correction, and prevention have been taken.

Methodology

In conducting inspections, OIG reviews pertinent records; as appropriate, circulates, reviews, and compiles the results of survey instruments; conducts onsite interviews; and reviews the substance of the report and its findings and recommendations with offices, individuals, organizations, and activities affected by the review.

For this inspection, OIG conducted 22 documented interviews and reviewed 80 survey documents. OIG reviewed two operations in Egypt: VOA Correspondent Cairo news bureau and the MBN Cairo office, a BBG grantee. The areas reviewed included the program implementation of BBG Strategic Plan goals and compliance with applicable policies and regulations in financial management, contracting, property management, human resources, and security.

ABBREVIATIONS

BBG	Broadcasting Board of Governors
MBN	Middle East Broadcasting Networks, Inc.
VOA	Voice of America

INSPECTION TEAM MEMBER

Robert Torres, BBG Coordinator



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