



United States Department of State
and the Broadcasting Board of Governors

Office of Inspector General

OFFICE OF INSPECTIONS

Inspection of Broadcasting Board
of Governors' Operations in Indonesia

Report Number ISP-IB-11-25, March 2011

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PURPOSE, SCOPE AND METHODOLOGY OF THE INSPECTION

This inspection was conducted in accordance with the Quality Standards for Inspections, as issued by the President's Council on Integrity and Efficiency, and the Inspector's Handbook, as issued by the Office of Inspector General for the U.S. Department of State (Department) and the Broadcasting Board of Governors (BBG).

Purpose

The Office of Inspections provides the Secretary of State, the Chairman of the BBG, and Congress with systematic and independent evaluations of the operations of the Department and the 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.
- 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."
- 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 this inspection, the inspectors: reviewed pertinent records; as appropriate, circulated, reviewed, and compiled the results of survey instruments; conducted on-site interviews; and reviewed the substance of the report and its findings and recommendations with offices, individuals, and organizations by this review.



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PREFACE

This report was prepared by the Office of Inspector General (OIG) pursuant to the Inspector General Act of 1978, as amended, and Section 209 of the Foreign Service Act of 1980, as amended. It is one of a series of audit, inspection, investigative, and special reports prepared by OIG periodically as part of its responsibility to promote effective management, accountability and positive change in the Department of State and the Broadcasting Board of Governors.

This report is the result of an assessment of the strengths and weaknesses of the office, post, or function under review. It is based on interviews with employees and officials of relevant agencies and institutions, direct observation, and a review of applicable documents.

The recommendations therein have been developed on the basis of the best knowledge available to OIG and, as appropriate, have been discussed in draft with those responsible for implementation. It is my hope that these recommendations will result in more effective, efficient and/or economical operations.

I express my appreciation to all of those who contributed to the preparation of this report.

A handwritten signature in black ink, appearing to read "H. W. Geisel".

Harold W. Geisel
Deputy Inspector General

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~~SENSITIVE BUT UNCLASSIFIED~~

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KEY JUDGMENT

- With limited staff, the Broadcasting Board of Governors' (BBG) establishments in Indonesia have done an excellent job of reaching out to and reporting on this large and complex country.

The inspection took place in Washington, DC, between September 13 and 24, 2010, and in Jakarta, Indonesia, between September 30 and November 1, 2010. (b) (6)

In Indonesia, the team inspected the Jakarta Voice of America (VOA) News Bureau, the Jakarta VOA Indonesian service, and the satellite office of the Bangkok Regional Marketing and Program Placement Office (RMPP). Both the Jakarta VOA News Bureau and the Jakarta RMPP satellite office were supervised from agency establishments in Bangkok that are the subject of a separate report.

CONTEXT

President Barack Obama's 4 years as a primary school student in Jakarta are a source of pride to Indonesians, as is his Indonesian-American sister. Senior U.S. and Indonesian officials, meeting in Washington in September 2010, put substance behind what is called the Comprehensive Partnership. Indonesia is the world's fourth largest country by population. The United States and Indonesia, respectively, are the world's second and third largest democracies. During the inspection, the topic of President Obama's impending visit was a frequent issue with the media. Indonesia enjoys freedom of the press. The media are lively and ubiquitous.

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EXECUTIVE DIRECTION

There are three BBG establishments in Indonesia: the Jakarta VOA News Bureau, the Jakarta VOA Indonesian service office, and a satellite office of the Bangkok RMPP. There is a single U.S. direct-hire supervisor at the VOA News Bureau, who serves as both the correspondent and the bureau chief. The other two offices are headed by locally employed (LE) staff. Although there is cooperation among the three offices, there is no formal arrangement regarding which one is the leader or supervises the others. Each office has strong leadership in its own right. Both the Jakarta VOA News Bureau and the Jakarta RMPP satellite office are supervised from offices in Bangkok. During the inspection, the RMPP officer in Bangkok came to Indonesia to work with the satellite office staff on a conference for affiliates. The Jakarta VOA Indonesian language service office is supervised by VOA's director of the Indonesian language service in Washington.

MISSION AND PROGRAM IMPLEMENTATION

VOICE OF AMERICA JAKARTA NEWS BUREAU

VOA News Bureaus provide news and report to VOA Central News. The BBG oversees VOA News Bureaus through the VOA Washington headquarters organization. Jakarta is one of 13 VOA overseas correspondent bureaus.

Jakarta Voice of America Indonesian Service Office

The VOA Indonesian language service office in Jakarta serves multiple functions. First, it is a news bureau generating stories in Indonesian on its own initiative or as assigned by the Washington VOA Indonesian language service. Second, it is a technical support facility, recording transmissions from Washington on DVD or other media and delivering it to those affiliates, especially television stations, that don't have the capability to directly download from a satellite. The VOA Jakarta broadcast technician also provides technical support to affiliates having difficulty receiving VOA transmissions. Third, the VOA Jakarta office and its director serve as in-country U.S. representatives with Indonesian government agencies and officials, the broadcasting industry, business associations, and academic institutions. This role provides the VOA Indonesian service in Washington with valuable information about rules, regulations, media, and social trends, while it generates positive public relations benefits. Finally, the VOA Jakarta office serves as a valuable marketing force, helping to recruit new affiliates and place new VOA Indonesian service products. The VOA Jakarta director is a highly respected, experienced, and well connected media executive.

The VOA Indonesian language service office in Jakarta (with excellent support from the RMPP office) organizes regular affiliate conferences that strengthen the affiliates, build relationships between VOA and the affiliates, and generate feedback and new programming ideas for VOA. During the OIG inspection, the Jakarta VOA Indonesian language service office organized affiliate conferences in Bandung and Surabaya. Staff from the Jakarta RMPP satellite office (see below) attended both conferences, and the Bangkok RMPP officer attended the affiliate conference in Surabaya.

JAKARTA REGIONAL MARKETING AND PROGRAM PLACEMENT SATELLITE OFFICE

The Jakarta RMPP satellite office has recruited and maintains relations with about 123 radio affiliates on the island of Java, the most populous island in the Indonesian archipelago. There are another 111 local television and radio affiliates in the rest of Indonesia. All 33 provinces have affiliates, and affiliates are found in most provincial capitals. In all, 75 percent of Indonesia's population is reached via these affiliates. Jakarta hosts four television affiliates that have national reach. Another four national television stations in Jakarta do not have affiliate agreements, but regularly air VOA content.

Many radio stations in Indonesia broadcast without a license. The Jakarta RMPP satellite office is careful not to make agreements with unlicensed stations. According to the Indonesian radio broadcasters association, there are about 1,500 licensed and unlicensed radio stations in the country.

RESOURCE MANAGEMENT

VOICE OF AMERICA RESOURCES

The VOA correspondent has limited resources. When there have been temporary technical difficulties at his own office, he has gone to Jakarta VOA Indonesian language service office to send in an important, time-sensitive news story. The current correspondent's immediate predecessor opted for a combined, home-office arrangement that has the advantage of convenience when he must file an after-hours story.

Four Indonesian national employees, including the office director, work at the Jakarta VOA Indonesian language service office. They are embassy employees and have embassy identification badges.

JAKARTA REGIONAL MARKETING AND PROGRAM PLACEMENT SATELLITE OFFICE RESOURCES

The two LE staff members in the Jakarta RMPP satellite office work from their homes or while on the road. The office contracts three times a year for someone to do installations at new affiliates that have networks. In the event of damage from lightning or wind gusts, the office may pay for local repair. Other affiliates are just given satellite parameters for down linking VOA content. One radio station at a university downloads archived VOA programs from the Internet.

REIMBURSEMENT

The inspection team found that the VOA Jakarta bureau chief and the director of the VOA Jakarta Indonesian language service office were both paying out of pocket for hundreds of dollars worth of expenses, on a continuing basis, for months. At any given time, the VOA correspondent is temporarily out-of-pocket for \$2,000. The reason is that neither office has a cashier or petty cash. The chief of the VOA Jakarta

Indonesian language service office, for example, pays out of pocket for janitorial services, water, postage, staff transportation, office stationery, and other work related items. The VOA chose not to incur the expense of a cashier, but in doing so it transferred a burden to its employees. Compounding that situation is the fact that, although each office has purchase cards and uses them appropriately, not all vendors will accept a foreign purchase card.

RECOMMENDATION 1: The Voice of America should implement a process to end the use of employees' personal funds to temporarily pay agency costs at offices with no petty cash or cashier. (Action: VOA)

MANAGEMENT CONTROLS

VOICE OF AMERICA JAKARTA NEWS BUREAU CONTROLS

A contractor assists with administrative tasks as well as more directly supporting news gathering. Although the correspondent/bureau chief regretted the time consumed by his administrative responsibilities, the OIG team found his management to be sound.

MONITORING OF AFFILIATE AGREEMENTS

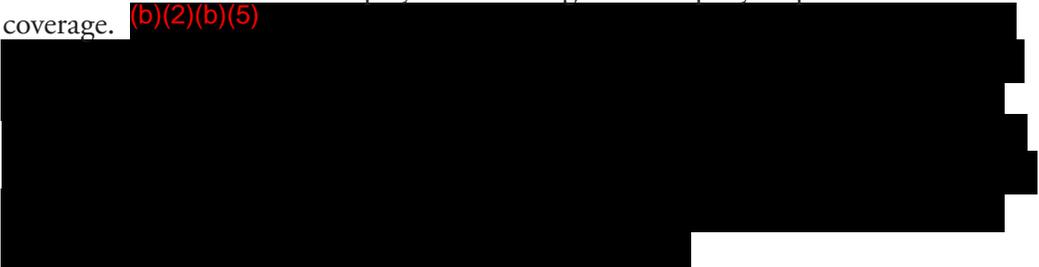
Affiliate agreements vary regarding what is given to the affiliate broadcaster in exchange for airing BBG content. Typically, a broadcaster agrees to carry some mix of news and features. Some features are rebroadcast by the affiliate several times in a day. Short news segments and short features are popular, because they can be easily integrated into a broadcaster's regular programming. The news is valued, because it gives the audience something it needs and wants, without the local broadcaster having to bear the expense of fielding its own news team. Broadcasters without affiliate agreements have greater flexibility in selecting which features to air, without having a standing obligation to do more. These intermittent users of BBG content are not included in performance statistics. Essential to affiliate agreements is that the affiliate acknowledge the relevant BBG broadcast entity as the source of the news or other feature. Some affiliates receive various amounts of equipment and training, while others simply have access to the content. Other incentives, such as inclusion in an affiliate off-site conference, also are employed to maintain affiliate loyalty and to strengthen relationships.

Monitoring compliance with the terms of affiliation agreements is inexact under the best of circumstances, but RMPP satellite office staff in Jakarta makes efforts aimed at doing so. The Indonesian archipelago is large and contains thousands of islands, and travel funds are limited for the RMPP satellite office staff. Compliance is primarily based on self reporting by the affiliates. However, listeners may comment on a language service's Facebook® page and self-identify their location. Staff members also listen to broadcasts when traveling. Cable television provides another means to monitor compliance.

SECURITY

VOICE OF AMERICA JAKARTA NEWS BUREAU

The VOA bureau chief is a U.S. Government employee but, as a VOA correspondent, he is not affiliated with Embassy Jakarta or under chief of mission authority. He has one local contractor and a local resident, U.S. citizen, as a “stringer” to assist him, when appropriate. He contracts, as needed, for other assistance. The bureau chief works from his house and employs a contract guard company to provide 24-hour coverage. (b)(2)(b)(5)



JAKARTA VOICE OF AMERICA INDONESIAN LANGUAGE SERVICE OFFICE

The Jakarta VOA Indonesian language service office is located in the Deutsche Bank Building, which is a modern high rise structure near a major American hotel. The VOA office is on the tenth floor and is not listed on the lobby directory. Building vehicle security consists of drop arms, underbody inspection, and examination of vehicle interiors prior to allowing entry to the parking lot. Building visitors are screened by building guards and packages are put through X-ray inspection while

visitors pass through a walk through metal detector. Identification cards are required, and visitors must state their business. Building visitor passes are issued to some visitors, but upon presentation of embassy identification badges (not retained) qualified visitors are not required to have a visitor pass in order to visit the VOA offices.

(b)(2)(b)(5)



JAKARTA REGIONAL MARKETING AND PROGRAM PLACEMENT SATELLITE OFFICE

The Jakarta RMPP satellite office staff members work closely with the VOA Indonesian language service office at times, but they have no office. They work out of their homes and conduct many on-site visits to prospective affiliates.

FORMAL RECOMMENDATION

RECOMMENDATION 1: The Voice of America should implement a process to end the use of employees' personal funds to temporarily pay agency costs at offices with no petty cash or cashier. (Action: VOA)

PRINCIPAL OFFICIALS

	Name	Arrival Date
VOA Jakarta Bureau Chief	Brian Padden	June 2009
VOA Indonesian service Jakarta Chief	Frans Padak Demon	January 2005
International Broadcasting Bureau RMPP Country Representative for Indonesia	Marintan Lumban Tobing	November 1999

ABBREVIATIONS

BBG	Broadcasting Board of Governors
LE	locally employed
OIG	Office of Inspector General
RMPP	Regional Marketing and Program Placement
VOA	Voice of America

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