



**United States Department of State
and the Broadcasting Board of Governors
Office of Inspector General**

Office of Inspections

**Compliance Followup Review of
Broadcasting Board of Governors'
Operations, Thailand**

Report Number ISP-IB/C-12-34, June 2012

~~Important Notice~~

~~This report is intended solely for the official use of the Department of State or the Broadcasting Board of Governors, or any agency or organization receiving a copy directly from the Office of Inspector General. No secondary distribution may be made, in whole or in part, outside the Department of State or the Broadcasting Board of Governors, by them or by other agencies or organizations, without prior authorization by the Inspector General. Public availability of the document will be determined by the Inspector General under the U.S. Code, 5 U.S.C. 552. Improper disclosure of this report may result in criminal, civil, or administrative penalties.~~

Office of Inspector General

PURPOSE, SCOPE, AND METHODOLOGY OF THE COMPLIANCE FOLLOWUP REVIEW

This inspection was conducted in accordance with the Quality Standards for Inspection and Evaluation, as issued in 2011 by the Council of Inspectors General on Integrity and Efficiency, and the Inspector's Handbook, as issued by the Office of Inspector General (OIG) for the U.S. Department of State (Department) and the Broadcasting Board of Governors (BBG).

PURPOSE AND SCOPE

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. Compliance Followup Reviews (CFR) 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.

The Office of Inspections may perform on-site CFRs to verify whether agreed-upon corrective actions for recommendations issued in previous reports were fully and properly implemented and to provide OIG with a quality assurance assessment of its work.

METHODOLOGY

In conducting this CFR, the inspectors have: 1) reviewed the previous inspection report and the reported corrective actions; 2) distributed survey instruments to inspected entity(s) and compiled and analyzed the results to measure and report changes in the period between the previous inspection and this CFR; 3) conducted on-site interviews and reviewed and collected documentation to substantiate reported corrective actions; 4) addressed new, significant

deficiencies or vulnerabilities identified in the CFR survey results and during the course of the on-site CFR and, where appropriate, issued new recommendations; and, 5) discussed the substance of the draft CFR report at the final meeting with the head of the inspected bureau/office or post.

Table of Contents

Key Judgments	1
Background	2
Evaluation of Compliance	3
Udorn Facility	4
Regional Marketing and Program Placement Office	5
List of Compliance Followup Review Recommendations	6
Abbreviations	7
APPENDIX I: Status of 2011 Inspection Formal Recommendations	8
APPENDIX II: Status of 2011 Inspection Informal Recommendations	11

Key Judgments

- Responsible entities in both Washington and Thailand complied with the majority of the formal and informal recommendations in the Office of Inspector General's (OIG) March 2011 inspection report on the operations of the Broadcasting Board of Governors (BBG) in Thailand. Some important issues still need to be addressed.
- BBG is still conducting a strategic review of its operating and distribution platforms, the results of which would directly affect its operations in Thailand. (b) (5)
[REDACTED]
- Despite (b) (5) problems, BBG operations in Thailand run well and have made improvements to the operation's physical plant and processes.

All findings and recommendations in this report are based on conditions observed during the on-site review and the standards and policies then in effect. The report does not comment at length on areas where OIG did not identify problems that need to be corrected.

The CFR took place in Washington, DC, between January 3 and 27, 2012; in Bangkok, Thailand, between February 10 and 29, 2012; and in Udorn, Thailand, on February 21, 2012. (b) (6)
[REDACTED]

Background

BBG operations in Thailand were inspected in fall 2010. The most important of several recommendations was the need to resolve the future of the broadcasting station in Udorn in northern Thailand. Embassy Bangkok was also inspected in 2010. That inspection was complex and raised serious issues, generating a CFR to Embassy Bangkok in 2012. As the team was going to be in Thailand, OIG included a CFR on the BBG operations there at the same time as the CFR on Embassy Bangkok.

BBG operations in Thailand remain much the same as described in the March 2011 OIG report. BBG assets in Thailand include a large IBB transmitting station in Udorn in northeast Thailand and a smaller station in Patchi, about a 2-hour drive from Bangkok. The Voice of America and Radio Free Asia both operate news bureaus in Bangkok; a regional marketing and program placement office, also in Bangkok, supports both by recruiting affiliates and placing U.S. Government-supported programming on radio and television in East Asia and the Pacific.

Only the CFR team's security inspector traveled to Udorn and visited the offices of the two Bangkok-based news bureaus. Other observations in this report are based on conversations with staff of the various BBG-affiliated entities in and around Bangkok and in Washington.

Evaluation of Compliance

The CFR team found that the majority of formal and informal recommendations from the 2011 report had been closed as implemented. A CFR automatically closes all formal and informal recommendations from the inspection, but these may be reopened, revised, and/or reissued by the CFR, as appropriate. A complete list of the compliance status of all formal recommendations from the 2011 inspection is in Appendix I of this report. A complete list of the compliance status of all informal recommendations from that inspection is in Appendix II of this report.

Of the seven formal recommendations in the 2011 report, four (Recommendations 2, 3, 5, and 7) were closed prior to the CFR. The CFR team determined that these four recommendations remained closed. The remaining three recommendations (Recommendations 1, 4, and 6) were resolved/open before the CFR. Of those three recommendations, the CFR team closed Recommendation 4 as implemented. Recommendation 1 on confirming that the plans for the transmitting station comply with U.S. and Thai laws and regulations was reissued as CFR Recommendation 1. Recommendation 6 on designating the Bangkok regional marketing and program placement officer as a grants officer representative was reissued as CFR Recommendation 4.

Of the seven informal recommendations in the 2011 report, the CFR closed five (Informal Recommendations 2, 3, 5, 6, and 7).^{(b) (5)}

Informal Recommendation 4 on conducting annual refresher training on the use of chemical/biological and smoke inhalation response equipment at the transmitting station was reissued as CFR Recommendation 3.

Udorn Facility

The biggest issue facing BBG operations in Thailand is the future of the transmitting station in Udorn. A plan to privatize operations has been on hold for 2 years as BBG headquarters in Washington is still considering the issue. Doubts about the future of the station, as well as concerns about the future of international shortwave broadcasting in general, have eroded morale at the station. According to the station's American manager, these uncertainties have also made it more difficult to recruit staff. This recommendation is reissued.

Recommendation CFR 1: The Broadcasting Board of Governors, as it finalizes its proposal for the International Broadcasting Bureau Thailand Transmitting Station, should confirm that the plan for implementation complies with U.S. and Thai laws and regulations. (Action: BBG)

As detailed in the 2011 report, the transmitting station has become more efficient and productive over the years. Though staffing has decreased, transmitting hours at the Udorn station increased when other IBB transmitting stations closed and the Udorn station assumed their workload. Maintenance and repair projects have proceeded. In 2011, the Udorn station successfully completed three projects—replacing a voltage regulator, improving the antenna drainage system, and maintaining and repairing the road. The station manager told the OIG CFR team that he is expecting additional funding, before the end of March 2012, for two more maintenance and repair projects. Staff members are hopeful that BBG's willingness to put money into such projects means headquarters intends to keep the station open.

The Udorn station manager has continued to reduce the station's inventory of assets. He reduced the vehicle fleet by two, a tractor and a sedan, and sent unneeded residential furniture to the embassy where it was used to furnish two embassy houses. Worn furniture was sold at auction in Udorn. One of the two supervisors' residences was removed from the housing inventory when it was clear that the second supervisor would not be replaced. Deleting the property also reduced station costs.

(b) (5)

security office. This informal recommendation is reissued as a formal recommendation.

Recommendation CFR 2: (b) (5)

The local employee in the regional security office appointed to conduct training on the use of the chemical/biological and smoke inhalation response equipment passed away 2 weeks prior to the scheduled event. The training was not rescheduled. The Udorn station manager has

contacted the regional security officer at Embassy Bangkok to request chemical/biological response equipment training in conjunction with a visit to Udorn (b) (5)

This informal recommendation is revised and reissued as a formal recommendation.

Recommendation CFR 3: The Broadcasting Board of Governors, in coordination with Embassy Bangkok, should issue chemical/biological response equipment to the staff at the International Broadcasting Bureau Thailand Transmitting Station and conduct annual refresher briefings in the use of the equipment. (Action: BBG, in coordination with Embassy Bangkok)

Regional Marketing and Program Placement Office

At the time of the CFR, BBG had not yet named a director for the regional marketing and program placement office that supports Voice of America and Radio Free Asia in the East Asia and Pacific region. Instead, Voice of America's Asia coverage editor was overseeing its work on an interim basis; he does not have grants training and does not envision needing it in his Voice of America job. Until a new director is named for the marketing and program placement office and OIG can confirm that the named individual has taken the required grants training, this recommendation is reissued.

Recommendation CFR 4: The Broadcasting Board of Governors should require that the senior procurement executive designate the Bangkok regional marketing and program placement officer as a grants officer representative and ensure that he is properly trained for these duties. (Action: BBG)

List of Compliance Followup Review Recommendations

Recommendation CFR 1: The Broadcasting Board of Governors, as it finalizes its proposal for the International Broadcasting Bureau Thailand Transmitting Station, should confirm that the plan for implementation complies with U.S. and Thai laws and regulations. (Action: BBG)

Recommendation CFR 2: (b) (5)



Recommendation CFR 3: The Broadcasting Board of Governors, in coordination with Embassy Bangkok, should issue chemical/biological response equipment to the staff at the International Broadcasting Bureau Thailand Transmitting Station and conduct annual refresher briefings in the use of the equipment. (Action: BBG, in coordination with Embassy Bangkok)

Recommendation CFR 4: The Broadcasting Board of Governors should require that the senior procurement executive designate the Bangkok regional marketing and program placement officer as a grants officer representative and ensure that he is properly trained for these duties. (Action: BBG)

Abbreviations

BBG	Broadcasting Board of Governors
CFR	Compliance followup review
Department	U.S. Department of State
IBB	International Board of Broadcasters
OIG	Office of Inspector General

APPENDIX I: Status of 2011 Inspection Formal Recommendations

Recommendation 1: The Broadcasting Board of Governors, as it finalizes its proposal for the International Broadcasting Bureau Thailand Transmitting Station, should confirm that the plan for implementation complies with U.S. and Thai laws and regulations. (Action: BBG)

Pre-CFR Status: Resolved/open. BBG concurred with the OIG recommendation and said it would inform OIG of any proposed changes in the status of the transmitting station and ensure that the six issues addressed in the OIG report would be addressed if privatization proceeds.

CFR Findings: BBG's most recent budget authorities have not contained any authorization to restructure transmitting station operations in Thailand; privatization plans remain on hold pending such authorization and the result of an ongoing examination by BBG of how to maximize available media platforms. The lack of a decision on privatization and the ongoing uncertainty about the future of transmitting station operations in Thailand (b) (5) [REDACTED]. The recommendation is reissued as CFR Recommendation 1.

Recommendation 2: The International Broadcasting Bureau should update the position description of position number N63-069 (currently assistant transmitter plant supervisor at the Thailand transmitting station) and, if required, submit it to the Embassy Bangkok human resources officer for processing in the Computer-Aided Job Evaluation system. (Action: IBB)

Pre-CFR Status: Closed.

CFR Findings: The CFR team confirmed that the Udorn station manager had reviewed, updated, and submitted to the Embassy Bangkok human resources office in April 2011 a revised position description for the assistant transmitter plant supervisor. The classification was not changed as a result of the computer-aided job evaluation process. The recommendation is closed as implemented.

Recommendation 3: The International Broadcasting Bureau should address concerns about timeliness and correctness of payments to overseas staff. (Action: IBB)

Pre-CFR Status: Closed. The recommendation concerned late and incorrect payments, to American staff of the Voice of America, processed through the Defense Finance and Accounting Service. BBG took steps to identify and correct the causes of the problem.

CFR Findings: The Asia coverage coordinator for the Voice of America confirmed to the CFR team that, since arriving in Thailand more than a year ago, he has received promptly all payments due to him. No other American staff member brought any new problems to his attention. The recommendation is closed as implemented.

Recommendation 4: Radio Free Asia should perform a review of remuneration for Bangkok contractors and implement a plan for the contractors' periodic salary reviews. (Action: RFA)

Pre-CFR Status: Resolved/open. BBG concurred with the recommendation and reported that at the beginning of each fiscal year Radio Free Asia contractors in Bangkok receive updated contracts, which may or may not involve an increase in remuneration. In its August 2011 compliance report BBG stated that Radio Free Asia would review Bangkok contractor remuneration by September 30, 2011, and implement any resulting adjustments on October 1.

CFR Findings: The Radio Free Asia director confirmed that a review took place; he received a slight increase, but there was no upward adjustment in payment for other Radio Free Asia contractors. The recommendation is closed as implemented.

Recommendation 5: The Broadcasting Board of Governors should require that the senior procurement executive review grant commitment of the Bangkok regional marketing and program placement office and ratify any grant commitments that are determined to have been unauthorized. (Action BBG)

Pre-CFR Status: Closed. BBG arranged for the senior procurement executive, with input from the BBG Office of General Counsel, to review grants awarded by the Bangkok regional marketing and program placement office and ratify any grant commitments determined to have been unauthorized.

CFR Findings: The CFR team confirmed that the review took place and that grants deemed unauthorized were submitted for subsequent ratification by the Office of Contracts. New grant commitments are to be routed through the Office of Contracts for approval and signature to avoid future problems. The recommendation is closed as implemented.

Recommendation 6: The Broadcasting Board of Governors should require that the senior procurement executive designate the Bangkok regional marketing and program placement officer as a grants officer representative and see that he is properly trained for these duties. (Action: BBG)

Pre-CFR Status: Resolved/open. BBG concurred with the recommendation upon receiving OIG's assurance that BBG would retain the authority for signing grants in Washington while devolving unto the regional marketing and program placement officer the responsibility—as a grants officer representative—for monitoring grantee compliance with grant terms and conditions. The Foreign Service Institute provides grants training online and in person.

CFR Findings: At the time of the CFR, BBG had not yet named a director for the regional marketing and program placement office. Instead, Voice of America's Asia coverage editor was overseeing its work on an interim basis; he does not have grants training and does not envision needing it in his Voice of America job. Until a new director is named for the regional marketing and program placement office and OIG can confirm that the named individual has taken the required grants training, this recommendation is reissued as CFR Recommendation 4.

Recommendation 7: Embassy Bangkok should provide basic safe haven supplies for the joint regional marketing and program placement and Voice of America news bureau office in the Millennia building. (Action: Embassy Bangkok)

Pre-CFR Status: Closed. The head of the regional marketing and program placement office worked with the regional security officer to determine the appropriate supplies and began to assemble basic supplies including water, first-aid kits, and flashlights.

CFR Findings: The CFR team confirmed that adequate stores and provisions are available at the regional marketing and program placement and Voice of America news bureau office in the Millennia building. This recommendation is closed as implemented.

APPENDIX II: Status of 2011 Inspection Informal Recommendations

Informal Recommendation 1: (b) (5)

[REDACTED]

CFR Findings: (b) (5)

[REDACTED]

Informal Recommendation 2: The International Broadcasting Bureau Thailand Transmitting Station should send a technician to the regional marketing and program placement and Voice of America joint office in the Millennia building in Bangkok at the earliest opportunity to return the closed-circuit television system to full functionality, with a minimum investment of time and resources, so that the staff can identify visitors prior to electronically buzzing them past the hardline.

CFR Findings: Technicians from the Udorn transmitting station repaired all nonfunctioning television cameras; the OIG security inspector confirmed that all closed-circuit television cameras were operating as intended. This recommendation is closed as implemented.

Informal Recommendation 3: The International Broadcasting Bureau Thailand Transmitting Station should subject all mail to pre-opening screening prior to bringing it into occupied buildings.

CFR Findings: The CFR security inspector confirmed that all mail is prescreened before bringing it into occupied buildings. This recommendation is closed as implemented.

Informal Recommendation 4: The International Broadcasting Bureau Thailand Transmitting Station should conduct annual refresher briefings in the use of the provided chemical/biological and smoke inhalation response equipment.

CFR Findings: The local employee in the regional security office, who was appointed to conduct this training, passed away 2 weeks prior to the scheduled event. The training was not rescheduled. The Udorn station manager has contacted the regional security officer at Embassy Bangkok to request chemical/biological response equipment training (b) (5)

[REDACTED] This informal recommendation is revised and reissued as CFR Recommendation 3.

Informal Recommendation 5: The International Broadcasting Bureau Thailand Transmitting Station should test the basic alarm function and conduct full participation drills on a schedule to be determined by the regional security office.

CFR Findings: The CFR team confirmed that the alarms work at the transmitting station. The station holds regular full participation drills. The regional security office in Embassy Bangkok keeps a record of the drills. This recommendation is closed as implemented.

Informal Recommendation 6: The Radio Free Asia Bangkok news bureau should perform cash counts on a random basis and the bureau should retain a copy of the verification.

CFR Findings: Radio Free Asia is a private nonprofit agency that receives BBG funding. As such it has its own financial guidelines. The CFR team confirmed that Radio Free Asia performs (b) (5) cash reconciliation that is forwarded to its Washington headquarters. Per its financial guidelines, the office director also performs random and unannounced (b) (5) cash reconciliation prepared by the bookkeeper. This recommendation is closed as implemented.

Informal Recommendation 7: The Radio Free Asia Bangkok news bureau should establish and implement procedures for its inventory list to be updated regularly and a physical inventory undertaken yearly.

CFR Findings: The Radio Free Asia office director maintains an excel spreadsheet on which he lists all equipment held by the office. He reviews the list regularly to make sure it is accurate and verifies annually that the inventory is correct. The office director told the CFR team that a computerized data tracker installed by a representative from Radio Free Asia's technology office in Washington is not working properly, a failure that the OIG team believes needs to be corrected in advance of the office's planned move to a new location in late 2012. This recommendation is closed as implemented.

~~SENSITIVE BUT UNCLASSIFIED~~

**FRAUD, WASTE, ABUSE,
OR MISMANAGEMENT**
of Federal programs hurts everyone.

Contact the
Office of Inspector General
HOTLINE
to report illegal or wasteful activities:

202-647-3320
800-409-9926

oighotline@state.gov

oig.state.gov

Office of Inspector General
U.S. Department of State
P.O. Box 9778
Arlington, VA 22219

~~SENSITIVE BUT UNCLASSIFIED~~