



**United States Department of State  
and the Broadcasting Board of Governors**

***Inspector General***

October 30, 2001

**MEMORANDUM**

**TO:** Mr. Marc B. Nathanson, Chairman  
Broadcasting Board of Governors

**FROM:** Clark Kent Ervin  
Inspector General

**SUBJECT:** Semiannual Report to Congress,  
April 1 to September 30, 2001

I am pleased to transmit to you the Office of Inspector General's semiannual report to the Congress for the period ending September 30, 2001. A classified annex to the report will be sent under separate cover.

During this period, OIG conducted a security follow-up review of Radio Free Europe/Radio Liberty Prague, Czech Republic, and OIG also conducted legislatively mandated audits that focused on BBG's information systems.

Also during this period, OIG reviewed BBG's audience research operations and found that BBG made significant progress in developing a reliable audience research capability. However, OIG recommended that BBG improve its Government Performance and Results Act planning and reporting process. In addition, OIG conducted an inspection of the Sao Tome Transmitting Station and found the station to be self-sufficient and effectively managed, although several staffing issues need to be addressed.

This report is required by the Inspector General Act of 1978, as amended. This statute requires that you transmit the report to the appropriate committees of the Congress by November 30, 2001, together with any comments you may wish to make.

# BROADCASTING BOARD OF GOVERNORS

## Security

During this reporting period, the Office of Security and Intelligence Oversight issued a Security Compliance Follow-up Review for Radio Free Europe/Radio Liberty, Prague, Czech Republic.

## Inspections

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### Inspection of Sao Tome Transmitting Station (01-FP-M-070)

The Sao Tome Transmitting Station began broadcasting Voice of America programs in March 1996. Since February 1997, the station has been providing FM broadcasts to local audiences. The station is self-sufficient. Its buildings and structures are efficiently and effectively managed; the station has developed innovative and useful solutions to common problems; and it has established smooth operations with port and customs authorities.

However, the station needed to address several staffing issues. OIG recommended that the station and the International Broadcasting Bureau revise Sao Tome's staffing pattern, review salaries and sick leave policies for local employees, and review position classifications and classification processes and policy. OIG also recommended that the station determine the appropriateness of International Cooperative Administrative Support System charges for community liaison office services.

## Audits

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### More Guidance and Oversight Can Improve Broadcasting Board of Governors' Web Site Privacy (01-IT-M-039)

The Internet has emerged as a powerful tool for communicating large amounts of information on Federal activities and services. The Internet has also made it possible for web sites to track and collect personally identifiable data — such as a person's name, e-mail address, Social Security number, or credit card number — making online privacy one of the key and most contentious issues in this information age.

In response to requirements of Section 646 of the Treasury and General Government Appropriations Act, 2001, OIG conducted a review of Internet privacy management at the Broadcasting Board of Governors (BBG). OIG focused the review on BBG's practices regarding the collection of personally identifiable information through the use of "cookies" or other means on its public web sites. A cookie is a small text file placed on a site visitor's computer hard drive by a web server, allowing a server to track online purchases, maintain and serve customized web pages, or build profiles on individual site visitors.

BBG has not developed policies to ensure that its web sites are managed in accordance with Federal privacy guidelines prescribed by the Office of Management and Budget. Specifically, the guidelines restrict the use of persistent cookies on Federal Internet sites without compelling need, agency head approval, and posted notices to advise the public of any information collected on the sites and how that information is used. BBG recognizes that it needs to develop web privacy policies to help ensure compliance with Federal Internet management guidelines. Agency officials informed OIG that they recently began to develop a policy directive to ensure compliance with Federal guidelines for Internet privacy management within the International Broadcasting Bureau.

In the absence of agency policies to help ensure web site privacy, OIG found two instances on the four web sites that OIG identified where BBG was using persistent cookies without proper authorization. In both instances, the web managers did not know that persistent cookies were being used. One of the cookies had been inserted through a commercial web development application as a convenient way of maintaining user preferences (i.e., graphics, screen color) as a user navigates from

one web page to another during a site visit. The second cookie was used for counting visitors. Web managers agreed to take steps to remove or seek BBG approval for the two persistent cookies that OIG discovered during the review. OIG found no evidence that cookies were used to collect personally identifiable information on the agency's public web sites. Further, one of the four web sites that were reviewed had no privacy statement and therefore no means of advising users of any information collected on the site. The web manager was not aware that a privacy statement was required and agreed to post a statement to ensure compliance.

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## Strong Management Support Needed to Ensure Broadcasting Board of Governors Complies with the Government Information Security Reform Act (01-IT-M-084)

In response to GISRA, OIG performed an independent evaluation of the information security program and practices of BBG. Specific objectives of our review were to identify BBG's policies and procedures for securing information on its information systems and to determine whether BBG is effectively implementing requirements of GISRA.

OIG met with officials from organizations throughout BBG including the International Broadcasting Bureau (IBB), Voice of America, and Worldnet Television and Film Service. We spoke with officials from the Office of Cuba Broadcasting, but did not conduct any field work at its headquarters in Miami. The Office of Cuba Broadcasting had become aware of GISRA requirements only in June 2001 and requested time to develop and implement compliance measures. Also, OIG did not conduct detailed review work with BBG's grantee organizations, Radio Free Europe/Radio Liberty, and Radio Free Asia. They are private non-profit organizations that own and operate their own information technology systems. In addition to detailed discussions with appropriate BBG management and staff, we developed and used a questionnaire based on the National Institute of Standards and Technology's *Self-Assessment Guide for Information and Technology Systems*. We collected other pertinent supporting information security documentation as appropriate. We did not review technical controls during this evaluation because BBG was still developing its security program.

When OIG began its review in February 2001, BBG did not have a documented, agency-wide information security program as required by GISRA and had not

documented security level requirements for its systems. Upon initiating this evaluation in February 2001, OIG found that BBG had not developed written policies and procedures for establishing commonly used information security controls. OIG found that BBG primarily uses commercial off-the-shelf software and identified 49 systems that it was operating at the time of our evaluation. Using questions taken from the National Institute of Standards and Technology's *Self-Assessment Guide*, OIG held discussions with several system owners and found that they were not using standard information security controls while managing their systems and that system security level determinations had not been documented. Furthermore, other key items that would support a stronger risk management approach to information security as called for under GISRA were missing. They include:

- risk assessments;
- contingency plans;
- vulnerability testing;
- an information security training program; and
- procedures for detecting, reporting, and responding to security incidents.

Since February 2001, BBG has appointed a Chief Information Officer (CIO) and has made some progress toward establishing an information security program. For example, in July 2001, the CIO issued a draft paper outlining a framework for the BBG Information Security Program, including a discussion of roles and responsibilities, training requirements, and the agency's enterprise architecture. In addition, five BBG program offices—Computing Services, Engineering and Technical Services, Voice of America Broadcast Operations, the Office of Cuba Broadcasting, and the Office of Internet Development—are developing security plans to protect BBG's 18 mission-critical and 31 non-mission-critical systems that were identified during our evaluation. The development of these security plans, according to BBG officials, is geared toward meeting GISRA requirements. Overall, these efforts suggest that BBG is making steady progress toward establishing an effective information security program throughout the agency. OIG is encouraged by these steps to comply with GISRA and recommends that BBG complete work on developing its information security program by the end of October 2001 and include a discussion of these efforts in its remediation plan, which is due to the Office of Management and Budget on October 31, 2001.

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## Review of the Broadcasting Board of Governors Audience Research Program (01-FP-R-042)

OIG reviewed the audience research operations of the Broadcasting Board of Governors (BBG). The objectives of the review were to determine BBG's progress in developing a reliable research capability, evaluate how BBG gathers and uses the research, and analyze the related contracting practices. In addition, OIG evaluated the performance data related to audience research included in BBG's FY 1999 performance report proposed in response to GPRA.

OIG found that BBG had made significant progress in developing a reliable audience research capability. For example, it completed its first two language service reviews with research playing a significant role, developed an audience research manual, and significantly increased audience research funding.

However, OIG found that BBG could further improve its program and recommended that it (1) establish procedures to ensure the language priorities established by the Board are considered in allocating audience research funds; (2) ensure that its broadcast entities document the use of research recommendations in making broadcast and programming decisions; (3) require that its broadcast entities work with Board staff to improve the agency's GPRA planning and reporting process; and (4) ensure that the audience research contracting practices at Radio Free Europe/Radio Liberty and Radio Free Asia adhere to Office of Management and Budget guidance.

# Investigations

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## Management Implication Report

An OIG investigation determined that members of BBG served concurrently on the board of directors of a nongovernmental organization that does contract work for BBG, creating an apparent conflict of interest. The investigation determined that the concurrent service was a past practice and was not currently ongoing. OIG issued a Management Implication Report recommending that future BBG governors be restricted from serving on the board of directors of the nongovernmental organization. (01-055)

## APPENDIX 1: INVESTIGATIVE ACTIVITIES

### Workload

Cases pending 3/31/01	1
New cases opened	2
Cases closed	2
Cases pending 9/30/01	1

**Total Judicial Actions**                    **3**

**Prosecutive Referral**                    **2**

**Prosecutive Declination**                **1**

**Total Administrative Actions**        **0**

*The statistics and narrative case descriptions of investigative activities appearing in this Semiannual Report to the Congress are the result of reports received from prosecutive and administrative authorities. The final actions may be changed at a later date by individual use of administrative and judicial appeals processes.*

## APPENDIX 2: REPORTS ISSUED

01-IT-M-039	More Guidance and Oversight Can Improve Broadcasting Board of Web Site Privacy	Governors' 6/01
01-SIO-R-041	Radio Free Europe/Radio Liberty, Prague, Czech Republic	6/01
01-IT-M-084	Strong Management Support Needed to Ensure Broadcasting Board of Complies With the Government Information Security Reform Act	Governors 9/01
01-FP-R-042	Review of the Broadcasting Board of Governors' Audience Research Program	6/01
01-FP-M-070	Inspection of Sao Tome Transmitting Station	

## APPENDIX 3: SAVINGS & MORE EFFECTIVE USE OF RESOURCES

**Table I**  
**INSPECTOR GENERAL ISSUED AUDIT REPORTS**  
**WITH QUESTIONED COSTS**

	Number of Reports	(Dollars in Thousands)	
		Questioned Costs	Unsupported Costs
A. For which no management decision has been made by the commencement of the reporting period	0	0	0
B. Which were issued during the reporting period	0	0	0
Subtotals (A + B)	0	0	0
C. For which a management decision was made during the reporting period	0	0	0
– based on formal administrative or judicial appeal			
(i) dollar value of disallowed costs	0	0	0
(ii) dollar value of costs not disallowed	0	0	0
D. For which no management decision has been made by the end of the reporting period	0	0	0
Reports for which no management decision was made within 6 months of issuance	0	0	0

**Table II**  
**INSPECTOR GENERAL ISSUED AUDIT REPORTS**  
**WITH RECOMMENDATIONS THAT FUNDS BE PUT TO BETTER USE**

	Number of Reports	Dollar Value (in thousands)
A. For which no management decision has been made by the commencement of the reporting period	0	0
B. Which were issued during the reporting period	0	0
Subtotals (A + B)	0	0
C. For which a management decision was made during the reporting period	0	0
(i) dollar value of recommendations that were agreed to by management	0	0
– based on proposed management action		
– based on proposed legislative action		
(ii) dollar value of recommendations that were not agreed to by management	0	0
D. For which no management decision has been made by the end of the reporting period	0	0
Reports for which no management decision was made within 6 months of issuance	0	0

## LIST OF ABBREVIATIONS

ARI	Andean Regional Initiative
ATA	Anti-Terrorism Assistance
BBG	Broadcasting Board of Governors
CIO	Chief Information Officer
CIP	Critical Infrastructure Protection
DS	Diplomatic Security
EAP	Emergency Action Plan
ECA	Bureau of Educational and Cultural Affairs
EU	European Union
FSRDF	Foreign Service Retirement and Disability Fund
FVAP	Federal Voter Assistance Program
GAO	General Accounting Office
GISRA	Government Information Security Reform Act
GPRA	Government Performance and Results Act
INCSF	Iraqi National Congress Support Foundation
INL	Bureau of International Narcotics and Law Enforcement Affairs
IRM	Information Resource Management
MED	Office of Medical Services
MPP	Mission Performance Plan
NEA	Bureau of Near Eastern Affairs
NGO	Nongovernmental organizations
OECD	Organization for Economic Cooperation and Development
OIG	Office of Inspector General
OWP	Overseas Wireless Program
SSA	Social Security Administration
USAID	United States Agency for International Development
USIA	United States Information Agency
WPCP	Worldwide Purchase Card Program

**INDEX OF REPORTING REQUIREMENTS  
INSPECTOR GENERAL ACT OF 1978, AS AMENDED**

<b>REQUIREMENT</b>	<b>SUBJECT</b>	<b>PAGE NUMBERS</b>
Section 4(a)(2)	Review of legislation and regulations	13-15
Section 5(a)(1)	Significant problems, abuses, and deficiencies	19-52, 73-77
Section 5(a)(2)	Significant recommendations for corrective action	19-52, 73-77
Section 5(a)(3)	Prior significant recommendations unimplemented	66
Section 5(a)(4)	Matters referred to prosecutive authorities	53-60, 78
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Section 5(a)(6)	List of reports issued	62-63, 79
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Section 5(a)(9)	Audit reports—funds to be put to better use	65, 80
Section 5(a)(10)	Prior audit reports unresolved	67-69
Section 5(a)(11)	Significant revised management decisions	None
Section 5(a)(12)	Significant management decisions with which OIG disagreed	None