



Corporation
for Public
Broadcasting

Office of the Inspector General

December 13, 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: 2023.12.13
16:43:30 -05'00'

Subject: Evaluation of WOMR-FM, Lower Cape Communications, Inc., Compliance with
Selected Communications Act and General Provisions Transparency Requirements,
Report No. ECR2315-2401

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 WOMR-FM, licensed to Lower Cape Communications, Inc., Provincetown, Massachusetts. Our specific objectives were to verify compliance with 11 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 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 WOMR-FM's website on September 25, 2023, we found the station was compliant with seven of the nine applicable requirements. The station was not compliant with two requirements. The remaining two requirements were not applicable.

Specifically, we found that WOMR-FM:

- was not compliant with posting the most recent CPB Financial Summary Report (FSR) on the station's website; and
- did not accurately and completely list its Community Advisory Board (CAB) members on the station's website.

In response to our Preliminary Observations, issued on November 7, 2023, the station took immediate corrective actions to comply with both requirements.

We recommend that CPB require WOMR-FM to identify the corrective actions and controls it will implement to ensure future compliance with:

- 1) Act requirements for open financial records; and
- 2) General Provisions and Eligibility requirements for transparency.

In response to the draft report WOMR-FM management did not dispute our findings and identified corrective actions it will take going forward.

Based on WOMR's response to the draft report and our confirmation of corrective actions taken by the station, we consider recommendations one and two resolved but open pending CPB's final management decision to accept WOMR-FM's corrective actions.

The station's response to the draft report is presented in Exhibit D.

We initiated this evaluation to address station accountability as identified in our Annual Plan. We conducted our evaluation in accordance with the Counsel of Inspectors General on Integrity and Efficiency *Quality Standards for Inspection and Evaluation*. We have summarized our WOMR-FM website review in Exhibit A, provided background on Lower Cape Communications Inc., WOMR-FM, and the CSG program in Exhibit B, and provided our evaluation scope and methodology 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 Accountability
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 Committee on Labor-HHS-Education Subcommittee
U.S. House of Representatives Committee on Appropriations
U.S. House of Representative Labor-HHS-Education Appropriations Subcommittee

FINDINGS AND RECOMMENDATIONS

I. ACT COMPLIANCE

Our evaluation found that WOMR-FM was not fully compliant with Act requirements for making open financial records available to the public as discussed below.

Open Financial Records

The station did not comply with the open financial records requirements because it did not post its current FSR on its website. 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 pursuant to subsection (I)(3)(B).

The Act, 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 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 - III. Open Financial Records, Section E.

WOMR-FM had not posted its FSR to its website as of the date of our review on September 25, 2023. Consequently, it was not compliant with Act open financial records requirement and may be subject to penalties under CPB's Non-Compliance Policy.

Recommendation:

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

WOMR-FM Response

In response to our draft report, station management agreed that the FSR was not posted to the website on the date of our website review. Station management stated that they confused the term "AFR" with the audited financial statements and mistakenly believed they were meeting the requirement by posting the audited financial statements to the website. Going forward,

station management stated it would post the CPB financial reports (AFR or FSR) to the website as soon as it is cleared by CPB.

OIG Review and Comment

Based on WOMR-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. TRANSPARENCY COMPLIANCE

The station listed names of its CAB members on its website. However, two of the individuals whose names were listed were no longer on the CAB as of September 25, 2023, the date of our website review, and two current CAB members' names were not listed.

CPB's General Provisions contain specific transparency requirements for making information available to the public and require certain documents be made available on the station's website:

A. Public Inspection of Documents and Website Posting

To ensure transparency and public confidence in the use of CPB funds, the Communications Act requires Grantees to make certain documents available for public inspection. As set forth below, CPB also requires public access to other documents, and specifies how all documents must be made available for inspection, either by maintaining them at Grantee's office or by posting them on its station website ...

B. Documents for Public Inspection: Website Posting Required: At a minimum, each Grantee must post the following for public inspection on its station website:

At a minimum, each Grantee must or post the following on its station website ...

3. CAB Members: A list of CAB members ...

CPB FY 2023 Radio CSG General Provisions, Section 9 Transparency.

In response to our October 7, 2023 Preliminary Observations, the station identified two individuals listed on the website who were no longer CAB members and two current CAB members who were not listed on the website. The station corrected the list of CAB members on the website on October 14, 2023.

WOMR-FM was not fully compliant with CPB CSG transparency requirements at the date of our review and may be subject to penalties under CPB's CSG Non-compliance policy.

Recommendation:

- 2) We recommend that CPB management require WOMR-FM to identify the corrective actions and controls it will implement to ensure future compliance with CPB's General Provision requirements for transparency.

WOMR-FM Response

In response, station management emphasized that a list of CAB members was included on the website on the September 25, 2023 date of our review. However, they agreed that the list was not accurate because two former members had not been removed from the list and two new members had not been included. Station management stated they would check with the CAB to confirm membership prior to the CAB's meetings in March and October.

OIG Review and Comment

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

**Summary of WOMR-FM Website Review
as of September 25, 2023**

Requirements	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:		
a) available on website	X	
b) available by other means		
3) Seven-day advance notice of CAB meetings:		
a) available on website	X	
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:	N/A	
a) available on website		
b) available at central office		
5) If closed meeting documentation was prepared, was it available within 10-days of the closed meeting	N/A	
6) Most recent AFR or FSR 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) Grantee's annual report on local content and services included in the grantee's current 2021 SAS on its content and services that serve local needs; and analysis about the reach and impact of the local services in its community.		
on website		
at central office	X	

Legend: X designates that the 11 requirements tested were met or not met.

Background

Lower Cape Communications, Inc. is a non-commercial corporation organized on December 26, 1976. Its purpose is to operate a non-commercial, educational radio station to benefit the communities of lower Cape Cod and to provide broadcast service to the community which is entertaining, informative, and educational; to encourage participation by members of the community in the management of the station and in the production of radio programs; to provide an outlet for members of the community in the management of the station and in the production of radio programs; and to provide an outlet for members of the community to present educational, artistic, and informative programs.

WOMR-FM is a public broadcasting station licensed to Lower Cape Communications, Inc. Located in Provincetown, Massachusetts, WOMR-FM airs programming 24 hours a day. Its musical programming includes folk, blues, classical, Americana, country, oldies, punk, funk, rock, jazz, indie pop, soul, Celtic, bluegrass, Dixieland, reggae, and many forms of world music. Spoken word programs offer local-interest interviews and information about the arts, politics, food, the environment, and wellness.

CPB's Community Service Grant Program

The Communications Act of 1934 (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. Each year CPB awards CSG grants to public TV and radio stations based in part on the amount of Non-Federal Financial Support (revenues) claimed by all stations on their Annual Financial Report (AFR) or Financial Summary Report (FSR) submitted to CPB. After funds are designated as either TV or radio funds, they are placed in the appropriate CSG grant pool for distribution to eligible stations. TV funds can be distributed only to TV stations and radio funds must go to radio stations.

2023 Radio or Television Community Service Grant Agreement and Certification of Eligibility

In addition to the annual filing of the station's AFR(s) or FSR for radio and/or television, the chief executive of the station and a licensee official certify to CPB the station's compliance with Communications 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. Additionally, the certification also addresses Website Postings Required under Section V. Selected General Provisions Requirements of the agreement.

Scope and Methodology

We performed an evaluation of WOMR-FM's compliance with selected CSG provisions of the Act and grant certification requirements. Our specific objectives were to verify compliance with selected Communications Act requirements for open meetings and open financial records, as well as Radio and Television Community Service Grants General Provisions and Eligibility Criteria for Transparency. The scope of the examination included reviews of the information posted on the station's website as of September 25, 2023 and information retained at the station's central office.

We reviewed corporate policies, records, and documents supporting the station's compliance with the Act requirements to provide advance notice of public meetings, closed meeting disclosures, and make financial information available to the public. We also reviewed the station's website and policies to determine its compliance with CPB's transparency requirements for eligibility.

Our fieldwork was conducted from September 25, 2023 through November 15, 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*.



December 12, 2023

Greetings,

While sorting through the draft report I now understand why I thought posting the Audited Financial Report on the website was complying with the financial disclosure requirement. Item 6 on Exhibit A says "most recent AFR or FSR..." - I've had it in my mind that AFR was the Audited Financial Report from the auditor. It was the "or" that I got stuck on and decided to look at the CPB website for a confirmation on the language. That's when I saw that "AFR" means "Annual Financial Report".

The Annual Financial Report is something that is generated by our bookkeeper and he uploads it to the ISIS website annually. Going forward, I will have him send the AFR to me once it's been reviewed and cleared by CPB so that our staff can get it posted to the website. As the Head of Grantee, I get copied on all email notifications involving out annual reporting.

In addition, I wanted to note that with the CAB list on the website, Mr. Green and I were surveying the website while we discussed the missing financial report and that was when I noticed that the CAB list needed to be updated. The list has been there all along and has been updated regularly, but I happen to notice that two of the names were no longer active which I noted out loud. As your report noted, the two former members had been replaced by two new members so it was simply a matter of sending the updated list to our Operations Manager who maintains the website.

Going forward, I will make it a habit check the website list every time I reach out to the Committee to schedule our annual meetings in March and in October.

My apologies for the misunderstanding and I appreciate that this review enabled us to get the requirements straight.

John Braden

Executive Director
WOMR / Lower Cape Communications