



OIG HIGHLIGHTS

View Report: [ISP-IB-16-08](#).

What OIG Inspected

OIG conducted the on-site inspection of the Edward R. Murrow Transmitting Station in Greenville, NC, from October 26 to October 30, 2015.

What OIG Recommended

OIG made two recommendations regarding the Edward R. Murrow Transmitting Station operations: one to the Broadcasting Board of Governors to prepare a written cost/benefit evaluation of the Edward R. Murrow Transmitting Station to determine the future of its operations and one to the International Broadcasting Bureau to upload missing performance evaluations to employees' electronic official personnel folders.

~~SENSITIVE BUT UNCLASSIFIED~~

March 2016

OFFICE OF INSPECTIONS

Broadcasting Board of Governors

Inspection of the Edward R. Murrow Transmitting Station

What OIG Found

- The Broadcasting Board of Governors Special Committee on the future of shortwave broadcasting issued the report "*To Be Where the Audience Is*," in August 2014. It concluded that the demand for shortwave broadcasting is declining in most of its audience markets. The report referred to transmission to Cuba twice, but fell short of recommending to close any Broadcasting Board of Governors shortwave transmitting stations.
- The Edward R. Murrow Transmitting Station reports to the Office of Cuba Broadcasting and Office of Technology, Services, and Innovation. The dual reporting structure has not affected operations negatively.
- Administrative operations for the Edward R. Murrow Transmitting Station were effective, except in management of human resources. Specifically, the station manager's position description was outdated and the performance evaluations record keeping did not comply with Federal regulations.
- The Edward R. Murrow Transmitting Station had effective internal controls processes in place. The Edward R. Murrow Transmitting Station management were cognizant of internal controls and provides effective oversight of operations.
- The Edward R. Murrow Transmitting Station complied with the Broadcasting Board of Governors and applicable Federal regulations for contracting, property management, and safety. The Edward R. Murrow Transmitting Station complied with the Broadcasting Board of Governors review processes for unliquidated obligations and the purchase card program.
- The security and emergency preparedness at the Edward R. Murrow Transmitting Station met the Interagency Security Committee, Office of Security, and Office of Technology, Services, and Innovation policies and standards. The employees participated in emergency drills and complete required insider threat training annually.



OIG

Office of Inspector General

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

ISP-IB-16-08

Office of Inspections

March 2016

Inspection of the Edward R. Murrow Transmitting Station

BROADCASTING BOARD OF GOVERNORS

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CONTEXT

The Edward R. Murrow Transmitting Station (Station) is a 24/7 shortwave broadcast facility in Greenville, NC. President John F. Kennedy formally dedicated the Station on February 8, 1963, and, in October 1968, the Broadcasting Board of Governors (BBG) renamed it the "Edward R. Murrow Transmitting Station" in honor of the renowned wartime broadcaster and director of the United States Information Agency. BBG rededicated the Station on May 2, 2012.

The Station covers approximately 2,715 acres and is equipped with eight high-power shortwave transmitters, including five 500 kilowatts and three 250 kilowatts transmitters. To provide maximum flexibility in reaching audiences in Cuba, Latin America, and Northern Africa the Station has nearly 40 broadcast antennas in an arc around the main building.

The Station broadcasts 1,600 hours monthly and is the only U.S. Government-owned shortwave broadcast facility in the continental United States. Eighty-nine percent of the Station's transmission schedule is dedicated for broadcasting to Cuba. The remaining 11 percent is Voice of America programming to Latin America, as well as Voice of America English, Portuguese, and French programming to Africa. The Cuban Government jams the shortwave signals directed toward Cuba. However, to circumvent the jamming, the Office of Cuba Broadcasting (OCB) uses other traditional and cutting-edge media, including medium wave, satellite radio and television, internet, flash drives, and DVDs to reach its audience.

The Station supports BBG's mission to "inform, engage, and connect people around the world in support of freedom and democracy." According to BBG survey documentation, the Station maintains a monthly 99-percent availability rate¹ and is ready for emergency surge broadcasts.

On February 1, 2010, BBG informed Station employees that the Station would be closed by the end of the fiscal year. Although many employees left and their vacant positions were unfilled, the Station continued its operations. The BBG FY 2014 Congressional Budget Request stated that "shortwave transmission costs will be absorbed by OCB, which already includes most of its other delivery expenses within its budget." OCB absorbed the Station's budget of \$3.5 million. In September 2014, an internal memorandum from the Director of OCB to the BBG Director of Global Operations formalized the transition of administrative control and direction of the day-to-day operation of the Station from the Office of Technology, Services, and Innovation (TSI) to OCB. The transition became effective the first full pay period of FY 2015. According to this document, all Station staff members, except the station manager, transferred to OCB. The station manager receives "direction on the day-to-day operation of the Station from the OCB General Manager," while, "TSI provides direction on the operation of the Station in the context

¹ Availability is a key performance measure that gauges the percentage of time the station is actually broadcasting its programs to target countries.

of the overall global BBG communications and distribution network." TSI continues to have authority over the Station's technical operations because it controls the entire global distribution network of transmitting stations, including Greenville.

Opinions at BBG differ on what role shortwave transmissions should play in U.S. international broadcasting. According to BBG survey documentation, over the past 15 years, shortwave broadcasting has declined in usefulness as a broadcast medium compared to other growing media platforms such as television, radio, mobile devices, and internet. From OCB's perspective, however, "shortwave transmissions from Greenville remain a means of reaching its [OCB] audience in Cuba, and this will likely continue until there is a free flow of information with no government censorship." To support this perspective, OCB provided OIG an independent survey conducted in March 2015 that shows that 20 percent of a nationally representative sample of 1,200 Cuban adults (aged 18 or older) had listened to Radio Marti in the past 7 days. An international research media company conducted the survey for Univision Noticias and Fusion networks. OIG reviewed the survey responses and found that the question about listening to Radio Marti did not specify if it was through shortwave or in other radio distribution platforms that OCB uses, such as satellite radio and AM radio. The data provided did not enable OIG to determine the effectiveness of the use of shortwave transmissions to Cuba.

EXECUTIVE DIRECTION

On the basis of a review of BBG documentation and on-site inspection interviews, OIG did not find any significant problems with executive direction. The Station Manager was cognizant of internal controls and served as the approver of all purchases. He was also the rating or reviewing official for all Federal employees and their performance evaluations were complete. OIG also found that the station manager used resources effectively, including proposing cost savings ideas with analysis to BBG management.

OIG concluded that the dual reporting and budget structure does not affect negatively the operations of the Station. OIG verified that transition planning involved key stakeholders to ensure an effective implementation.

POLICY AND PROGRAM IMPLEMENTATION

Special Committee on the Future of Shortwave Radio Broadcasting

In October 2013, BBG established the Special Committee on the Future of Shortwave Radio Broadcasting with four Board members. The Special Committee conducted a review of BBG use of shortwave radio as a distribution platform, the associated costs, and the likely reliance on it by next-generation audiences. In August 2014, the Special Committee issued the report "*To Be Where the Audience Is.*" The research-based report states that the increased availability and affordability of television, mobile devices, and internet access has led to the declining use of

shortwave around the world. The report's audience research data show that the demand for shortwave is declining in most audience areas. The committee recommended that BBG reduce or eliminate shortwave broadcasts where the audience is minimal or not a U.S. foreign policy priority. The report notes the absence of evidence that shortwave usage increases during crises. At such times, audiences continue to use their preferred platforms or seek out anti-censorship tools or offline media, including thumb drives and DVDs.

The Future of the Station

BBG has not evaluated the return on investment of the Station's operations to determine its effectiveness in advancing the U.S. international media strategies. The BBG's Special Committee report refers twice to transmissions to Cuba but falls short of recommending to close any BBG shortwave transmitting stations. Congress continues funding the Station's budget even though on February 1, 2010, the BBG FY 2011 budget request proposed the closure of the Station. Furthermore, in FY 2011, the Senate Committee on Appropriations asked BBG to submit a "multi-year strategic plan for broadcasting to Cuba to include an analysis of options for disseminating news and information to Cuba and a report on the cost effectiveness of each."

The Office of Management and Budget's Global Engagement Resource Guidance for FY 2015 and for FY 2016 address the need to modernize U.S. International media by "transitioning away from the use of shortwave radio where this platform is ineffective, toward more widely used media platforms like mobile, television, and the internet." The United States International Broadcasting Act, Public Law 103-236, Section 303(a)(1) and (7) states that BBG has the responsibility to "be consistent with the broad foreign policy objectives of the United States" and "to effectively reach a significant audience." Section 305(a)(7) states the Board is also authorized to "ensure that all broadcasting elements receive the highest quality and cost-effective delivery services." Given BBG's limited resources and changes in technology as well as the significance of Cuba to U.S. national security objectives, BBG risks missing an opportunity to engage with Cuban audiences in a digital media environment.

Recommendation 1: The Broadcasting Board of Governors should prepare a written cost/benefit evaluation of the Edward R. Murrow Transmitting Station to determine its efficiency and effectiveness for continuing, reducing, or eliminating operations. (Action: BBG)

RESOURCE MANAGEMENT

Funding Source	Employees (actual)		General Operating Expenses (in thousands)	Salaries (in thousands)	Total (in thousands)
	FY 2015	Full-Time Civil Service and Foreign Service	Contractors	\$1,993	\$1,471
13		10			

Source: TSI and OCB

The Station's FY 2015 funding was \$3.4 million. The Station has 13 full-time direct-hire employees (1 Foreign Service and 12 Civil Service) and 10 contractors. OIG's review of financial operations, procurement/contracting procedures, property management, and safety program revealed that all are in compliance with BBG regulations. OIG identified two weaknesses in the area of human resources.

Human Resources

OIG found that the time and attendance procedures and the awards program are effective. The Station does not have any issues with labor relations or with unions. OIG found, however, that the station manager's position description is outdated and the record keeping of performance evaluations does not comply with Federal regulations.

Outdated Position Description

The station manager's Foreign Service position description has not been updated since 1975 and contains inaccuracies in terms of organization and supervision. OIG advised the International Broadcasting Bureau (IBB) Office of Human Resources to review and update the station manager position description.

Performance Evaluation Record Keeping

OIG used the BBG Electronic Official Personnel Folder to examine if the Station's performance evaluations were completed. The U.S. Office of Personnel Management defines the Electronic Official Personnel Folder as "an electronic version of the paper OPF and a system for accessing the electronic folder online. The Electronic Official Personnel Folder allows an employee to keep personnel documents such as performance evaluation electronically instead of a paper folder."²

The performance evaluations of Station employees were completed but were not maintained in accordance with Office of Personnel Management and federally mandated Human Resources employee record management regulations, including 5 Code of Federal Regulations Subpart B, Section 430.209(b). OIG found 3 of the 13 employees had performance evaluations in the Electronic Official Personnel Folders in FY 2013, 2 in FY 2014, and 6 in FY 2015. The Station provided documentation showing that they have mailed the performance evaluations to IBB Office of Human Resources as required. The Office of Personnel Management guidance requires that employee files must contain ratings of record no more than 4 years old.³ The IBB human resources director was not aware of this issue until OIG brought it to her attention. Not maintaining performance evaluations in the Electronic Official Personnel Folder affects human resources management because records of Station employee performance are incomplete. Further, employees are unable to access their documents electronically.

Recommendation 2: The International Broadcasting Bureau, Office of Human Resources, should upload in the Electronic Official Personnel Folder the missing performance evaluations of the Edward R. Murrow Transmitting Station's staff. (Action: IBB)

Financial Management

The Station's financial management processes comply with the BBG standard operating procedures for budgeting and unliquidated obligations. The Station and OCB management develop the Station's annual financial plan collaboratively. OIG examined 7 of the Station's 43 unliquidated obligations (representing \$186,000) on the basis of their balances for FY 2014 and FY 2015. OIG validated that they had either been liquidated or were still in process. OIG validated BBG Survey documentation showing no unliquidated obligations in FY 2013. During the course of the inspection, OCB reviewed the FY 2014 unliquidated obligations, which resulted in zero unliquidated obligations balances for this period.

Property Management

The Station follows property management procedures in accordance with IBB Office of Technology, Services, and Innovation instructions. OIG reviewed the inventory certifications for

² Office of Personnel Management website-Frequently Asked Questions: <https://www.opm.gov/FAQs/QA.aspx?fid=f3147708-7bef-4959-aea7-ddefb0dee9dc&pid=636d443c-fdbd-4d87-b01b-941f8f3d599e&result=1>

³ 5 C.F.R. 293.404 (a)(1)(i) requires that performance ratings of record, including the performance plans on which they are based, shall be retained for 4 years

FY 2013 through FY 2015, including the disposal records, and compared the inventory lists for accuracy. OIG randomly spot-checked 11 items from the property inventory as well as 8 items in the consumables and controlled items inventories and found no discrepancies.

Procurement and Contracting

The Station is in compliance with the Federal Acquisition Regulations, including competition, contract administration, and documentation. OIG reviewed the Station's role in the procurement and contracting process, including its interactions and coordination with IBB as well as contracting officer's representative responsibilities. The Station does not have a warranted contracting officer on site; IBB Office of Contracts assigns contracting officers in Washington to perform this function for the Station. The Station had 271 contract awards in FY 2013 through FY 2015, of which 20 are currently active and 251 had expired. OIG reviewed 24 contract actions and found no irregularities. The review showed that the staff follows Federal Acquisition Regulations for performance of procurement and contracting duties as applicable, including competition, contract administration, and documentation. One anomaly OIG noted was no indication of acquisition planning in three of the contract award files reviewed. The IBB Office of Contracts is in the process of implementing an acquisition planning template, which was in the clearance process during the inspection, to enhance planning and oversight.

Purchase Card

The Station is in compliance with the BBG Purchase Card Program. The Station's purchase cardholder is designated in writing and has met required training requirements. The Station's purchase cardholder maintains a purchase log and conducts the monthly reconciliation. OIG's review of 38 purchase card transactions in FY 2014 and 9 months of FY 2015, totaling \$12,439, found that invoices had the required approval signatures and no split purchases.⁴ The purchase cardholder did not exceed the single purchase limit of \$3,000 or the monthly limit of \$25,000.

Safety Program

The Station complies with the safety program in accordance with TSI regulations. It submitted to TSI the annual safety status reports for FY 2014 and FY 2015. The Station has not had any accidents in the last 3 years. Although Station employees have received safety training, the Station Safety Officer had not maintained individual training records. OIG advised the Station management of this need. During the inspection, the Station established individual training records.

⁴ A split purchase is the "intentional" dividing of a known requirement to stay within the cardholder's single purchase limit to avoid sending the requirement to the contracting office for award. Split purchases include: splitting requirements among merchants; splitting requirements among cardholders; and splitting requirements over several days.

Maintenance & Repair Program

The Station's maintenance and repair program is effective. The station manager is proactive in managing maintenance and repair projects. Working closely with vendors, contractors, and other station staff, the station manager identifies ways to reduce the cost of repair projects and uses the savings to complete other repair projects. For example, the Station's roof needed replacing at an estimated cost of \$400,000. TSI approved the replacement over a 3-year period. Working with the roofing contractor, the station manager completed the roof replacement for \$189,000. Using the savings from this project, the station manager completed a technical support project as well.

In December 2015, the Station completed a digital upgrade of the master control consoles. The plant manager at the Station engineered, designed, and built all the new circuit boards for the signal strength monitors. The ability to design and build these components in-house is unique to the Station. OIG reviewed station availability reports from July 2012 through August 2015 and found that, despite the difficulty in obtaining new parts for the aging transmitters, which are over 60 years old, the Station maintained an availability rate of 99 percent. The Station availability averages are equal to those of other IBB transmitting stations.

SECURITY

Compliance with the 2015 Security Assessment

In April 2015, the IBB Office of Security conducted an on-site assessment of the Station and made four recommendations to improve security in the areas of emergency communications, guard coverage, and the Station's fence line. The Station is developing a mitigation plan to address the recommendations.

Insider Threat Program

OIG reviewed individual training records and determined that Station employees receive annual insider threat training as part of their annual cyber-security awareness training. Station employees do not process, or have access to, classified national security information; however, insider threats also include violent acts against the US Government. The Station's emergency action plan includes an appendix that describes appropriate actions when responding to unauthorized access. The Station's insider threat program aligns with BBG's insider threat program guidelines for monitoring and reporting.

Emergency Action and Disaster Recovery Plans

The Station complies with TSI directives that require a biannual review and exercise of the emergency action and disaster recovery plan. The Station updated the current emergency action plan in July 2015. The emergency action plan provides employees with pre-established guidelines to address and control emergencies. OIG found that the plan provides general policy

related to emergency conditions; pre-emergency preparations, including assigned responsibilities during emergencies; specific actions and procedures for defined emergencies; and the preferred procedures for reporting emergencies. The plan also provides details on evacuation, employee accountability, and critical operations during emergencies. The Station conducts several fire drills throughout the year. The station manager documents the results of the drills in the monthly activity report to BBG as well as the annual report on safety.

Compliance with Interagency Security Committee Security Standards

The Station complies with current Interagency Security Committee standards. Executive Order 12977 created the Interagency Security Committee to establish a security standard for domestic non-military Federal facilities. This standard defines the criteria and the process used to determine the necessary level of protection of a facility. The standard also provides guidance for countermeasure customization based on unique local conditions. Classified as a Level 1 Federal facility, the Station meets the minimum level of security for a domestic non-military Federal facility. As a Level 1 facility, guards are not required and in September 2011 BBG did not renew the guard contract. Mitigating factors leading to this decision are that the Station is a 24/7 facility and the on-duty personnel can monitor the closed-circuit television and can notify local police if needed. If the current 24/7 operating status changes, the IBB Office of Security will need to conduct a design basis threat analysis in accordance with the 2013 Interagency Security Committee Risk Management Process – Appendix A to determine the necessary level of protection.

MANAGEMENT CONTROLS

OIG interviews and reviews of documents at the Station did not reveal management controls problems. OIG found that duties are properly separated and the staff is cognizant about internal controls. The contracts reviewed followed Federal Acquisition Regulations. Despite the Station's small staff, the roles in property management are segregated and recordkeeping is in accordance with BBG regulations. Overtime requests are supported with justifications related to the Station's operations. The Purchase Card transactions are approved by the station manager and reconciled by the station administrative officer.

RECOMMENDATIONS

Recommendation 1: The Broadcasting Board of Governors should prepare a written cost/benefit evaluation of the Edward R. Murrow Transmitting Station to determine its efficiency and effectiveness for continuing, reducing, or eliminating operations. (Action: BBG)

Recommendation 2: The International Broadcasting Bureau, Office of Human Resources, should upload in the Electronic Official Personnel Folder the missing performance evaluations of the Edward R. Murrow Transmitting Station's staff. (Action: IBB)

PRINCIPAL OFFICIAL

Title	Name	Arrival Date
Station Manager	Thomas Moore	7/2012

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, the inspectors review pertinent records; as appropriate, circulate, review, and compile the results of survey instruments; conduct on-site interviews; and review the substance of the report and its findings and recommendations with offices, individuals, organizations, and activities affected by this review.

For this inspection, OIG conducted approximately 23 interviews in the survey phase and 18 interviews in the inspection phase (some employees were interviewed more than once). OIG interviewed the staff directly in lieu of sending out OIG personal questionnaires because of the small size of the Station. OIG also reviewed more than 300 documents.

ABBREVIATIONS

BBG	Broadcasting Board of Governors
IBB	International Broadcasting Bureau
OCB	Office of Cuba Broadcasting
Station	The Edward R. Murrow Transmitting Station
TSI	Office of Technology, Services and Innovation

OIG INSPECTION TEAM MEMBERS

Robert Torres, Team Leader

Richard Sypher, Deputy Team Leader

Jacqueline James

Edward Schack



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