



Corporation
for Public
Broadcasting

SEMIANNUAL REPORT

OFFICE OF INSPECTOR GENERAL OPERATIONS

CPB AUDIT RESOLUTION ACTIVITIES

April 1, 2014 – September 30, 2014

The Inspector General Act of 1978, as amended, reporting requirements are listed in the following chart, along with a page reference where we provide more detailed information.

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FOREWORD

Congress created the Corporation for Public Broadcasting (CPB) in 1967 to promote public media and help keep it free from government interference. CPB, a private nonprofit corporation, is the largest source of federal funding for more than 1,400 public television and radio stations. CPB also funds research, technology, and diverse and innovative program development for public radio, television, and related online services. It is governed by a nine-member Board of Directors appointed by the President and confirmed by the Senate.

CPB receives nearly all of its funding from Congress. To provide stability for planning long-term programs and projects, Congress appropriates funds two years before the fiscal year (FY) they are to be spent. For FY14, CPB received \$445 million in Congressional appropriations, 95 percent of which must be awarded in grants and contracts in support of public media, and a \$12.7 million Ready To Learn grant from the U.S. Department of Education.

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

Congress requires that the IG and the head of the CPB each report semiannually about OIG operations and activities. Because CPB is a small organization, we have created this joint report. The first section reports OIG's activities and the second section, "CPB Audit Resolution Activities," is CPB's report.

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OFFICE OF INSPECTOR GENERAL OPERATIONS

Message from the Inspector General

September 30, 2014

I am pleased to submit this Semiannual Report to Congress about our activities during the period April 1 to September 30, 2014. We issued four audits in accord with our fiscal year 2014 Annual Plan: one of a large public television/radio station, one of a production grant to a member of the National Minority Consortia, one of a digital grant to construct a master control facility, and one limited scope performance audit addressing six stations' non-federal financial support (NFFS) reporting. These four audits addressed \$20.8 million in Corporation for Public Broadcasting (CPB) grant funds and \$153 million in NFFS. In addition, we issued two management letters to CPB as well as an evaluation report on a complaint we received.

A major focus of our work this period was on stations' reporting of their NFFS. The amount of support a station receives from CPB depends upon the amount of NFFS the station reports -- the more the NFFS, the more the CPB funding. At the seven stations where we reviewed NFFS reporting this period, we found NFFS over-reporting of \$2.8 million, due to misinterpretation of, lack of compliance with, and ambiguity in CPB guidance. While stations have historically had problems adequately documenting in-kind contributions, our work this period identified a new issue regarding underwriting processed through third party recipients. We found some stations claimed as NFFS the entire contribution, including the fees retained by the third parties, while others reported as NFFS only the net amount the stations received after the third parties deducted their fees. We recommended that CPB take steps to clarify and enforce its rules relating to NFFS to ensure fair and consistent reporting across stations.

In our audit of a member of the National Minority Consortia, we found issues we had identified previously at other Consortia members, those related to cash management practices and the oversight of independent producers. And, at a large television/radio station, in addition to over-stated NFFS, we found questionable costs and noncompliance with provisions of the Communications Act.

With regard to complaints received by our office, we closed all nine of the complaints that we carried into the reporting period and an additional 32 of the 33 new complaints that we received. While we opened no new investigations, we did conduct an evaluation in response to one complaint.

We also continued our outreach to the public media community by speaking on the topics of fraud and compliance at the Public Media Business Association.

As you will see from this report, we are fully engaged in supporting public media by promoting accountability in CPB initiatives and operations. We look forward to continuing to work with Congress and the CPB Board and management in this important effort.



Mary Mitchelson
Inspector General

Operations in the Current Period

This table identifies the reports the Office of Inspector General (OIG) issued this reporting period with related monetary findings and recommendations for corrective actions.

Reports Issued for the Period Ending September 30, 2014

Report Number/Date Issued	Report Title	Questioned Costs	Unsupported Costs	Funds Put To Better Use	Number of Recommendations
<i>Audits:</i>					
APT1404-1405 August 4, 2014	Audit of the Digital Distribution Grant Awarded to Centralcast LLC, Albany, New York for the Period September 30, 2011 – March 20, 2014	\$0	\$0	\$0	0
APT1304-1406 September 10, 2014	Audit of CPB Grants Awarded to Vision Maker Media, Lincoln Nebraska for the Period October 1, 2010 – September 30, 2013	\$276,905	\$0	\$0	4
L-APR1305-1407 September 12, 2014	Other Matters – Audit of the Public Radio Satellite System Upgrade Grant Awarded to National Public Radio	\$0	\$0	\$0	2
L-APT1404-1408 September 12, 2014	Other Matters – Audit of the Digital Distribution Grant Awarded to Centralcast LLC, Albany, New York	\$0	\$0	\$0	3
ASJ1403-1409 September 29, 2014	Examination of KQED, Inc., San Francisco, California, Community Service and Other Selected CPB Grants Active During the Period October 1, 2011 – September 30, 2013	\$34,988	\$0	\$197,360	3
ACJ1405-1410 September 30, 2014	Audit of Underwriting and In-kind Contributions Reported as Non-Federal Financial Support at Selected Grantees for Fiscal Year 2013	\$0	\$0	\$46,167	7
<i>Evaluations:</i>					
ECT1402-1404 May 5, 2014	Report of Evaluation – Vermont Public Television Complaint	\$0	\$0	\$0	2

Audit and Assistance Activities Reports Issued

We issued reports on four audits and one evaluation this period. We also issued two management letters to the Corporation for Public Broadcasting (CPB) associated with two of our audits. You can access all of our reports on our website at <http://www.cpb.org/oig/reports/>.

Audit of Underwriting and In-kind Contributions Reported as Non-Federal Financial Support at Selected Grantees for Fiscal Year 2013, Report No. ACJ1405-1410 (issued September 30, 2014)

Our past audits of stations have often found over-stated non-federal financial support (NFFS) related to reporting ineligible underwriting and in-kind contributions, as well as undocumented in-kind trades. The accurate reporting of NFFS is critical for the equitable distribution of Community Service Grant (CSG) funds. CSGs serve as an incentive for a station to raise other funds, so the more NFFS a station reports, the more CSG funding it will receive. Our limited scope audit reviewed underwriting and in-kind contributions reported as NFFS for FY 2013 at six stations. We found more than \$670,000 of reported NFFS ineligible and a general lack of compliance with CPB guidance, which also needs to be clarified. In particular, to ensure fairness and consistency, CPB should specify whether a station may claim as NFFS all the revenue processed through a third party recipient or only that amount received by the station after the third party withholds its fees.

The objectives of our audit were to determine whether the stations reported underwriting and in-kind contributions as NFFS in accordance with CPB's Financial Reporting Guidelines (Guidelines) for their respective

FY 2013 reporting periods. Our audit found:

- stations over-stated NFFS by \$671,046, because of general lack of compliance with CPB's Guidelines, which will result in estimated CSG overpayments of \$46,167 in 2015. We classified these monies as funds put to better use;
- that CPB's Guidelines need to clarify:
 - documenting in-kind contributions and valuing goods and services at the time of donation;
 - valuing exclusive sponsorships when usual and customary fees were not established;
 - requirements that goods and services need to be purchased if not donated;
 - receipt of contributions by third parties for the benefit of public broadcasters when stations do not take constructive receipt of the full donation; and
 - excluding presenting fees as NFFS; and
- that CPB should evaluate the practicality of continuing to allow stations to claim in-kind trades as NFFS given the historical and current challenges in valuing trades and documenting that they were received by the stations.

We recommended that CPB take the following actions:

- require stations to submit revised FY 2013 Annual Financial Reports (AFR) adjusting overstated NFFS;
- reduce FY 2015 CSG payments based on receipt of revised FY 2013 AFRs and redistribute estimated overpayments of \$46,167;
- clarify the current Guidelines to address the issues enumerated above, and:

- evaluate the practicality of continuing to allow stations to claim in-kind trades as NFFS.

Some stations expressed disagreement on items questioned for in-kind trades and how third party recipient receipts should be handled, but there was general agreement that CPB's Guidelines need to be clarified as we recommended.

CPB's management decision resolving our recommendation is due by March 29, 2015.

Examination of KQED, Inc., San Francisco, California, Community Service and Other Selected CPB Grants Active During the Period October 1, 2011 – September 30, 2013, Report No. ASJ1403-1409 (issued September 29, 2014)

KQED operates three public television stations, in San Francisco, San Jose, and Monterey, and two public radio stations, in San Francisco and North Highlands. KQED produces local and national programs and also develops content and applications for digital platforms and mobile devices. During our audit period, KQED received almost \$9.8 million from CPB in CSGs and other grants. We found that KQED overstated its NFFS by more than \$2 million, claimed \$134,512 in costs that we questioned, and needed to improve its compliance with open meetings, open financial records, and equal employment opportunity (EEO) documentation provisions of the Communications Act.

The objectives of our audit were to examine KQED's certifications of compliance with

CPB grant terms to: a) claim NFFS on its AFR in accordance with CPB Guidelines; b) expend CSG and other grant funds in accordance with grant agreement requirements; and c) comply with the Certification of Eligibility requirements and the statutory provisions of the Communications Act. Our examination found KQED:

- over-stated NFFS by \$2,147,411, which resulted in potential CSG overpayments of \$197,360 (\$134,512 in 2014 payments and estimated potential overpayments of \$62,848 in 2015), which we reported as funds put to better use;
- was noncompliant with grant terms resulting in questionable production expenditures of \$34,988; and
- was noncompliant with the provisions of the Communications Act for open meetings, open financial records, and EEO documentation.

We recommended CPB:

- require KQED to submit revised FY 2012 and 2013 AFRs, eliminating ineligible revenues of \$2,147,411;
- recover \$134,512 in excess CSG payments made to KQED in FY 2014 based on NFFS reported in FY 2012 and adjust the station's 2015 CSG based on NFFS reported in FY 2013 to eliminate an estimated \$62,848 in potential FY 2015 overpayments;
- require KQED to identify the corrective actions and controls it will implement to ensure future compliance with NFFS guidance;
- provide policy guidance to stations for reporting third party fees for underwriting as NFFS revenues;
- recover \$34,988 in questioned costs and ensure KQED complies with grant terms for future CPB funded projects; and
- require KQED to submit its new written policies that explain how the station will

comply with open meetings, open financial records, and EEO requirements of the Communications Act to ensure the policies meet CPB requirements.

KQED did not agree with our findings dealing with over-stated NFFS for underwriting third party fees, in-kind contributions, and membership premiums. However, KQED did agree with \$714,000 in findings on over-stated NFFS for payments. KQED did not agree with our findings regarding questioned costs for budget reallocations and indirect costs but did agree with questioned payroll costs of \$694. KQED agreed with our findings dealing with the requirements of the Communications Act and took corrective action.

CPB's management decision resolving our recommendations is due by March 28, 2015.

Audit of CPB Grants Awarded to Vision Maker Media, Lincoln, Nebraska for the Period October 1, 2010 – September 30, 2013, Audit Report No. APT1304-1406 (issued September 10, 2014)

Vision Maker Media (VMM) promotes the development of culturally diverse programming for public broadcasting by and about American Indians and Alaska Natives. VMM is a member of the National Minority Consortia, which collectively addresses the need for national public broadcast programming that reflects America's growing ethnic and cultural diversity. We audited three grants CPB awarded to VMM for \$4.3 million and found excess cash on hand of almost \$800,000, questionable costs of \$270,000, and inadequate oversight of sub-agreement productions.

The objectives of our audit were to determine

whether: 1) financial reports fairly present CPB grant revenues and expenditures; 2) costs were incurred in accordance with grant requirements; and 3) VMM complied with applicable provisions of the Communications Act.

Our audit found:

- VMM did not accurately report cash needs when submitting grant payment requests, resulting in VMM accumulating excessive CPB cash balances of \$790,258 as of September 30, 2013 (which was reduced to \$675,439 by April 30, 2014);
- questioned costs totaling \$276,905 for lack of documentation of actual expenditures on multiple production projects; and
- VMM's oversight of sub-agreement productions needs improvement to ensure projects are completed and properly closed-out to fully account for and use CPB funding.

We recommended that CPB officials: 1) enforce existing grant agreement terms and require VMM to manage cash as specified; and 2) improve CPB's internal procedure for reviewing payment requests to ensure the grantee complies with grant terms and does not accumulate excess cash that exceeds quarterly needs. We also recommended that CPB require VMM to: 3) refund \$276,905 in questioned costs, which are part of the excess cash balances discussed above; and 4) improve its internal processes for monitoring production sub-agreements to ensure that it completes and properly closes out open projects after it reviews and accepts deliverables and reprograms or returns to CPB any unused funds.

VMM management stated that they were following oral guidance from CPB regarding cash drawdowns, which resulted in excessive CPB cash balances. Regarding the questioned costs, VMM indicated that it planned to reprogram funds for an in-house project

before the end of the grant period, extend the grant period for another project, and return any unused funds for other projects. VMM also stated that it had taken steps to improve its internal processes for monitoring production sub-agreements. Those steps would address recommendations 3 and 4. Recommendations 1 and 2 were directed to CPB and are unresolved pending CPB's final management decision resolving the report's recommendations, which is due by March 9, 2015.

Report of Evaluation – Vermont Public Television Complaint, Report No. ECT1402-1404 (issued May 5, 2014)

We received an anonymous complaint that the Vermont Public Television's (VPT) Board of Directors held 22 closed meetings, which was not in compliance with the open meeting requirements of the Communications Act. We initiated a limited scope evaluation of the complaint and found VPT had failed to comply.

The objective of our limited scope evaluation was to determine if VPT violated the Communications Act requirements as claimed. We found:

- 17 of the 22 meetings identified in the complaint constituted meetings that were closed based on circumstances permitted by the Communications Act and CPB guidelines; and
- for those 17 closed meetings, VPT failed to comply with the Communications Act and CPB requirements to prepare written explanations and make them available to the public within a reasonable time.

We also noted that VPT had initiated its own review of the allegations, reported its findings

in a public meeting, initiated corrective actions, and reported to CPB.

We recommended that CPB sanction VPT for its noncompliance with grant requirements and obtain documentation from VPT to demonstrate that its newly adopted internal controls are working effectively to ensure compliance with open meeting requirements. In response, VPT asked for certain revisions to the report, requested that we reconsider our recommendation for sanctions, and noted that it had provided evidence of compliance to CPB.

CPB accepted our recommendations and assessed a \$15,000 penalty on VPT.

Audit of the Digital Distribution Grant Awarded to Centralcast LLC, Albany, New York for the Period September 30, 2011 – March 20, 2014, Report No. APT1404-1405 (issued August 4, 2014)

Ten New York television stations formed an entity named Centralcast LLC to construct and operate a centralized, multi-station master control facility. Our audit covered the \$6.6 million grant CPB awarded to Centralcast for construction of this master control system. We found Centralcast fairly reported grant revenues and expenditures and complied with grant requirements.

The objectives of our audit were to determine whether Centralcast: a) submitted a financial report that fairly presented grant revenues and expenditures; b) incurred costs in accordance with grant requirements; and c) complied with grant requirements.

We found that Centralcast fairly reported grant revenues and expenditures on its in-

terim financial report; expended and reported CPB funds in accordance with grant agreement requirements; and complied with grant terms. Based on our testing, we reported no findings or recommendations.

Other Matters – Audit of the Digital Distribution Grant Awarded to Centralcast LLC, Albany, New York, Report No. L-APT1404-1408 (issued September 12, 2014)

In conducting our audit of Centralcast, we noted that CPB had not approved variances and associated reallocations exceeding ten percent of the amounts budgeted, as required by the grant agreement. We have reported similar findings to CPB in four other audit reports. We recommended that CPB either eliminate the provision from future agreements or take steps to enforce it.

Our Centralcast audit disclosed that the grantee made material changes to the budget without prior written approval by CPB, as required by the grant agreement. Documenting material budget changes is an important part of effective grants administration. We recommended that CPB evaluate its grants management practices, require that grantees provide written justification for material budget changes, and ensure that project officers evaluate the grantees' justifications before authorizing further payments.

In response, CPB affirmed its intention to enforce the provision regarding material budget changes and pledged to provide additional training to its project officers on this point. Its management decision resolving our recommendations is due by March 29, 2015.

Other Matters – Audit of the Public Radio Satellite System Upgrade Grant Awarded to National Public Radio, Report No. L-APR1305-1407 (issued September 12, 2014)

In auditing the Public Radio Satellite System upgrade grant, we noted that the agreement permitted the grantee to award contracts valued at up to \$1 million without competition and without written justification of why a sole source contract was necessary, why the price was reasonable, and that the contractor could meet the contract requirements. This practice did not conform to either NPR's or CPB's own procurement policies. We recommended that future grants for radio and television interconnection system upgrades require all procurement decisions be documented to provide transparency and demonstrate the prudent use of CPB funds.

During our audit of the public radio system upgrade grant, we found there was no documentation available to support awarding \$5 million to eight contractors noncompetitively. Even though the grant agreement permitted this practice, it was contrary to both CPB's and the grantee's procurement policies, as well as to the commonly recognized preference for competition in contracting. We recommended that CPB require more competitive procurement in its future grant agreements for major interconnection systems upgrades.

CPB's management decision resolving our recommendations is due by March 29, 2015.

Additional Reporting Requirements

Peer Review Results

Our office did not receive a peer review during this reporting period. Our last peer review was conducted by the Library of Congress for the period ending March 31, 2013, and it contained no recommendations. We did not conduct a peer review of another OIG during this reporting period. There are no outstanding unimplemented recommendations from the last peer review we conducted.

Resolution of Recommendations

The following table summarizes the resolution activities for all audit and assistance reports issued by our office. This table includes reports that contain monetary and non-monetary findings with related recommendations.

Reports Requiring Resolution

Description	Number of Reports	Total		
		Questioned Costs	Unsupported Costs	Funds Put to Better Use
Reports for which no management decision had been made by the start of the reporting period.	2	\$196,701	\$196,701	\$0
Reports issued during the reporting period.	6 ¹	\$311,893	\$298,971	\$243,527
Subtotals¹	8	\$508,594	\$495,672	\$243,527
Reports for which a management decision had been made during the reporting period:	4			
• Dollar value of recommendations agreed to by management		\$6,772	\$6,772	\$30,000 ²
• Dollar value of recommendations not agreed to by management		\$189,929	\$189,929	\$0
Reports with no management decision at the end of the reporting period.	4	\$311,893	\$298,971	\$243,527

¹ Three reports had only administrative recommendations.

² Monetary penalties of \$30,000 were assessed by CPB management based on our administrative recommendations for two audits. We recommended that penalties be assessed but did not recommend a penalty amount. As a result, the Funds Put to Better Use column does not add up and the ending balance is the same as the amount reported for the audits issued during the period. For reporting purposes, we classified the penalties as Funds Put to Better Use.

Investigative Activities

The IG Act provides for 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 all allegations to determine whether the complaint should be the subject of an audit, evaluation, or investigation. The results of such investigations may be referred to appropriate federal, state, or local prosecuting authorities for action.

Allegations and Hotline Complaints

In our previous semiannual report, we stated that we had nine open complaints at the end of the period. We closed all nine during the current period. We closed four of them with referrals to CPB and three with referrals to the Federal Communications Commission (FCC) or other federal agencies. We closed two because we determined either the complaints lacked specificity or we did not have authority to act on them.

During this reporting period, we received 33 new complaints. We referred three internally for audit, seven to CPB for its information or action, three to the CPB Ombudsman, and two to the FCC or other federal agencies. In three instances, we provided information to the complainants and closed the matter. We closed fourteen because we determined that the complaint either lacked specificity or we did not have authority to act on them. At the end of the reporting period, one complaint remains open.

Investigations

During this reporting period, we did not open any new investigations; however, we did initiate an evaluation in response to one complaint.

Congressional Matters

In March 2010, the ranking members of the Senate Committees on Finance, Homeland Security and Governmental Affairs, and the Permanent Subcommittee on Investigations, Senators Charles Grassley and Tom Coburn, requested that our office send biannual reports on all closed investigations, evaluations, and audits conducted by our office that were not disclosed to the public. In June 2014, we sent a report for the period October 1, 2013 through March 31, 2014.

Other OIG Activities

In May, the IG, the Deputy IG, and the Counsel to the IG and Assistant Inspector General for Investigations presented at the annual conference of the Public Media Business Association (PMBA). They talked about the need to be alert to fraud and about Communications Act compliance issues OIG has identified in its work. The conference was attended largely by general managers and financial officials from public media stations.

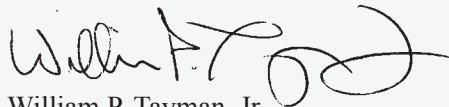
CPB AUDIT RESOLUTION ACTIVITIES

Message from Chief Financial Officer and Treasurer

September 30, 2014

CPB and OIG staffs continue to work cooperatively to discuss and resolve report findings and recommendations. Generally, corrective actions have been completed or are proceeding according to agreed-upon schedules. Some resolutions have taken longer than desired and recent modifications in internal procedures are being implemented to improve the timeliness of CPB responses.

With our commitment to continuous improvement, enhancements to CPB internal controls and processes and procedures are always a priority. In this regard, the CPB staff and OIG are working together with our grantees to strengthen procedures and controls over station grants, contracts, and CPB assets.



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 five management decisions, including an appeal of an earlier decision, that contained findings with questioned costs or funds put to better use. Further details concerning the status of on-going recovery efforts are discussed under the section titled Corrective Action Not Completed Within One Year of a Management Decision, on page 12.

Reports with Disallowed Costs or Funds Put to Better Use

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.	9	\$442,613	\$840,230
Reports for which management decisions were made during the reporting period.	5 ³	\$6,772	\$30,000
Subtotal	14	\$449,385	\$870,220
Reports for which final action was taken during the reporting period. ⁴	5		
• Dollar value of disallowed costs that have been recovered through collection or offset.		\$24,604	\$25,236
• 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.	9	\$424,781	\$844,994

³ This total includes one management decision from the prior period that was appealed by the grantee and upheld by CPB management assessing a \$15,000 penalty on the grantee.

⁴ Monetary recoveries were made on five reports during this reporting period. Final monetary recoveries were made on three reports.

Corrective Actions Not Completed Within One Year of a Management Decision

At the end of the reporting period there were four reports with monetary corrective actions that had not been completed within one year of the management decision date. Additionally, there is one other report with significant administrative corrective actions that have not been completed within one year of the management decision date. CPB officials have established a completion date to implement administrative corrective actions.

Monetary collection actions are in process in accordance with CPB's approved grant offset schedule for two audits and collection decisions are pending on two others.

On-Going Monetary Collection Actions as of September 30, 2014

Report No.	Report Title	Date Issued	Date Resolved	Fiscal Year Corrective Action to be Completed
ASJ1102-1201	Audit of CPB Grants Awarded to WQED Multimedia	Dec. 12, 2011	July 9, 2012	FY 2017 (1)
ESR1107-1204	Examination of CPB Grant Funds Awarded to Cesar Chavez Foundation KUFW-FM	March 20, 2012	March 22, 2013	FY 2016 (2)
APR1203-1206	Examination of CPB Grant Awarded to Pundit Productions, Inc.	August 20, 2012	Feb. 28, 2013	Repayment schedule not established
ASR1202-1208	Audit of CPB Grants Awarded to Pacifica Foundation Radio Stations KPFA, KPFK, KPFT, WBAI, and WPFW	Sept. 21, 2012	March 28, 2012	Repayment schedule not established

- (1) CPB began recovering \$759,332 in FY 2013. It will deduct \$151,867 from WQED's annual CSG for five years.
 (2) CPB began recovering \$387,696 in FY 2014. It will deduct \$129,232 from KUFW's annual CSG for three years.

Significant Unimplemented Administrative Corrective Actions as of September 30, 2014

Report No.	Report Title	Date Issued	Date Resolved	Fiscal Year Corrective Action to be Completed
ECJ905-1105	Station Survey Compliance with Accounting & Communications Act Requirements	March 31, 2011	August 30, 2011	FY 2014

Auditing Requirements with the Communications Act

OIG’s survey report recommended expanding the independent public accountant (IPA) attestation testing to verify compliance with the Communications Act requirements. CPB’s initial due diligence showed that expanding the IPA’s role beyond attesting to the station’s non-federal financial support included in its annual financial report to CPB would add additional audit expense to the stations. In lieu of changing attestation requirements for stations, CPB contracted with PMBA to develop a demonstration Compliance Inspection Program. The goal of this program was to develop a station compliance program. The program was developed and ten site inspections and 25 desk audits were completed in 2014. CPB is in process of reviewing the PMBA report dated September 15, 2014 on this program.

CPB expects to have complete resolution of this finding by the end of FY 2015.

CONTACT CPB/OIG

If you have information about fraud, waste, or abuse involving CPB funds, initiatives, or operations, please call, fax, write, or e-mail the Office of 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

Fax: 202-879-9699

Email: oigemail@cpb.org

Write: Inspector General Hotline
401 Ninth Street, NW
Washington, DC 20004-2129

Website: www.cpb.org/oig/contact.php



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