



Corporation
for Public
Broadcasting

SEMIANNUAL REPORT
OFFICE OF THE INSPECTOR GENERAL
AND
AUDIT RESOLUTION ACTIVITIES

April 1, 2020 – September 30, 2020

Foreword

Congress created the Corporation for Public Broadcasting (CPB) in 1967 to promote public media and help keep it free from government interference. CPB is a private non-profit corporation that is governed by a Board of Directors (Board) appointed by the President and confirmed by the Senate. CPB funds 1,534 public media stations, as well as research, technology, and program development for public radio, television, and related online services. For fiscal year 2020, CPB received \$445 million for its general appropriation, \$20 million for a public media interconnection appropriation from Congress, \$21.2 million in Ready to Learn funds as part of a five-year grant from the U.S. Department of Education, and \$75 million in CARES Act funding.

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

September 30, 2020

I am pleased to submit this Semiannual Report to Congress detailing the Office of the Inspector General's activities during the period April 1, 2020 through September 30, 2020. The work highlighted in this report is the product of our objective to promote economy, efficiency and effectiveness in public media through our oversight of the Corporation for Public Broadcasting's (CPB) important mission.

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

During this period, we issued one final audit report of Community Service Grants (CSG) and other grants awarded to a public television station and conducted an external peer review of another OIG office's inspection and evaluation activities. We audited \$7,607,091 in CPB grants and identified questioned cost of \$9,238. We examined \$63,003,913 in reported Non-Federal Financial Support (NFFS) revenues and found \$11,205,979 in overreported NFFS. This resulted in \$1,322,291 of CSG overpayments to the audited station.

To continue our outreach efforts in the virtual environment, our office presented two virtual training sessions covering topics including CPB compliance, OIG audits, and fraud to key public media personnel at the annual Public Media Broadcasting Association annual conference.

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

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

Kimberly A. Howell
Inspector General

Reports Issued in the Period Ending September 30, 2020

Report Number / Date Issued	Report Title	Questioned Costs		Funds Put To Better Use	Administrative Recommendations
		Total	Unsupported		
AST2005-2007 9/28/2020	Audit of Community Service and Other Grants Awarded to the Utah State Board of Regents, KUEN-TV, Salt Lake City, Utah, for the Period July 1, 2017 through June 30, 2019	\$9,238	\$0	\$1,322,291	2
	September 30, 2020 Total	\$9,238	\$0	\$1,322,291	2

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

Audit Activities

Audit of Community Service and Other Grants Awarded to the Utah State Board of Regents, KUEN-TV, Salt Lake City, Utah

We found that KUEN-TV overstated NFFS by \$11,205,979 resulting in potential CSG overpayments of \$1,322,291 and incurred questioned CSG costs of \$9,238.

We conducted an audit of the Corporation for Public Broadcasting (CPB) Community Service Grants (CSG) and other grants awarded to KUEN-TV (KUEN), licensed to the Utah State Board of Regents, for the period July 1, 2017 through June 30, 2019. Our objectives were to examine KUEN’s certifications of compliance with CPB grant terms to: a) claim Non-Federal Financial Support (NFFS) on its Annual Financial Reports (AFRs) in accordance with CPB Financial Reporting Guidelines (Guidelines); b) expend grant funds in accordance with grant agreement requirements; and c) comply with the Certification of Eligibility requirements and the statutory provisions of the Communications Act of 1934, as amended (Act).



Based on our audit, KUEN was not compliant with CPB grant requirements. Specifically, KUEN claimed \$11,205,979 in ineligible NFFS because certain funds claimed did not meet CPB's criteria for reporting NFFS as follows:

- Indirect Administrative Support (IAS) (\$6,117,350);
- in-kind instructional television (\$4,955,730); and
- ineligible contribution sources and reporting errors (\$132,899).

These NFFS overstatements resulted in potential CSG overpayments of \$1,322,291. Additionally, KUEN incurred questioned CSG costs of \$9,238.

We recommended that CPB management require KUEN to:

- repay the potential CSG overpayments of \$1,322,291;
- repay the questioned CSG costs of \$9,238; and
- identify the corrective actions and controls it will implement to ensure future compliance with NFFS reporting and grant spending requirements.

In response to the draft report, KUEN management disagreed that it had overstated \$6,117,350 in Indirect Administrative Support and \$4,955,730 in in-kind Instructional Television NFFS but agreed that the station overstated \$132,899 in NFFS from ineligible contribution sources and errors. The station agreed that the questioned costs should not have been charged to the CSG grants and stated it has taken corrective actions for future reporting.

Audit of Community Service and Other Grants Awarded to the Utah State Board of Regents, KUEN-TV, Salt Lake City, Utah, for the Period July 1, 2017 through June 30, 2019, Report No. AST2005-2007 (September 28, 2020) <https://www.cpb.org/files/oig/reports/AST2005-2007-KUENTV-Issued-092820-REDACTED.pdf>

Additional Reporting Requirements

Resolution of Recommendations

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

Description	Number of Reports	Questioned Costs		Funds Put To Better Use
		Total	Unsupported	
Reports for which no management decision had been made by the start of the reporting period.	4	\$134,050	\$43,127	\$89,533
Reports issued during the reporting period.	1	\$9,238	\$0	\$1,322,291
Subtotals	5	\$143,288	\$43,127	\$1,411,824
Reports for which a management decision was made during the reporting period:	4			
<ul style="list-style-type: none"> • Dollar value of recommendations agreed to by management 		\$118,766*	\$0	\$119,486**
<ul style="list-style-type: none"> • Dollar value of recommendations not agreed to by management 		\$43,127	\$43,127	\$0
Reports with no management decision at the end of the reporting period.	1	\$9,238	\$0	\$1,322,291

* This total includes additional recoveries of \$27,843 for unspent CPB funds during FYs 2017-2018; therefore, this column does not add up to the \$9,238 reported for the one report with no management decision at the end of the reporting period.

** This total includes disallowed amount of \$89,533 and CPB assessed penalties of \$29,953. Penalties were added during audit resolution; therefore, this column does not add up to the \$1,322,291 reported for the one report with no management decision at the end of the reporting period.



Reports Issued Before This Reporting Period with Open Recommendations

The following table presents the audit reports that we issued before April 1, 2020 with recommendations open as of September 30, 2020.

Open Recommendations

Audit Entity / Report Number / Date Issued	Recommendations	Audit Resolution Date	Potential Cost Savings	Number of Open Recommendations	Date of Corrective Action
WUFT-TV/FM ASJ1902-1903 6/12/2019	1) Recover \$25,393 in excess CSG payments in FY 2019	12/18/2019	\$25,393	1	October 2020
KVOD-FM ASR1905-1905 8/30/2019	1) Recover potential CSG overpayments of \$3,003	12/20/2019	\$2,951	1	October 2020
WEAA-FM ASR1904-1906 9/24/2019	1) Recover potential CSG overpayments of \$6,821	1/2/2020	\$6,712	1	October 2020
Connecticut Public Broadcasting ASJ1909-0002 3/13/2020	1) Recover potential CSG overpayments of \$78,562	9/14/2020	\$78,562	3*	October 2020
KEXP-FM ASR1911-2003 3/24/2020	1) Recover potential CSG overpayments of \$2,662	8/21/2020	\$2,662	1	October 2020
Idaho Public Television/KAID-FM AST1910-2004 3/27/2020	1) Recover potential CSG overpayments of \$5,900	7/1/2020	\$5,900	1	October 2020
WCBE-FM ASR1912-2005 3/31/2020	3 & 6) Recover the expired \$90,923 of CSG funds & potential CSG overpayments of \$2,409	8/31/2020	\$93,332	11*	October 2020
	Total		\$215,512	19	

* Total open recommendations include additional administrative recommendations.

Investigative Activities

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

Allegations and Hotline Complaints

At the beginning of this reporting period, we had no complaints carried over from the prior period and received 23 new complaints. Of those 23 complaints, we closed all 23. We referred one for possible investigation, conferred with or referred three complaints to CPB management. We referred one complaint to the CPB Ombudsman. In response to eight complaints, we provided information to the complainants and closed the matter. We closed another ten complaints because we determined that they either lacked specificity or the complaint was not within our purview. At end of the reporting period, no complaints remained open.

Investigations

During this reporting period, we initiated a preliminary inquiry for possible investigation. That matter remains open. We did not issue any investigative reports or refer any persons to prosecuting authorities. We also had no indictments or informations resulting from referrals for prosecution.



Other OIG Activities

Audit Peer Review

OIG's most recent audit peer review was conducted by the Export-Import Bank of the United States' OIG for the year that ended March 31, 2019. We received a rating of pass, which is the highest level of assurance an audit organization can receive, and the report contained no recommendations. The report is dated September 11, 2019 and can be found on our website, <https://www.cpb.org/files/oig/reports/Audit-Peer-Review-September-11-2019.pdf>

Inspections & Evaluations Peer Reviews

A team of evaluators from two OIG offices conducted a peer review of our evaluation and inspections work and issued its final report on December 4, 2018. The review team determined that our policies and procedures generally met the seven standards of CIGIE's Quality Standards for Inspection and Evaluation that were addressed in this review — Quality Control, Planning, Data Collections and Analysis, Evidence, Records Maintenance, Reporting, and Follow-up. The team also concluded that the two reports tested met CIGIE's inspection standards and complied with our internal policies and procedures. The report is on our website at https://www.cpb.org/files/oig/reports/CPB_OIG_2018_Peer_Review_System_Report.pdf.

Our office, in conjunction with a representative from the Securities and Exchange Commission's OIG, conducted a peer review of the evaluation and inspections activities of the Peace Corps OIG. We issued our final report on July 22, 2020. The final report is available from the Peace Corps OIG. The report can be found [here](#).

OIG Outreach

Outreach enables us to inform the public media community about the Inspector General's mission and purpose, discuss compliance and other issues we have identified in our work, and better understand the challenges facing public media station officials.

Participation at the Public Media Business Association Virtual Annual Conference

In May, three OIG staff members and the Inspector General presented training at two sessions covering topics including CPB compliance, OIG audits, and fraud to key public media personnel attending the virtual conference. The virtual conference and our sessions were able to reach a wider audience compared to previous in-person conferences.

Participation in CIGIE

During this period, the IG served as a member of three CIGIE Committees: Audit, Legislation, and Information Technology and on a new working group on Diversity, Equity, and Inclusion. She also participated with the Pandemic Response Accountability Committee's meetings and activities.

II . CPB AUDIT RESOLUTION ACTIVITIES

Message from the Chief Financial Officer and Treasurer

September 30, 2020

The audit function provided by the OIG plays a critical role in enforcing compliance with both statutory requirements and CPB policies in relation to eligibility and utilization of funds received in the form of grants or contracts from the corporation. CPB continues to work closely with the OIG with an overall goal to maximize the value to the American Public of the public media system. In addition to compliance, OIG audits provide an important tool for CPB management to assess the effectiveness of our many programs to ensure that limited resources provided by CPB are utilized with their intended statutory purposes. The collaborative working relationship between CPB and OIG staffs has led to many enhancements in the public media system consisting of 1,178 public radio and 356 public TV stations.

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

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

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



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

Recovering Disallowed Costs and Funds Put to Better Use

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

Description	Number of Reports	Dollar Value of Disallowed Costs	Dollar Value Funds Put to Better Use
Reports with management decisions for which final action had not been completed by the start of the reporting period.	3	\$0	\$35,056
Reports for which management decisions were made during the reporting period	4	\$0	\$238,252
Subtotal	7	\$0	\$273,308
Reports for which final action was taken during the reporting period.	2*		
<ul style="list-style-type: none"> • Dollar value of disallowed costs that have been recovered through collection or offset. 		\$0	\$3,356
<ul style="list-style-type: none"> • 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.	7	\$0	\$269,952

* A penalty collection occurred on two reports this period, no final collection actions occurred during this reporting period.

Index of IG Act Reporting Requirements

IG Act Reference	OIG Reporting Requirements	Page
Section 4(a)(2)	Review of legislation and regulations	NA
Section 5(a)(1)	Significant problems, abuses, and deficiencies	2
Section 5(a)(2)	Recommendations with respect to significant problems, abuses, and deficiencies	2
Section 5(a)(3)	Prior significant recommendations not yet completed	NA
Section 5(a)(4)	Matters referred to prosecutive authorities and prosecutions/convictions resulting	NA
Section 5(a)(5)	Summary of instances where information was unreasonably refused or not provided	NA
Section 5(a)(6)	List of audit and inspection reports issued, including questioned costs, unsupported costs, and funds put to better use	2
Section 5(a)(8)b	Statistical table showing the number of audit reports and dollar value of questioned costs	4
Section 5(a)(9)	Statistical table showing the number of audit reports and dollar value of recommendations that funds be put to better use	4
Section 5(a)(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 5(a)(10)(B)	Summary of audit reports issued before the start of the reporting period - for which no establishment comment was returned within 60 days of providing the report the establishment	NA
Section 5(a)(10)(C)	Summary of audit reports issued before the start of the reporting period - for which there are outstanding unimplemented recommendations, including the aggregate potential cost savings of those recommendations	5
Section 5(a)(11)	Description and explanation of reasons for any significant revised decisions by management during the reporting period	NA
Section 5(a)(12)	Information concerning significant decisions by management with which the Inspector General disagrees	NA
Section 5(a)(14) and (a)(15)	Information regarding peer reviews involving the Office of the Inspector General	7
Section 5(a)(16)	Information regarding peer reviews conducted by the Office of the Inspector General	7



Index of IG Act Reporting Requirements (cont'd)

IG Act Reference	OIG Reporting Requirements	Page
Section 5(a)(17)	Statistical tables showing investigative, referral and prosecution results	NA
Section 5(a)(18)	Description of metrics used for investigative statistics	NA
Section 5(a)(19)	Report on substantiated investigations of high-level management officials	NA
Section 5(a)(20)	Description of instances of whistleblower retaliation	NA
Section 5(a)(21)	Description of instances of interference with Inspector General independence	NA
Section 5(a)(22)	Description of audit or investigation reports not made available to the public	NA
Section 5 Notes	Disclosure of government contractor audit findings	NA
CPB Management Reporting Requirements		
Section 5(b)(2)	Statistical table showing the total number of audit reports and results from disallowed costs	9
Section 5(b)(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	9
Section 5(b)(4)	Summary of audit reports where final action has not been completed within one year of a management decision	NA

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 the Inspector General or file a complaint through our website. Your report may be made anonymously or in confidence.

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

Email: oigemail@cpb.org

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

Website: https://www.cpb.org/oig/contact_us



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

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



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