

July 2015

Broadcasting Board of Governors

Inspection of U.S. International Broadcasting to Afghanistan



OIG HIGHLIGHTS

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What OIG Found

- Afghanistan broadcasting operations have a total of \$2.3 million in unliquidated obligations for FYs 2010–2014. Property management processes and procedures require greater attention in the operations supporting U.S. international broadcasting in Afghanistan.
- The Voice of America Afghanistan Service has several administrative weaknesses in the areas of Government travel card and contracting. Specifically, contract administration procedures and contracting officer's representative designation and function require closer oversight and compliance of Federal regulations.
- The Voice of America Afghanistan Service and Radio Free Europe/Radio Liberty-Radio Free Afghanistan share office space in Kabul, which has resulted in greater collaboration between the two. Specific strategies for harmonizing the operations in Afghanistan have lingered for 10 years without specific implementation actions.
- The senior management staff of Voice of America Afghanistan Service does not communicate effectively with employees, which has a negative effect on employee morale.
- Radio Free Europe/Radio Liberty-Radio Free Afghanistan complies with administrative procedures, but efficiencies can be attained by moving to electronic fund transfers for financial transactions and salaries payments.

What OIG Inspected

OIG inspected U.S. International Broadcasting in Kabul, Afghanistan, between September 10 and November 14, 2014. OIG looked at the U.S. broadcasting operations of Voice of America and Radio Free Europe/Radio Liberty, a grantee of the Broadcasting Board of Governors. OIG also reviewed Voice of America operations in Washington, DC, Radio Free Europe/Radio Liberty in Prague, and transmitting station oversight operations in Frankfurt, Germany.

What OIG Recommended

OIG made 13 recommendations regarding U.S. broadcasting programs in Afghanistan. OIG made one recommendation to BBG to harmonize U.S. broadcasting operations in Afghanistan and seven recommendations to Voice of America and the International Broadcasting Bureau to improve administrative processes and procedures, both in Washington, DC, and overseas. These weaknesses are in the areas of unliquidated obligation balances, property management, Government travel card program, and contracting. OIG made a recommendation to Voice of America Afghanistan Service to address leadership issues. In a limited-scope review of Radio Free Europe/Radio Liberty operations, OIG made four recommendations to strengthen financial property management and security.

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ISP-IB-15-32

Office of Inspections

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BROADCASTING BOARD OF GOVERNORS

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KEY FINDINGS

- Afghanistan broadcasting operations have a total of \$2.3 million in unliquidated obligations for FYs 2010–2014. Property management processes and procedures require greater attention in the operations supporting U.S. international broadcasting in Afghanistan.
- The Voice of America Afghanistan Service has several administrative weaknesses in the areas of Government travel card and contracting. Specifically, contract administration procedures and contracting officer's representative designation and function require closer oversight and compliance of Federal regulations.
- The Voice of America Afghanistan Service and Radio Free Europe/Radio Liberty-Radio Free Afghanistan share office space in Kabul, which has resulted in greater collaboration between the two. Specific strategies for harmonizing the operations in Afghanistan have lingered for 10 years without specific implementation actions.
- The senior management staff of Voice of America Afghanistan Service does not communicate effectively with employees, which has a negative effect on employee morale.
- Radio Free Europe/Radio Liberty-Radio Free Afghanistan complies with administrative procedures, but efficiencies can be attained by moving to electronic fund transfers for financial transactions and salaries payments.

CONTEXT

The Broadcasting Board of Governors (BBG) maintains two broadcasting operations in Afghanistan: Voice of America (VOA) Afghanistan Service and Radio Free Europe/Radio Liberty (RFE/RL)-Radio Free Afghanistan, a BBG grantee. They broadcast in both Dari and Pashto languages on the same radio FM and AM frequencies. VOA Afghanistan Service broadcasts on television and is known as Ashna TV. The radio programming, also known as Ashna Radio, airs nightly from 7:00 p.m. to 7:00 a.m., and Ashna TV programming runs from 6:00 p.m. to 7:00 p.m. Dari and Pashto radio and television programs are 30 minutes in each language.

The VOA Afghanistan Service has been a source of news and information for more than three decades. Its mission is to serve as a reliable source of news and to present American policy to an Afghan audience. The Service radio and television programs—as well as social media content—support BBG’s strategic objectives of countering extremist rhetoric and propaganda and bolstering democratic institutions in Afghanistan. The Service operates from VOA’s main office in Washington, DC, and maintains an office with stringers in Kabul. Though most of VOA’s radio and television programming for Afghanistan broadcasts out of Washington, stringers assist from Kabul and other cities in Afghanistan. The Service reports on important news developments, sets up interviews for radio and television programs, maintains studios, engages audiences through a growing social media presence, and handles relations with local stakeholders.

The mission of RFE/RL-Radio Free Afghanistan, known as Radio Azadi, is to provide fair and objective journalism in a media environment dominated by powerful individuals or interest groups. According to RFE/RL officials and audience and research surveys conducted by Gallup,¹ RFE/RL-Radio Free Afghanistan is one of the trusted sources for news and information for most Afghans. The radio programming airs from 7:00 a.m. to 7:00 p.m.

The International Broadcasting Bureau (IBB) Office of Technology, Services, and Innovation-Germany Transmitting Station provides administrative, technical, and logistical support for FM, AM, mediumwave, and shortwave broadcast operations not only in Afghanistan, but also in Tajikistan, Djibouti, and Cyprus as well as affiliate FM broadcasters in the Middle East. On a daily basis, this transmitting station is responsible for radio and television broadcasting in Afghanistan, as well as contracts to support BBG transmission facilities, including the procurement of equipment and spare parts, technical support such as operations and maintenance, and fuel oil delivery for generators that provide power to transmission facilities. This facility can view remotely the transmitting equipment in Afghanistan.

¹ Gallup is an accreditable audience and research organization that BBG uses for audience and research surveys.

Afghanistan remains one of the few media markets in which shortwave radio plays a vital role. BBG built two transmitting facilities in Kabul, Afghanistan. Radio Television Afghanistan² operates and maintains these transmitting facilities. The 400 kW mediumwave facility, located about 20 kilometers outside Kabul in Pol-e Charkhi, has been operational since April 2003. It broadcasts to the region in Dari and Pashto for VOA and RFE/RL. The 200 kW mediumwave Khost facility began full operational broadcasting in March 2010 to Eastern Afghanistan's Pashtu-speaking areas along the Afghanistan/Pakistan border (Waziristan).

LEADERSHIP

Voice of America Afghanistan Service

The VOA Afghanistan Service senior management staff comprises the Service director, the managing editors for both Dari and Pashto, and the managing editor for television. A stringer coordinator manages the Kabul office and coordinates with the management staff in Washington.

Employees of the VOA Afghanistan Service expressed in the Office of Inspector General (OIG) personal questionnaires and in interviews how the management style of the Service senior management staff is negatively affecting their morale. Although employees view the Service director and the managing editors as good journalists with good ideas on how to improve the programming in the Service, the 4 senior managers received low scores, averaging below 2.5 on a scale of 1 to 5, when employees rated them in 13 key leadership attributes, including engagement, judgment, vision, communication, and ethics. One-third of employees in interviews and in personal questionnaires cited a lack of effective communication in reaching managerial and programming decisions. The senior management staff said that some lingering disaffection in the Service may be due to uncertainty over proposed staff and contractor reductions and financial constraints in giving cash awards. Employees did not bring to the inspection team's attention in interviews or personal questionnaires proposed staff reductions or the lack of cash awards as issues of concern.

The dissatisfaction with the Service senior management team stems from the way it communicates with the staff. For example, 50 percent of employees interviewed stated that, although they can voice concerns, the decision-making process did not take into consideration their ideas or concerns. Others stated that members of the senior staff communicate in an abrupt manner. When the inspectors brought up this issue, the service director made some staffing changes in his management team. He reassigned the managing editor for television to radio (Dari) and the managing editor for radio (Dari) as the Web editor for the Service. The Service director is acting as the editor for television.

² Radio Television Afghanistan is the Afghanistan national broadcasting organization for radio and television transmissions.

Leadership is one of the five human capital systems that the U.S. Office of Personnel Management cites in its Human Capital Assessment and Accountability Framework Systems, Standards, and Metrics guide. A Leadership 360 Assessment is a structured process for giving and receiving feedback from supervisors, peers, direct reports, and others. Effective leadership is a key factor in maintaining a successful operation. Not addressing leadership and communication issues promptly will continue to have a negative effect on employee morale.

Recommendation 1: Voice of America should conduct a 360 review of the senior management staff of the Afghanistan Service and take corrective actions on the basis of the outcome of the review. (Action: VOA)

Nepotism and Favoritism

Apart from leadership, one-third of the employees cited favoritism and nepotism as important issues in their OIG personal questionnaires. These employees said that senior management staff favors certain employees because of their relationships both inside and outside the workplace. The inspection team found no evidence of actions by senior management staff that demonstrated favoritism.

Although the IBB Office of Human Resources and the Service director acknowledged awareness that some couples and family members work in the Service, they do not maintain a list of employees and contractors who are married or related to determine whether the supervisory arrangements are acceptable and in compliance with IBB's regulations. The Service has eight employees who are married and two employees who are related to each other. The inspection team found one instance in which a couple served as each other's team leader to oversee and assign work.

The inspectors brought these issues to the attention of the Service director, who was aware of the favoritism issue. He said that prior to the arrival of the inspection team, he sent an announcement on cash awards. In his view, some employees felt that the awards were given to his favorite employees, but he explained the award selection process to employees in the Service.

Radio Free Europe/Radio Liberty-Radio Free Afghanistan

The regional director for South Asia and a Service director located in RFE/RL's headquarter in Prague, Czech Republic, manage RFE/RL-Radio Free Afghanistan operations. A news bureau chief along with managing editors for radio (Dari and Pashto) and managers of administration are responsible for the day-to-day operations in Kabul. The employees at the news bureau in Kabul did not bring to the inspection team's attention any leadership issues. The employees in the bureau stated that they are satisfied with the work and the guidance that they receive from their respective managers. In interviews, employees brought up three concerns: 1) lack of salary increases, 2) RFE/RL's contribution to employees' health insurance is not adequate, and 3) the current security situation in Afghanistan. Senior management at RFE/RL is aware of these issues

and told the inspection team that a lack of funding is the primary reason for not being able to address promptly the first two concerns. In regard to security concerns, RFE/RL senior management cannot take any action on the security of the country; however, employees have received security protection, such as transportation to and from the employees' homes.

PROGRAM IMPLEMENTATION

The inspection team verified some recent VOA Afghanistan Service and RFE/RL-Radio Free Afghanistan successes and how the operations align with BBG's 2012–17 Strategic Plan. For example, in the run-up to the July 2014 Afghanistan presidential elections, RFE/RL-Radio Free Afghanistan hosted a televised presidential debate to feature the major candidates. RFE/RL-Radio Free Afghanistan also has several interactive shows with listeners. The major topics covered include women's issues, lack of government services, and corruption. These activities support BBG's strategic plan goal #4, *Prioritize Support for Democracy and Countering Pockets of Extremism*.

According to BBG briefing notes to the inspection team and the Gallup Analytical Report for Afghanistan Media Use Survey, dated November 2014, BBG operations in Afghanistan continue to be trusted for news and information. The weekly VOA Afghanistan Service audience reach increased by 20 percent during the past year, with the TV audience reach jumping more than 60 percent. According to the latest survey, 73 percent of VOA Afghanistan Service weekly users and 74.7 percent of Radio Free Afghanistan weekly users say they trust each network's news "a great deal" or "somewhat."³

The VOA Afghanistan Service has also a large and rapidly growing social media footprint in Afghanistan. Almost every Afghan active on Facebook follows one of the Service's four Facebook fan pages. For example, the VOA Pashto Facebook page has the largest engagement of all the VOA language services. The VOA Facebook page has 118,075 people talking about the page; 462,654 total likes; and 14,873 new page likes as of November 11, 2014. This is an example of how the Service is supporting BBG's strategic plan goal #6, *Rationalize Program Delivery*.

Collaboration and Harmonization Between Voice of America Afghanistan Service and Radio Free Europe/Radio Liberty-Radio Free Afghanistan

The inspection team found many examples of collaboration between VOA and RFE/RL for Afghanistan broadcasting operations. The VOA Afghanistan Service's stringer coordinator and RFE/RL-Radio Free Afghanistan bureau chief meet daily to exchange news agendas and identify content-sharing areas for the two BBG entities. The collaboration has increased over the past

³ Gallup Analytical Report for Afghanistan Media Use Survey, dated November 2014, can be found in www.bbg.gov/research.

year and resulted in improved coverage for both broadcasting entities by establishing cross-promotion of programming. The broadcasting entities are also sharing content. For example, on November 26, 2013, Radio Free Afghanistan obtained an exclusive interview with President Karzai and shared it with VOA. On December 12, 2013, VOA shared with Radio Free Afghanistan an important interview with President Karzai's chief spokesperson. In several other instances, the inspection team noted exchange of original reports—and other types of content—with appropriate credit given to each entity.

Colocation of VOA and RFE/RL offices in Kabul has been mutually beneficial. It enables VOA to access RFE/RL-Radio Free Afghanistan resources conveniently and makes editorial interactions easy and swift. VOA hosts guests at its Kabul TV studio on a daily basis. Often these guests—officials, experts, and activists—are available for interview by Radio Free Afghanistan reporters. In addition to collaboration in Kabul, Washington and Prague also exchange daily editorial notes and sometimes content. The notes are beneficial to both parties, as they enable editors to avoid duplicating content that the other entity has already produced. The two entities share costs for rent, utilities, and diesel for the generators in the building that houses both broadcasting entities.

BBG defines "harmonization" as the strategy for using all U.S. broadcasting resources in the most efficient and economical manner for a country or region. The harmonization process includes an extensive evaluation of overall operations of VOA Afghanistan Services, RFE/RL's Radio Free Afghanistan Services, VOA Deewa (Pashto), and RFE/RL Radio Mashaal (Pashto). The OIG team found that broadcasting entities had not harmonized operations. It was an objective of BBG's strategic goal #2, *Expand the U.S. International Broadcasting System through Regional Networks and Single-Country Initiatives*, from its 2002–2007 Strategic Plan "Marrying the Mission to the Market."

On the basis of interviews with BBG officials and employees, some believe that RFE/RL and VOA see each other as competitors and not as one network with the responsibility of implementing BBG's single strategic vision in Afghanistan and in the region. BBG officials have started to address this issue by having meetings with all parties involved, but no action plan has been prepared.

All aspects of the broadcasting operations need to be up for discussion, including the programming schedule and management of resources. For example, it takes VOA \$7 million to broadcast in Afghanistan with less significant presence in Afghanistan vice RFE/RL's cost of \$5 million and a network of journalists on the ground. One broadcasting entity could focus on one aspect of the operation (i.e., radio or Web), and the other could take the lead in another programming operation. The current separate radio programming schedule may be benefiting one broadcasting entity and not the other. The Gallup Analytical Report for Afghanistan Media Use Survey, dated November 2014, states "...their audience overlap heightens the need to coordinate the two networks' [VOA and RFE/RL] programming to ensure that complimentary content from broadcasters is produced efficiently... [BBG] is exploring options to better

harmonize the two networks' operations to maximize the broadcaster's overall impact on Afghan society."

Given the changes in technology that facilitate real-time interconnectivity and collaboration, as well as the significance of Afghanistan to U.S. national security objectives, BBG has included in its FY 2016 budget request a proposal on how to optimize broadcasting operations in Afghanistan. However, additional work is needed to determine the use of all BBG resources in Afghanistan and engage in the most effective and efficient manner.

Recommendation 2: The Broadcasting Board of Governors should implement a comprehensive harmonization strategy for U.S. international broadcasting to Afghanistan that includes all Broadcasting Board of Governors entities operating in or broadcasting to Afghanistan. (Action: BBG)

Relationship with the Embassy

The U.S. embassy in Kabul treats these broadcasting entities as it does other news organizations, arranging interviews with the Ambassador and visiting U.S. officials and providing information. The embassy provides minimal administrative services to VOA, primarily processing occasional incoming shipments. These shipments arrive through both commercial channels and diplomatic pouch. Neither the broadcasting entities nor the regional security office raised issues with the inspectors regarding coordination.

RESOURCE MANAGEMENT

Voice of America Afghanistan Service

Funding Source	Employees (actual)			General Operating Expenses (in thousands)	Salaries (in thousands)	Total (in thousands)
FY 2014	Direct Hires	Purchase Order Vendors in the U.S.	Stringers in Afghanistan	\$1,669 ⁴	\$5,039	\$6,708
	43	18	23			

Source: Office of the Chief Financial Officer for FY 2014.

VOA employees raised the lack of resources as an issue. For example, major international broadcasters in Afghanistan such as RFE/RL-Radio Free Afghanistan have modern computers on which reporters and editors update the social media platforms. VOA Afghanistan Service,

⁴ Includes \$1.5 million for purchase order vendor and stringer contracts.

however, does not have adequate computers, broadcasting equipment, and dedicated writers and editors to keep its Dari and Pashto social media platforms updated with major stories in real time.

Human Resources

Performance Evaluations

The rating and reviewing officers are responsible for properly completing employee performance evaluation forms in a timely manner. These requirements are in accordance with IBB's Manual of Operations and Administration⁵ Part 5A, Section 450, "Performance Appraisal System for Civil Service Employees (nonsupervisory)," and Section 490, "Performance Appraisal System for Civil Service Employees GS/GM 13–15 Supervisors and Management Officials."

For the 2013 and 2014 rating cycles, IBB Office of Human Resources received nine performance evaluations after the due date. Six of these performance evaluations did not have the required signatures either of the employee, rating officer, or the reviewing officer. No automated system facilitates the submission of performance evaluations through various supervisory levels, such as a review from rating officer or the reviewing officer. Untimely and unsigned performance evaluations prevent supervisors and employees from identifying employee strengths and areas of improvement in a timely fashion.

Recommendation 3: Voice of America, in coordination with the International Broadcasting Bureau, Office of Human Resources, should implement internal procedures for rating and reviewing officers in the Afghanistan Service to comply with International Broadcasting Bureau performance evaluation regulations. (Action: VOA, in coordination with IBB)

Financial Management

Government Travel Card Program and Training

Fourteen out of 15 active Government travel cardholders in the VOA Afghanistan Service have not traveled, or have traveled once or twice in FYs 2013–14. On the other hand, the Service director, who took three trips in FY 2013, does not have a Government travel card.

According to BBG's Government travel card program policy, employees expected to perform official travel frequently (three or more official trips) during the course of the year are eligible for a travel card. The policy further states that employees who travel infrequently during the year may apply for temporary activation of a travel card that can be closed following completion of the trip. During the course of the inspection, IBB's Office of the Chief Financial Officer stated that

⁵ BBG has one all-encompassing internal policy titled, Manual of Operations and Administration, also known as the Broadcasting Administrative Manual (BAM), both of which are designed to provide an authoritative source of information on administrative policies and procedures to Federal broadcasting entities.

it is reviewing all agency travel cardholder usage to determine whether certain employees need a travel card. The office also identified two VOA Afghanistan Service employees who misused their government travel cards. These employees received a counseling memorandum. The inspection team reviewed nine Government travel card accounts and found that three other employees have misused their Government travel cards for purchases not related to official travel. BBG is currently drafting a new Government travel card policy that includes a statement about potential discipline actions for misuse, such as terminating or deactivating the travel card. Continued possession of travel cards, especially for infrequent use, may lead to employees making unauthorized purchases.

Recommendation 4: The International Broadcasting Bureau Office of the Chief Financial Officer, in coordination with Voice of America, should review periodically the Afghanistan Service employees' government travel card usage and determine appropriate disciplinary action for travel card misuse. (Action: IBB, in coordination with VOA)

Six Government travel cardholders in the VOA Afghanistan Service have taken the required Government travel card training. However, IBB's Office of the Chief Financial Officer could not provide purchase card training records for the remaining nine travel cardholders. Eight travel cardholders said that they have not taken any training prior obtaining the Government travel card. On the basis of this information, the inspection team concluded that no refresher training has occurred for any Government travel cardholders in the Service.

BBG's Government travel card program policy does not mention any training requirement. The Government Charge Card Abuse Prevention Act of 2012 requires that "appropriate training is provided to each travel charge cardholder," and the Office of Management and Budget (OMB) Circular A-123, Appendix B, states that training for travel charge cardholders "must provide general information on traveling for the Government and review how to use a travel charge card, including agency travel charge card policy and procedures, and proper card use." OMB further requires that "all program participants must be trained prior to appointment" and that "all program participants must take refresher training, at a minimum, every 3 years." Having the appropriate training is essential because Government travel cardholders need to keep up to date with their responsibilities.

Recommendation 5: The International Broadcasting Bureau Office of the Chief Financial Officer should update its travel card policy to include training requirements and implement procedures for compliance of these requirements. (Action: IBB)

Contracting

The contract administration and training requirements stated in the designation letters from the contracting officer to contracting officer's representatives (COR) include those relating to maintaining files on all government actions pertaining to the contract; interacting with the contractor; certifying all contractor invoices; producing progress reports as required by Federal

Acquisition Regulation (FAR) 1.602, FAR 1.604, FAR 4.801(b), and FAR 4.802(a); and taking contracting training prior to designation.

Two contracting issues require closer oversight in the VOA Afghanistan Service: contract administration procedures and improper designation of alternate CORs. The inspection team reviewed 123 purchase order vendors (POV) invoices, totaling \$375,000. The team found that these invoices had internal control deficiencies and did not meet contract deliverable requirements. For example: contractors did not sign and date invoices, which did not always contain an itemized list of services furnished, including quantity and unit price; contractors did not always maintain an attendance log of days and hours for work performed; and contractors did not submit a copy of this log and the Contractor's Time Record Sheet attached to each invoice.

The acting division director for the VOA South and Central Asian Division is the designated COR for the VOA Afghanistan Service, which is one of four services in the division. This responsibility was in addition to his management and program implementation duties. Although the COR is aware of the POV contract deliverables, the COR did not provide contract administration because of the additional responsibility for monitoring the POV contracts of three other language services. Also, the COR assessment of POV contractor's performances was limited in detail and without corrective actions. The COR indicated to the inspection team more assistance was needed for oversight in Afghanistan. During the inspection, the VOA Afghanistan Service director took the training to become a COR and was officially designated for all POV contracts.

The contracting officer responsible for the POV contracts has not appointed alternate CORs to assist the COR in conducting effective contractor oversight. The managing editors in the Service inappropriately served as informal alternate CORs and accepted POV invoices on behalf of the appointed COR. They were not properly designated or trained in accordance with IBB's Office of Contracts designation letters. Interviews with employees with COR responsibilities revealed they were not aware of the Federal or BBG internal contracting requirement. During the course of the inspection, the Service director told the inspection team that he completed his COR training certification, although the inspection team did not see any evidence of this designation. Inadequate oversight of POV contracts may cause significant financial risks and vulnerabilities for the Service.

Recommendation 6: The International Broadcasting Bureau Office of Contracts, in coordination with the Voice of America Afghanistan Service, should require contracting officer's representatives and alternate contracting officer's representatives to comply with all Federal contract designation and administration requirements. (Action: IBB, in coordination with VOA)

Broadcasting Agreement with Radio Television Afghanistan

BBG agreed to pay annually to Radio Television Afghanistan \$360,000 to cover the operation, maintenance, and security expenses for mediumwave transmitters at the Pol-e Charkhi facility in October 2002.

As an amendment to the formal agreement with Radio Television Afghanistan, the United States established a second mediumwave transmitter in Khost, Afghanistan, in 2003. In August 2010, BBG negotiated an amendment to reduce the operations, maintenance, and security costs from \$160,000 per year to \$4,000 for the Khost mediumwave transmitter. On the basis of this action, IBB has the opportunity to lower costs for the Pol-e Charkhi mediumwave transmitting facility. The inspectors suggested that BBG evaluate whether cost reductions at the Pol-e Charkhi mediumwave transmitter were appropriate and amend the broadcasting agreement with Radio Television Afghanistan to reflect these reductions. In the comment period, BBG provided additional information about the Pol-e Charkhi mediumwave transmitter. BBG informed the team that [REDACTED]

Purchase Card

The VOA Afghanistan Service is in compliance with the purchase card program. The Service's three purchase cardholders did not have purchase card exceptions or noncompliances, according to the list provided by IBB's Office of Contracts. The inspection team's review of 39 purchase card transactions in FYs 2013–14 totaling \$43,205 found proper documentation with required justification for the purchases. The inspection team also determined that the amounts spent on the purchase card transactions were within the overall credit limit.

Radio Free Europe/Radio Liberty-Radio Free Afghanistan in Kabul

Funding Source	Employees (actual)			Total General Operating Expenses (in thousands)	Total Salaries (in thousands)	Total (in thousands)
	Staff in Prague	Staff in Kabul	Total Staff in Prague and Kabul			
FY 2014	29	85	114	\$1,377	\$3,588	\$4,965

Source: Radio Free Europe/Radio Liberty for FY 2014.

Like the VOA Afghanistan Service staff, the RFE/RL-Radio Free Afghanistan staff stated that it could cover more topics of interest with additional resources. RFE/RL-Radio Free Afghanistan, like VOA Afghanistan Service, has applied for grants to report on counternarcotics programs. However, funding has not been approved.

Financial Management

Reducing Cash Through Electronic Fund Transfers

Employees in the Kabul news bureau are paid in cash in U.S. dollars. The Kabul news bureau keeps funds at a local bank and makes withdrawals for salary payments and expenses. Interviewed employees said that Afghanistan's commerce is still cash driven. The March 2011 U.S. Agency for International Development report⁶ concludes that "Afghanistan has experienced improvements and growth in the banking sector." This wider availability of banking services can reduce the need for cash transactions. In addition, the Government of Afghanistan in January 2013 joined the "Better Than Cash Alliance" with the goal of transitioning from cash to electronic payments. The Afghanistan Government has targeted electronic salary payments to its nearly 1 million employees.

OMB Circular A-110 SUBPART C (3) require that grantees like RFE/RL have effective internal controls for disbursement and accountability of funds. The VOA Afghanistan Service has been able to pay its staff in Kabul through electronic funds transfer without any major problems. RFE/RL managers in Prague said that they were not aware the Afghanistan banking community had sufficiently evolved to provide reliable electronic banking and has not recently surveyed local banks to use electronic payments for salaries and expenses. They agreed to survey the current banking situation in Afghanistan and transition to electronic payments. The risk of potential financial loss is high when RFE/RL-Radio Free Afghanistan makes bank withdrawals and transports the cash back to the news bureau.

Recommendation 7: The Broadcasting Board of Governors should require Radio Free Europe/Radio Liberty to transition to electronic funds transfers for the Kabul news bureau's salaries and expenses. (Action: BBG, in coordination with RFE/RL)

⁶ *Review of Cash Disbursement Practices of Selected USAID/Afghanistan Implementing Partners*, Report No. F-306-11-002-S, March 2011.

MANAGEMENT CONTROLS

Voice of America Afghanistan Service and International Broadcasting Bureau - Germany Transmitting Station.

Unliquidated Obligations

The inspection team reviewed financial transactions in regard to the U.S. international broadcasting operations in Afghanistan and identified \$2.3 million in unliquidated obligations. These financial reviews included operating expenses in the VOA Afghanistan Service and IBB's Germany Transmitting Station. The team found that a lack of monitoring of unliquidated obligations is a deficiency in both offices.

As of September 9, 2014, prior to the onsite inspection, the VOA Afghanistan Service had approximately \$789,767 in unliquidated obligations for FYs 2010–14.⁷ IBB's Office of the Chief Financial Officer sent a memorandum, dated June 9, 2014, that requires all BBG offices to "review all other unliquidated obligations made in prior years against funds that are now expired before the end of the fiscal year." During the inspection, total unliquidated obligations covering FYs 2010–14 were reduced to \$662,451. The inspection team found that the majority of unliquidated obligations reviews are due to poor financial management oversight in the Service and in the VOA South and Central Asian Division for not deobligating the unspent balances of POV and stringer contracts once they have expired. The inspection team found that at the time of the inspection, the IBB Germany Station had \$1,670,564 in unliquidated obligations between FYs 2010 and 2014, with \$1.5 million of this balance in FY 2014 alone.

Despite both the memorandum IBB's Office of the Chief Financial Officer sends out annually and the large amount of unliquidated obligations in this year alone, the inspection team concludes that the managers at IBB responsible for these operations have not been periodically reviewing and certifying whether obligations are still valid or whether funds or available balances can be deobligated. Specifically, evidence that the inspection team reviewed showed that management at the IBB Germany Station has experienced difficulties in receiving purchase information in order to address unliquidated obligations.

BBG's response to the draft report stated that "the unliquidated balances identified by the OIG inspection team are the direct result of varying performance periods on procurements that cross fiscal years. These types of procurements include purchase/task orders for the procurement of parts and supplies placed in the third and fourth quarters of FY 2014 as well as contracts for services during that same time period. The disbursements of funds associated with these obligations are ongoing and in progress. Lastly, the value added tax (VAT) charges for the IBB

⁷ "A recorded obligation reduced by the amount of payments made on bills received. The obligated balance still owed is the unliquidated balance. When all services or goods have been received and paid for, the obligation is considered liquidated, and any remaining balance should be deobligated to make the funds available for other uses."

Germany Transmitting Station are to remain available for 5 years for possible future claims from vendors, and BBG sets aside funds for this purpose. These funds are deobligated at the conclusion of the 5-year period.”

BBG’s reasons do not justify the high balance of unliquidated obligations. After reviewing documents that BBG submitted in the comment period, the inspection team found that the reviews of unliquidated balances could be more regular. After the conclusion of the on-site inspection in November 2014, BBG has taken steps to reduce the \$1.6 million in unliquidated obligations to \$432,422. By deobligating these funds, both VOA and IBB can reprogram no-year funds or return expired appropriated funds to the U.S. Department of the Treasury.

Recommendation 8: The Broadcasting Board of Governors Office of the Chief Financial Officer should review the budget authority for unliquidated obligations for FYs 2010–14, totaling \$662,451 and \$432,422, respectively, and implement a review system to deobligate unliquidated obligations periodically. (Action: BBG)

Property Management

The VOA Afghanistan Service is not managing property in accordance with BBG regulations. The OIG team’s review of the VOA Afghanistan Service inventory identified inaccuracies and deficiencies. The inspection team did not receive the Service’s annual inventory of accountable assets for FY 2013, as requested, because the Property Management Office did not have any records to provide the team.

In October 2014, IBB’s Property Management Office (which falls under the oversight of IBB’s Office of Technology, Services, and Innovation) provided the inspectors a list of 22 accountable items at an acquisition cost of \$32,580. Only 9 of the 22 items could be located. The accountable property officer explained that of the 13 missing items, 9 were transferred to the Kabul office, 3 were taken out of the building as long-term loans to Service employees, and 1—a laptop—was lost. The team received inventory records that the Property Management Office specialist had not signed. The Service is not in compliance with the Broadcasting Administrative Manual (BAM) Part 4, Section 713(a)(5), Property Transfers.

The Service is also not in compliance with other property processes. The Service did not use property passes, as required by BAM, Part 4, Section 717, to control personal property used for activities outside Government buildings. For example, the property custodian allegedly transferred the missing laptop in 2009 without a receipt, and it was considered lost. On the basis of the team’s review, the Service did not follow procedures for lost property under BAM, Part 4, Section 711, after the laptop was lost. In addition, the inspection team walked through the Service’s offices to identify additional property items that were not included in the domestic inventory reports. As a result, the team identified 42 property items that were not counted in the inventory report, including 34 barcoded and 8 nonbarcoded accountable assets, such as laptops, video recorders, and digital cameras.

VOA Afghanistan Service management was not keeping property records current, nor was it enforcing internal controls for several reasons. One reason is that the property control officer has too many responsibilities as the acting director for the South and Central Asian Division, and the COR for four Services, including the Afghanistan Service. Another reason is that the property control officer was not familiar with the BAM requirements and did not know BBG's policies and procedures regarding management of personal property. The inspectors also found that IBB's Property Management Office in Washington has not asked the Service for updated property records. As a result of the above deficiencies, inventory records remain inaccurate and responsibility and property accountability have not been properly established.

In the Kabul office, the inspection team did not see any evidence that inventories were conducted in FYs 2012–13. An inventory took place in August 2014, prior the start of the inspection. The Kabul office does not have any written procedures for keeping an accurate inventory. Although the stringer coordinator keeps a spreadsheet of assets to track property, the office has not established any accountability procedures to control its assets. The stringer coordinator has not been assigned formally as an accountable officer. The team's review of the August inventory records did not locate 6 (3 camcorders, 2 laptops, and 1 video player) of 19 items selected. An additional 14 items were selected, but only 7 were properly recorded.

These weaknesses stem from the lack of VOA management oversight and failure to keep property records current and IBB's Property Management Office not requesting the VOA Afghanistan Service to update property records. Lack of accurate property records can lead to waste of property, potential thefts, and misstated information on BBG's financial statements.⁸

Recommendation 9: Voice of America, in coordination with the International Broadcasting Bureau Property Management Office, should conduct comprehensive annual inventories, update inventory records, and implement property internal controls procedures in accordance with International Broadcasting Bureau regulations. (Action: VOA, in coordination with IBB)

Office Furniture in Kabul

The inspection team observed the poor condition of office and production equipment. Some desks were in disrepair and were propped up with books or other materials. Desktop computers dated from 2010 with out-of-date operating systems (i.e., Windows XP). Guests for television programs sit in torn furniture. The studio video camera used for programming is old technology and not functioning well. The inspection team suggested that VOA reach out to Embassy Kabul's general services section and public affairs section and coordinate transfer of office or other furniture and production equipment when the embassy conducts disposal or sale of properties.

⁸ OMB Bulletin No. 14-02, *Audit Requirements for Federal Financial Statements*.

The International Broadcasting Bureau Transmitting Station in Germany

The IBB Germany Transmitting Station provided transmitting support to Afghanistan at a cost of \$3,228,024 and \$1,786,302 for FYs 2013 and 2014, respectively. During the onsite visit at the transmitting station in Germany, the inspectors found that equipment sent to Afghanistan had not been identified as accountable property for inclusion in the Property Inventory Processing System—the BBG inventory record-keeping system—and assets have not been reported as capitalized property, in accordance with BAM Part 4, Section 714. In addition, 15 FM transmitting equipment listed in the Property Inventory Processing System as VOA property in Afghanistan, each with an identical acquisition cost of \$173,000, were erroneous entries. The transmitting station manager was not aware of his role in identifying accountable property sent to locations outside Germany. IBB's Property Management Office inaccurately initiated a list of capitalized property for 15 FM broadcast systems at a total of \$2,595,000, when the value for each transmitting equipment is between \$17,000 and \$18,000, according to the station manager in Germany. Lack of an effective process to track and assess equipment for capitalization may lead to misstated information on BBG's financial statements.

Recommendation 10: The International Broadcasting Bureau Office of Technology, Services, and Innovation and Office of the Chief Financial Officer should update the Property Inventory Processing System to include accountable property sent to Afghanistan and correct property and financial records. (Action: IBB)

Radio Free Europe/Radio Liberty-Radio Free Afghanistan

Cash and Check Reconciliation

The RFE/RL financial staff in Prague monitors the deposits made into Radio Free Afghanistan's Kabul bank account, reconciles the list of salaries and expenses against the cash withdrawals, and maintains suitable cash balances in the bank in Kabul. Despite RFE/RL headquarters' actions, Radio Free Afghanistan in Kabul has poor internal controls for cash and checks.

The team inspected the contents of the bureau's safe and found a checkbook from the bureau's bank with blank check stubs and without any identification or information as to the amount, date, or purpose of the check; \$3,964 in cash and Afghan currency (equivalent to \$90); unused telephone cards; and nonassigned cell phones.

As part of the inspection review of financial operations, the news bureau's chief of administration and his assistant did a cash count, but they did not maintain previous cash count documents to verify that the cash had been adequately reconciled. In addition, the inspection team did not find a financial ledger or other type of reconciliation document for cash deposits and/or cash disbursements. The news bureau administrative staff was not aware of the potential vulnerabilities. OMB Circular No. A-110, SUBPART C - Post-Award Requirements, Financial and Program Management, requires "...[e]ffective control over and accountability for all funds, property and other assets. Recipients shall adequately safeguard all such assets and assure they

are used solely for authorized purposes.” The lack of financial internal controls could lead to potential loss of funds and lack of accountability.

Recommendation 11: The Broadcasting Board of Governors should require Radio Free Europe/Radio Liberty to implement cash and check reconciliation procedures in Radio Free Afghanistan’s news bureau. (Action: BBG, in coordination with RFE/RL)

Property Management

The inspection team reviewed 15 items from RFE/RL-Radio Free Afghanistan inventory records and was able to locate 14 of them during the onsite inspection; 1 item was located after the on-site inspection.

The inspection found that RFE/RL-Radio Free Afghanistan lacks adequate accountability procedures over equipment loaned to staff. Employees can borrow equipment such as cameras, recorders, and cell phones to conduct their work. The inspection team observed that the majority of the loan forms maintained at the Kabul bureau had blank return certifications to acknowledge that the employee had actually returned the equipment. In some instances, the inspection team found employees had checked out equipment without a return certification, and the same equipment loaned again to a different employee on another loan form. The inspection team found that the Kabul bureau does not require staff to sign the form when returning equipment.

Although the property office in Prague reported getting copies of loan forms for borrowed equipment at the Kabul news bureau, the office did not receive updates of the loan forms to determine the status for borrowed equipment. In accordance with OMB Circular Number A-110, SUBPART C.34 - Equipment, “the entity is required to establish and maintain a system for managing and accounting for Government property purchased with Government funds or on loan from the Federal Government.” In addition, RFE/RL’s loan form has a specific section to certify when and to whom equipment is returned because it is no longer required for its intended purpose or when the employee ceases to work for RFE/RL. Allowing this situation to continue creates a risk of potential loss of U.S.-funded items.

Recommendation 12: The Broadcasting Board of Governors should require Radio Free Europe/Radio Liberty to implement accountability procedures for loaned equipment in the Radio Free Afghanistan news bureau. (Action: BBG, in coordination with RFE/RL)

SECURITY

RFE/RL-Radio Free Afghanistan and VOA Afghanistan Service stringers are colocated in the office facility in Kabul. RFE/RL-Radio Free Afghanistan is responsible for the security of the office.

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Security Concerns from Voice of America and Radio Free Europe/Radio Liberty Employees

Personal security and security stability in the country remain the primary concerns for employees in Kabul. In interviews, they brought up the security issue as a concern. Growing insecurity has made it difficult for journalists to travel outside major cities, reducing the quality of local news coverage. In 2013, VOA had to relocate temporarily its Bamyán-based stringer to Kabul after he received death threats in response to a radio report he filed on the activities of a local militia commander. Though no other VOA reporter has received a threat in recent months, many employees expressed their reluctance to venture outside Kabul and the provincial capitals to cover stories. In 2012, reporters in Kunar, Khost, and Baghlan Provinces received threats from the Taliban and local warlords. A would-be suicide bomber from the Haqqani network admitted to authorities to targeting a senior member of RFE/RL-Radio Free Afghanistan's Kabul news bureau.

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RECOMMENDATIONS

Recommendation 1: Voice of America should conduct a 360 review of the senior management staff of the Afghanistan Service and take corrective actions on the basis of the outcome of the review. (Action: VOA)

Recommendation 2: The Broadcasting Board of Governors should implement a comprehensive harmonization strategy for U.S. international broadcasting to Afghanistan that includes all Broadcasting Board of Governors entities operating in or broadcasting to Afghanistan. (Action: BBG)

Recommendation 3: Voice of America, in coordination with the International Broadcasting Bureau, Office of Human Resources, should implement internal procedures for rating and reviewing officers in the Afghanistan Service to comply with International Broadcasting Bureau performance evaluation regulations. (Action: VOA, in coordination with IBB)

Recommendation 4: The International Broadcasting Bureau Office of the Chief Financial Officer, in coordination with Voice of America, should review periodically the Afghanistan Service employees' government travel card usage and determine appropriate disciplinary action for travel card misuse. (Action: IBB, in coordination with VOA)

Recommendation 5: The International Broadcasting Bureau Office of the Chief Financial Officer should update its travel card policy to include training requirements and implement procedures for compliance of these requirements. (Action: IBB)

Recommendation 6: The International Broadcasting Bureau Office of Contracts, in coordination with the Voice of America Afghanistan Service, should require contracting officer's representatives and alternate contracting officer's representatives to comply with all Federal contract designation and administration requirements. (Action: IBB, in coordination with VOA)

Recommendation 7: The Broadcasting Board of Governors should require Radio Free Europe/Radio Liberty to transition to electronic funds transfers for the Kabul news bureau's salaries and expenses. (Action: BBG, in coordination with RFE/RL)

Recommendation 8: The Broadcasting Board of Governors Office of the Chief Financial Officer should review the budget authority for unliquidated obligations for FYs 2010–14, totaling \$662,451 and \$432,422, respectively, and implement a review system to deobligate unliquidated obligations periodically. (Action: BBG)

Recommendation 9: Voice of America, in coordination with the International Broadcasting Bureau Property Management Office, should conduct comprehensive annual inventories, update inventory records, and implement property internal controls procedures in accordance with International Broadcasting Bureau regulations. (Action: VOA, in coordination with IBB)

Recommendation 10: The International Broadcasting Bureau Office of Technology, Services, and Innovation and Office of the Chief Financial Officer should update the Property Inventory Processing System to include accountable property sent to Afghanistan and correct property and financial records. (Action: IBB)

Recommendation 11: The Broadcasting Board of Governors should require Radio Free Europe/Radio Liberty to implement cash and check reconciliation procedures in Radio Free Afghanistan's news bureau. (Action: BBG, in coordination with RFE/RL)

Recommendation 12: The Broadcasting Board of Governors should require Radio Free Europe/Radio Liberty to implement accountability procedures for loaned equipment in the Radio Free Afghanistan news bureau. (Action: BBG, in coordination with RFE/RL)

Recommendation 13: [Redacted] (b) (5), [Redacted] (b) (7)(F)

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PRINCIPAL OFFICIALS

Title	Name	Arrival Date
Voice of America:		
South and Central Asian Language Division Director (Acting)	Eric Phillips	08/14
Afghanistan Service Director	Masood Farivar	01/13
Managing Editor (Dari Radio)	Akmal Dawi	01/15
Managing Editor (Pashto Radio)	Ibrahim Nasar	01/15
Managing Editor (Television)	Ahad Azizzada	11/05
Stringer Coordinator	Ekram Shinwari (Kabul)	10/08
Radio Free Europe/Radio Liberty:		
Regional Broadcast Director South Asia	Akbar Ayazi (Prague)	03/12
Director of Radio Free Afghanistan	Hashem Mohmand (Prague)	02/10
Bureau Chief	Hameed Mohmand (Kabul)	01/13

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 U.S. Department of State (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 are achieved in an effective manner and U.S. interests are effectively represented.
- **Resource Management:** whether resources are used with maximum efficiency and effectiveness and whether financial transactions and accounts are properly conducted, maintained, and reported.
- **Management Controls:** whether operations meet the requirements of applicable laws and regulations; whether internal management controls are enforced; whether instances of fraud, waste, or abuse exist; and whether adequate steps for detection, correction, and prevention have been taken.

In accordance with the U.S. International Broadcasting Act of 1994 (P.L. 103-236) Section 304(a) (3) (B), OIG is prohibited from evaluating the content of BBG broadcasting entities. The section, entitled "Respect for Journalistic Integrity of Broadcasters," states that "The Inspector General shall respect the journalistic integrity of the broadcasters covered by this title and may not evaluate the philosophical or political perspectives reflected in the content of broadcasts."

Methodology

The inspection team's primary assessment criteria are regulations contained in the *Foreign Affairs Manual* and *Handbooks*, Department instructions, applicable law, and generally accepted management principles.

The Office of Inspections solicits reviews of the content of inspection reports from interested offices, individuals, organizations, and activities.

In conducting this inspection, the inspectors: reviewed relevant records and documents; conducted onsite inspection in Washington, DC; Frankfurt, Germany; Prague, Czech Republic; and Kabul, Afghanistan; interviewed 133 individuals; and reviewed 40 questionnaires and 283 documents gathered for the inspection.

ABBREVIATIONS

BAM	Broadcasting Administrative Manual
BBG	Broadcasting Board of Governors
COR	Contracting officer's representative
Department	U.S. Department of State
FAR	Federal Acquisition Regulation
IBB	International Broadcasting Bureau
OIG	Office of Inspector General
OMB	Office of Management and Budget
POV	Purchase order vendors
RFE/RL	Radio Free Europe/Radio Liberty
VAT	Value added tax
VOA	Voice of America

INSPECTION TEAM MEMBERS

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Rich Astor (deputy team leader)
Tony Eason
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Mark Peterson
Brandon Thompson



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