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Report to Congressional Committees

October 2021

# U.S. AGENCY FOR GLOBAL MEDIA

# Additional Actions Needed to Improve Oversight of Broadcasting Networks

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GAO-22-104017

# GAO Highlights

Highlights of GAO-22-104017, a report to congressional committees

**October 2021**

# U.S. AGENCY FOR GLOBAL MEDIA

## Additional Actions Needed to Improve Oversight of Broadcasting Networks

## Why GAO Did This Study

USAGM, formerly known as the Broadcasting Board of Governors, is an independent federal agency whose mission is to provide unbiased news in some countries where freedom of information is restricted. With a budget of around $810 million in fiscal year 2020, USAGM oversees two federal networks—Voice of America and the Office of Cuba Broadcasting—and four grantees—Radio Free Europe/Radio Liberty, Radio Free Asia, Middle East Broadcasting Networks, and Open Technology Fund. Each grantee has a separate board.

A Senate committee report included a provision for GAO to consult with the Committee on Appropriations on an evaluation of USAGM's governance structure and oversight processes for its broadcasting entities. This report examines (1) how recent statutory amendments affected USAGM's governing authority and organizational structure, (2) the extent to which USAGM's management actions aligned with its policies on protecting editorial independence, and (3) the extent to which USAGM has taken actions to ensure oversight of network operations and accountability of its grantees. GAO reviewed relevant laws and agency documents and interviewed USAGM and network officials, including board members.

## What GAO Recommends

GAO is making two matters for congressional consideration about the selection of grantee boards and the parameters of the firewall.

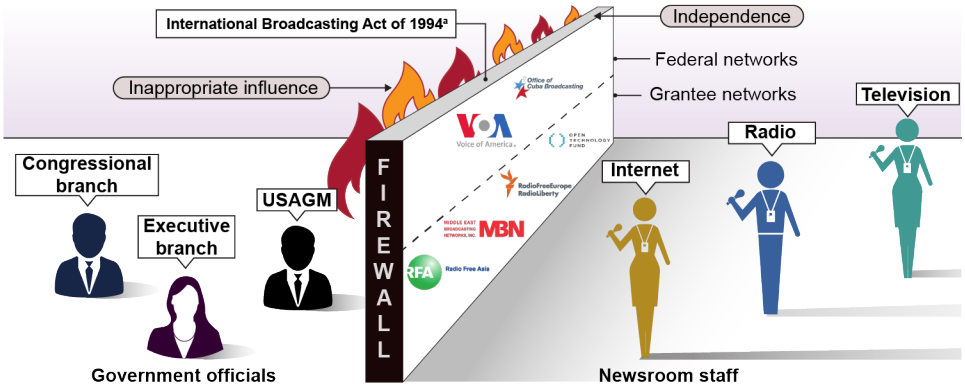
View GAO-22-104017. For more information, contact Latesha Love at (202) 512-4409 or lovel@gao.gov.

## What GAO Found

The U.S. Agency for Global Media (USAGM) and the six networks it oversees seek to inform, engage, and connect people around the world in support of freedom and democracy. Amendments to legislation have affected USAGM's governing authorities and organizational structure by shifting authority from a bipartisan board to a Chief Executive Officer (CEO), with advice from an Advisory Board. For example, the legislation granted the CEO the authority to name and replace members of USAGM's grantee boards, which manage the grantee networks. However, some network officials have concerns about certain provisions in the legislation, particularly about the process for selecting grantee board members. Determining how to appoint or remove members of USAGM's grantee boards in a way that includes Advisory Board involvement may help ensure the professional independence and integrity of USAGM's grantees.

Network and USAGM officials said that previous members of USAGM leadership took several actions that did not align with USAGM's firewall principles. According to USAGM, the firewall protecting the networks' independence is central to the credibility and effectiveness of USAGM's networks (see fig.). However, the parameters of the firewall are not specifically laid out in legislation. Delineation of what is and is not permissible under the firewall may help ensure the professional independence and integrity of the agency and its networks.

**The U.S. Agency for Global Media's (USAGM) View of Its Legislative Firewall**




Source: GAO. | GAO-22-104017

[a]United States International Broadcasting Act of 1994, Pub. L. 103–236, title III (Apr. 30, 1994). According to USAGM, the statutory firewall is found in 22 U.S.C. § 6204(b)) and 22 U.S.C. § 6202(a)(5) and (b)(1).

Various USAGM and network officials told us that some past management actions have hindered USAGM's oversight of networks' operations, but current leaders are taking corrective actions. For example, a halt on funding caused 49 of 60 active internet freedom projects to stop, but leaders have now released the funding. Nevertheless, other actions to ensure accountability of grantees, such as establishing *Standard Operating Procedures for Monitoring Grants*, have not corrected a longstanding significant deficiency in grants monitoring reported by independent audits of USAGM's financial statements for the past 5 years. USAGM's leaders now have a plan aimed at correcting audit deficiencies by hiring a contractor to implement several grant oversight improvements.

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Figures

**Abbreviations**

| | |
|---|---|
| Advisory Board | International Broadcasting Advisory Board |
| BAM | Broadcasting Administrative Manual |
| BBG | Broadcasting Board of Governors |
| CEO | Chief Executive Officer |
| CFO | Chief Financial Officer |
| COVID-19 | Coronavirus Disease 2019 |
| IBA | United States International Broadcasting Act of 1994 |
| MBN | Middle East Broadcasting Networks |
| 2017 NDAA | National Defense Authorization Act for Fiscal Year 2017 |
| 2021 NDAA | William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021 |
| OCB | Office of Cuba Broadcasting |
| OIF | Office of Internet Freedom |
| State/OIG | U.S. Department of State Office of Inspector General |
| OMB | Office of Management and Budget |
| OSC | U.S. Office of Special Counsel |
| OTF | Open Technology Fund |
| RFA | Radio Free Asia |
| RFE/RL | Radio Free Europe/Radio Liberty |
| USAGM | U.S. Agency for Global Media |
| USIA | U.S. Information Agency |
| VOA | Voice of America |

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**Washington, DC 20548**

October 27, 2021

The Honorable Chris Coons
Chair
The Honorable Lindsey Graham
Ranking Member
Subcommittee on State, Foreign Operations, and Related Programs
Committee on Appropriations
United States Senate

The Honorable Barbara Lee
Chair
The Honorable Hal Rogers
Ranking Member
Subcommittee on State, Foreign Operations, and Related Programs
Committee on Appropriations
House of Representatives

The U.S. Agency for Global Media (USAGM), formerly known as the Broadcasting Board of Governors (BBG), is an independent federal agency whose mission is to inform, engage and connect people around the world in support of freedom and democracy. The agency's role in promoting the freedom of information is an important tool of soft power used to combat disinformation and counter attempts by authoritarian governments to restrict the freedom of information online and through traditional media. With an annual budget of around $810 million in fiscal year 2020, USAGM oversees two federal broadcasting networks—Voice of America (VOA) and Office of Cuba Broadcasting (OCB)—and three non-federal grantee networks—Radio Free Europe/Radio Liberty (RFE/RL), Radio Free Asia (RFA), and Middle East Broadcasting Networks (MBN).[1] Together, according to USAGM, these networks deliver radio, television, or digital/social media in 62 languages in over 100 countries, reaching a weekly audience of 354 million people worldwide. USAGM also oversees and funds the Open Technology Fund (OTF), a grantee focused on global internet freedom.[2] Because of their mission to report unbiased news, USAGM's networks hold their editorial

[1]$810 million is the total amount appropriated to USAGM, which includes amounts provided to the federal networks and grantees under the Further Consolidated Appropriations Act, 2020, Pub. L. No. 116-94, 133 Stat. 2822-23 (Dec. 20, 2019).

[2]For the purposes of this review, we list the Open Technology Fund (OTF) as one of USAGM's grantee networks, although OTF is not an actual broadcasting network.

independence as a key principle to maintain their professional independence and their ability to produce factual, unbiased, and balanced content.

The National Defense Authorization Act for Fiscal Year 2017 (2017 NDAA) codified the establishment of the CEO as a presidentially appointed and Senate-confirmed position, replacing the BBG Board as the agency head and creating a new International Broadcasting Advisory Board (Advisory Board).[3] In December 2016, the BBG Board delegated authority to a Chief Executive Officer (CEO) to oversee USAGM's day-to-day operations. The National Defense Authorization Act for Fiscal Year 2021 (2021 NDAA) further amended these roles and responsibilities, as described later in this report.[4]

A Senate report that accompanied a bill for the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2020, included a provision for us to consult with the Committee on Appropriations on an evaluation of USAGM's oversight processes for broadcasting entities.[5] This report examines (1) how statutory amendments in the 2017 and 2021 NDAAs have affected USAGM's governing authority and organizational structure, (2) the extent to which USAGM's management actions aligned with its policies and procedures on protecting the editorial independence of its broadcasting networks, and (3) the extent to which USAGM has taken actions to help ensure oversight of network operations and accountability of its grantees.

To examine the effects of statutory amendments to the United States International Broadcasting Act of 1994[6] (IBA) in the 2017 and 2021 NDAAs on USAGM's governing authority and structure, we reviewed the prior governing authority and organizational structure as well as the amendments made by these acts, examined agency documentation on

[3]Pub. L. No. 114-328, § 1288, 130 Stat. 2548-54 (Dec. 23, 2016). Congress also included a provision to retain BBG Board members on the new Advisory Board for the remainder of their original terms of office without reappointment to the Advisory Board. Id. at § 1288(3).

[4]William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021, Pub. L. No. 116-283, § 1299Q, 134 Stat. 3388, 4020-27 (Jan. 1, 2021).

[5]S. Rep. No. 116-126, at 43 (2019). For the purposes of this review, we use broadcasting "networks" and broadcasting "entities" interchangeably.

[6]Pub. L. No. 103-236, title III, 108 Stat. 432 (Apr. 30, 1994) (as amended prior to Pub. L. No. 114-328, § 1288 (Dec. 23, 2016)).

the related roles and authorities of USAGM leadership, and interviewed relevant USAGM and network officials.

To analyze the extent to which USAGM's management actions aligned with its policies and procedures on protecting the editorial independence of its broadcasting networks, we examined a 2020 USAGM regulation on editorial independence,[7] as well as policies, procedures, and guidance on the same topic. We also interviewed officials from USAGM and the broadcasting networks on the implementation of those policies.

To assess the extent to which USAGM has taken actions to help ensure oversight of network operations and accountability of its grantees, we examined various management actions that affected network operations, including their workforce, and actions taken by the Office of the Chief Financial Officer to improve accountability of grantees in the past 5 years. We also reviewed USAGM's policies and procedures designed to assist with oversight of operations and accountability of grantees, such as USAGM's *Internet Freedom Program Governance Guide and Standard Operating Procedures for Monitoring Grants (Standard Operating Procedures).* In addition, we reviewed the Office of Management and Budget's (OMB) *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* 2 C.F.R. § 200, (Uniform Guidance).[8] For all three objectives, we interviewed USAGM senior management officials, including the new Acting CEO, who was named in January 2021, the six heads of USAGM's federal and grantee networks, and the former members of USAGM's board.[9] See appendix I for more information about our scope and methodology.

We conducted this performance audit from December 2019 to October 2021 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe

[7]*Firewall and Highest Standards of Professional Journalism*, 85 Fed. Reg. 36150 (June 15, 2020), repealed by 85 Fed. Reg. 79427 (Dec. 10, 2020). This rule was in effect from June 11, 2020 until October 26, 2020.

[8]Office of Management and Budget, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 78 Fed. Reg. 78589 (Dec. 26, 2013), codified at 2 C.F.R. § 200.

[9]We made numerous requests to meet with the previous CEO—the first Senate-confirmed CEO—but he did not meet with us before he stepped down in January 2021.

that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

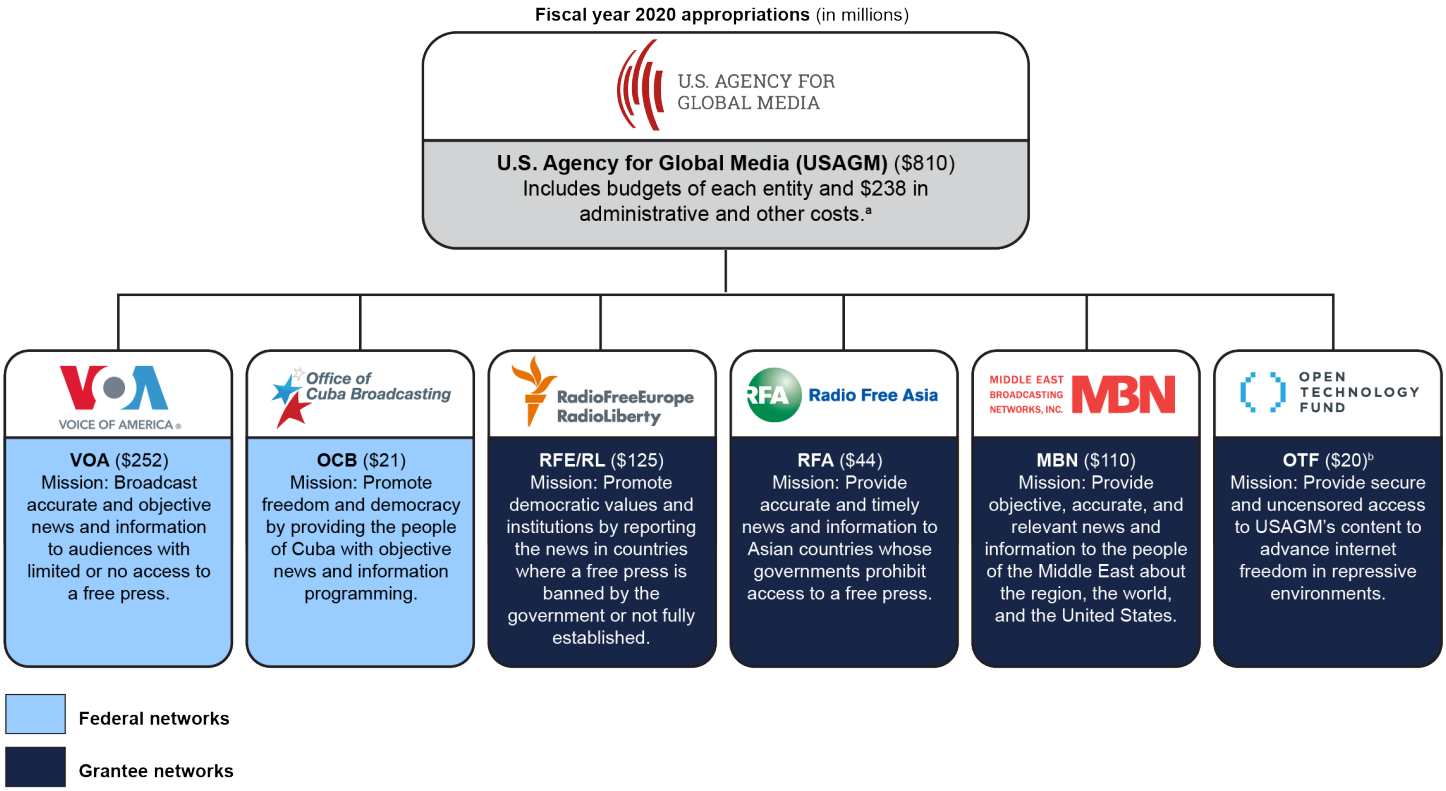
# Background

## USAGM's Networks' Missions and Appropriations

USAGM's mission is to inform, engage, and connect people around the world in support of freedom and democracy. As previously mentioned, USAGM oversees several organizations, including two federal networks—VOA and OCB—and four non-federal grantee networks—RFE/RL, RFA, MBN, and OTF. In fiscal year 2020, five of these six networks—VOA, OCB, RFE/RL, RFA, and MBN—broadcasted news and information over radio, television, the internet, and social media, while the last entity, OTF, supported secure and uncensored access to USAGM's content and the broader internet. All USAGM broadcasting networks are required to provide news that is consistently reliable, authoritative, accurate, objective, and comprehensive, among other things. Specifically, VOA aims to present a balanced and comprehensive projection of significant American thought and institutions. OCB aims to broadcast news and information that encourages freedom and democracy to the people of Cuba. The role of RFE/RL and RFA is to operate as surrogates for the local media in countries where a free and open press does not exist. MBN also fills the role, traditionally filled by VOA, of seeking to provide accurate news and information about America, Americans, and American policies.[10] Figure 1 describes each USAGM entity's mission and shows the amount of appropriated funds each entity received in fiscal year 2020.

[10]MBN is the only network funded by USAGM that broadcasts in Arabic and unlike other USAGM networks, MBN does not have a VOA counterpart. See *Broadcasting Board of Governors: Additional Steps Needed to Address Overlap in International Broadcasting,* GAO-13-172 (Washington, D.C.: Jan. 29, 2013) for more information on overlap in international broadcasting.

**Figure 1: USAGM's Broadcasting Networks' Missions and Fiscal Year 2020 Appropriations**




Source: GAO. | GAO-22-104017

Note: Mission statements are based upon mission descriptions on each entity's website. Appropriated amounts are those provided under the joint explanatory statement, 165 Cong. Rec. H11061 at H8783 (Dec. 17, 2019), accompanying the Further Consolidated Appropriations Act, 2020, Pub. L. No. 116-94, 133 Stat. 2822-23 (Dec. 20, 2019).

[a]Administrative and other costs include funding for the International Broadcasting Bureau, Office of Technology, Services and Innovation, and Broadcasting Capital Improvements.

[b]The Open Technology Fund receives funding through the agency's Internet Freedom program.

## USAGM's Oversight and Support for Network Operations

USAGM oversees its broadcasting network operations by providing various administrative and other support services, such as transmission and distribution services.[11] For example, a senior USAGM official said that if a network has a technical problem with media transmission in its broadcasting studio, USAGM's Office of Technology, Services, and

[11]The timeline of U.S. government international broadcasting has spanned almost 80 years and faced significant changes in the last decade. See appendix II for a timeline of events.

Innovation (TSI) provides technical and engineering support. According to USAGM officials, unlike the grantee networks, the federal networks, VOA and OCB, rely entirely on USAGM for legal, human resources, and contracting services. For example, USAGM's Office of Management Services manages VOA and OCB's recruitment, security clearances, and visas, among other human resource activities, according to USAGM officials. Grantee networks manage their own legal and human resource activities but rely on USAGM for transmission and distribution support, according to USAGM officials. As seen in table 1, these oversight and support services are managed through various offices, each with specific roles and responsibilities, according to agency officials and documents.

**Table 1: Selected U.S. Agency for Global Media (USAGM) Offices and Oversight Responsibilities That Support Broadcasting**

| USAGM office | Oversight responsibilities |
|---|---|
| Office of the Chief Executive Officer | • Provides day-to-day management of USAGM's operations, including oversight of technical, professional, and administrative support as well as strategic guidance and management of other programs |
| Office of the Chief Financial Officer | • Serves as the primary technical and policy advisor to the Chief Executive Officer and the Board on all matters relating to financial and budgetary management for federal and grantee networks<br>• Provides guidance and coordination regarding USAGM's financial management, budget, and strategic management policies and systems<br>• Provides financial management and guidance for grants<br>• Prepares annual agency budget requests, which include information provided by all USAGM entities |
| Office of Policy and Research | • Oversees development of the agency's 5-year strategic plan.<br>• Oversees the annual Language Service Review, which is a process the agency uses to identify the languages in which its networks will broadcast over the next year<br>• Oversees annual program review for assessing the quality of networks' program content |
| Office of Management Services | • Directs oversight of human resources, contracts, security, civil rights, administration, and workforce support and development |
| Office of Technology Services and Innovation | • Directs all engineering and technical activities necessary to enable broadcasting to meet its mission objectives<br>• Manages radio and television transmission, information technology, agency infrastructure, and other technical functions supporting USAGM networks<br>• Manages business development, cultivating relationships with other broadcasters that use content provided by USAGM networks |
| Office of Internet Freedom | • Conducts governance and oversight of USAGM's internet freedom activities.<br>• Manages projects that assess particular threats and Open Technology Fund effectiveness to inform USAGM strategy and oversight |

Source: GAO analysis of USAGM documents and interviews with USAGM officials. I GAO-22-104017

## Protections for Editorial Independence of USAGM and Its Networks in Federal Law

The United States International Broadcasting Act of 1994[12] contains provisions that USAGM officials point to as protecting the professional editorial independence of USAGM and its networks. According to USAGM, these provisions, which the then senator Joseph Biden referred to as the "firewall" in the legislative history of the Act,[13] are a recognition by Congress of the need for journalists and broadcasters to maintain their professional independence in order to produce factual, unbiased, and balanced work products.[14] As seen in table 2, Congress included provisions that USAGM officials point to as the statutory basis for the editorial independence of USAGM's networks in various provisions of the law.

**Table 2: Key Provisions of the United States International Broadcasting Act of 1994 Related to Editorial Independence**

| Provision | Description |
|---|---|
| 22 U.S.C. § 6204(b) | Requires the Chief Executive Officer and Secretary of State to respect the professional independence and integrity of the agency, its broadcasting services, and the grantees of the agency. |
| 22 U.S.C. § 6202(a)(5) | Requires that U.S. international broadcasting be conducted in accordance with the highest professional standards of broadcast journalism. |
| 22 U.S.C. § 6202(b)(1) | Requires that U.S. international broadcasting include news that is consistently reliable, authoritative, accurate, objective, and comprehensive. |

Source: GAO summary of selected provisions in the United States International Broadcasting Act of 1994, as amended, that U.S. Agency for Global Media (USAGM) officials point to as the statutory basis for the editorial independence of USAGM's networks. I GAO-22-104017

[12]Pub. L. No. 103-236, 108 Stat. 432 (Apr. 30, 1994), codified as amended at 22 U.S.C. §§ 6201 et seq.

[13]S. Rep. No. 103-107, at 75 (1993).

[14]The Department of State Office of Inspector General (State/OIG) previously carried out a targeted inspection of how USAGM and its broadcasting networks complied with the statutory requirements of the IBA that relate to journalistic professionalism, independence, and integrity. State/OIG's fieldwork took place from April to early June 2020. State/OIG found that each network had guidance documents keyed to these standards and that internal control processes generally were well-functioning at most networks, with a few exceptions. Department of State Office of Inspector General, *Targeted Inspection of the U.S. Agency for Global Media: Journalistic Standards and Principles* (ISP-IB-21-06, December 2020). As of August 2021, State/OIG had initiated another inspection of USAGM's compliance with these statutory requirements, according to State/OIG.

## USAGM and Networks' Policies and Procedures to Assist with Oversight and Accountability of Operations and Editorial Independence

As seen in table 3, USAGM has established various policies, procedures, or guides to help improve oversight and accountability of its operations. For example, the *International Broadcasting Bureau Manual of Operations and Administration,* also referred to as the Broadcasting Administrative Manual (BAM), is USAGM's authoritative source of information on broadcasting policies and procedures.

**Table 3: Descriptions of Selected U.S. Agency for Global Media Policies, Procedures, or Guides**

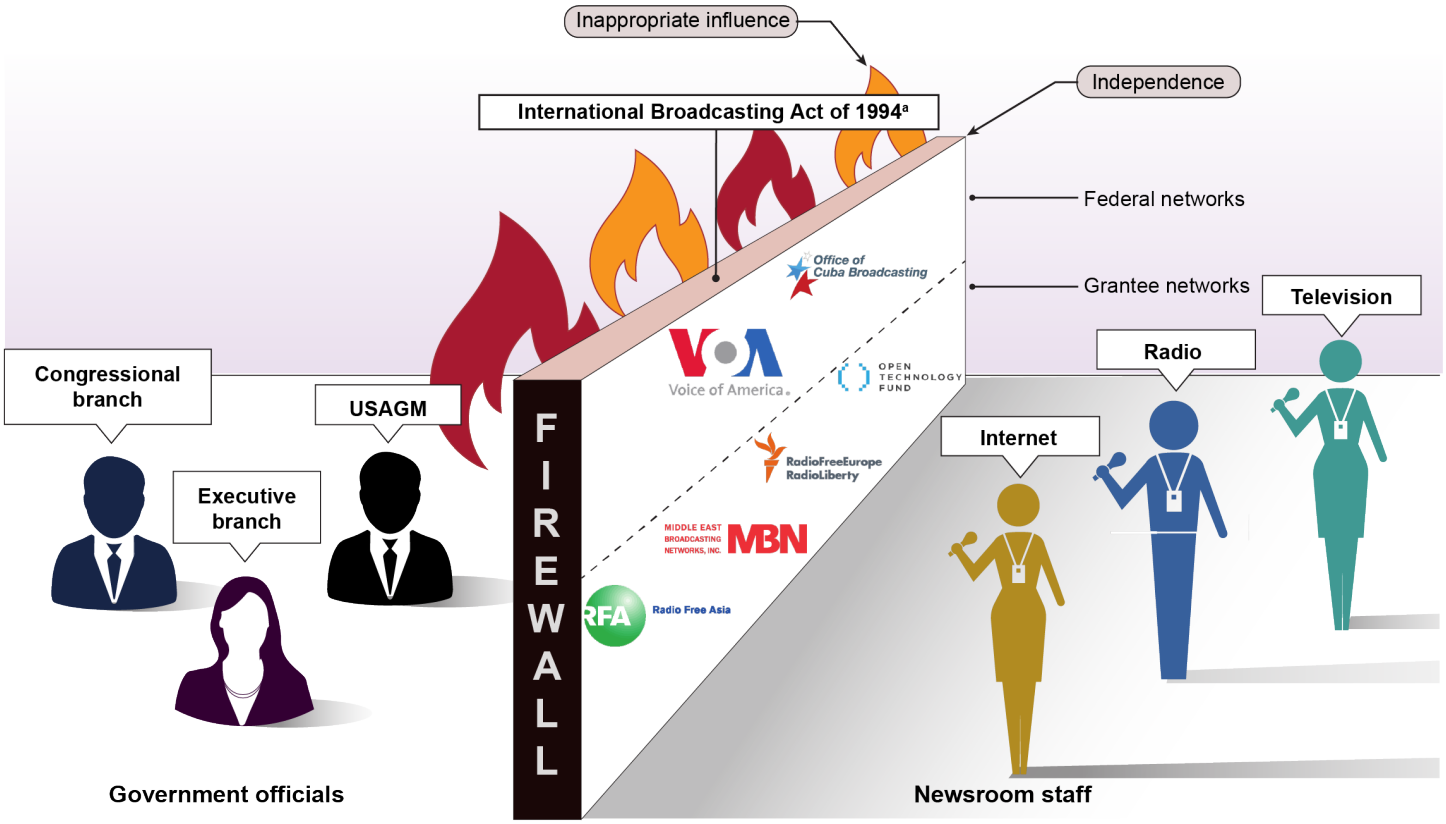
| Policy, procedure, or guide | Description |
|---|---|
| *Broadcasting Administrative Manual* | An authoritative source of information on broadcasting policies and procedures reflecting actual conditions of operational and administrative management. |
| *The Internet Freedom Program Governance Guide* | Instructions for governance and oversight of the Internet Freedom program, including how to select and evaluate internet freedom projects. |
| *The Internet Freedom Program Framework* | Instructions on how implementers should use internet freedom funds based on USAGM strategy, priorities, and goals. |
| *Standard Operating Procedures for Monitoring Grants* | Guidance on policies and procedures used to monitor the lifecycle of grants, intended to help ensure the proper expenditure of funds used to support grant programs and activities. |

Source: GAO summary of selected U.S. Agency for Global Media policies, procedures, or guides. I GAO-22-104017

The BAM also includes guidance on editorial independence, including general administration of the statutory firewall and the highest standards of professional journalism. It states that "USAGM networks and their employees, including the heads of each network, are fully insulated from any political or other external pressures or processes that would be inconsistent with the highest standards of professional journalism." According to the BAM, the firewall exists between anybody involved with any aspect of journalism (e.g., the creation, editing, reporting, distributing, etc., of content) and everyone else in the organization. The firewall insulates the newsroom of a USAGM network from everyone else in the organization, and the executive branch of the U.S. government, according to the BAM. The firewall is understood to be violated when any person within the executive branch or a network, but outside the newsroom, attempts to direct, pressure, coerce, threaten, interfere with, or otherwise impermissibly influence any of the USAGM networks, including their leadership, officers, employees, or staff, in the performance of their

journalistic and broadcasting duties and activities, according to the BAM.[15] Figure 2 shows USAGM's view of its legislative firewall.

**Figure 2: The U.S. Agency for Global Media's (USAGM) View of Its Legislative Firewall**




Source: GAO. | GAO-22-104017

[a]United States International Broadcasting Act of 1994, Pub. L. 103-236 (Apr. 30, 1994), codified as amended at 22 U.S.C. §§ 6201 et seq. According to USAGM, the "legislative firewall" is found in 22 U.S.C. § 6204(b) and 22 U.S.C. §§ 6202(a)(5) and (b)(1).

Broadcasting networks funded and overseen by USAGM have also incorporated editorial independence into their own policy documents. For example, according to RFE/RL's *Journalistic Standards* policy, RFE/RL employees must reject any pressure by representatives of any

[15]In March 2021, USAGM added to the BAM its *Procedures for Violations of Principles, Standards, or Journalistic Code of Ethics*. According to the procedures, reports of a potential violation sent to a network will be directed to the responsible network office or employee for review and investigation. In accordance with the network's procedures, the reviewing office will determine whether a violation has occurred. Any further action to be taken, and the extent of USAGM involvement, depends on the severity of the violation.

governments or any other outside entity to shape, alter, or direct the network's journalism. According to VOA's *Best Practices Guide*, "the firewall exists to maintain the credibility of reporting by U.S. international broadcasters. The firewall is violated whenever another U.S. government agency or a U.S. government official tries to influence our work by putting undue pressure on a VOA journalist or on the agency itself or takes any other action that may undermine the journalistic credibility or independence of VOA journalists."

Provisions aimed at protecting editorial independence and integrity have also been inserted into nonfederal networks' grant agreements with USAGM under the heading, "limitations of USAGM oversight." For example, the grantee networks' fiscal year 2019 grant agreements state that "USAGM acknowledges and affirms the safeguards contained in the United States International Broadcasting Act of 1994 (as amended) meant to preserve the journalistic independence and integrity of USAGM programming. To that end, no U.S. Government official—including individual Governors, the CEO, the Secretary of State, and the Inspector General—may attempt to influence the content or editorial choices of one of the broadcasting entities in a manner that is not consistent with the highest standards of professional broadcast journalism or take any other action that may tend to undermine the journalistic credibility or independence of USAGM or its broadcasters."

# Legislation Shifted USAGM Governing Authority to a CEO, Creating a New Organizational Structure, but Network Officials Still Have Concerns

## Under the 2017 NDAA, USAGM's Governing Authority Shifted from a Bipartisan Board to a CEO with an Advisory Board

In December 2016, Congress passed, and then president Barack Obama signed the 2017 NDAA, amending the IBA to establish (1) a Chief Executive Officer (CEO),[16] and (2) an International Broadcasting Advisory Board (Advisory Board).[17] This law restructured USAGM's governance of its broadcast networks by replacing the BBG's previous bipartisan nine-member board of governors with a single CEO along with a bipartisan five-member Advisory Board.[18] Congress vested the CEO with many powers previously held by the BBG board. These included the authority to supervise all broadcasting activities;[19] review and evaluate the mission and operation of, and to assess the quality, effectiveness, and

[16]In January 2013, a Department of State OIG inspection found that BBG's part-time board failed to provide effective oversight of all broadcasting operations and recommended that BBG establish a CEO position. See Department of State, Office of Inspector General, *Inspection of the Broadcasting Board of Governors,* ISP-IB-13-07 (January 2013). BBG's strategic plan for 2012-2016 proposed establishing a CEO, selected by the Board and subject to the Board's supervision, to manage the agency's day-to-day affairs, with a part-time board of directors focused on strategy, budget, and public outreach. *Broadcasting Board of Governors, Impact through Innovation and Integration:* BBG Strategic Plan 2012–2016.

[17]Pub. L. No. 114-328, § 1288 (Dec. 23, 2016).

[18]The Chair and Ranking Members of the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate were each to provide the U.S. President with a list of at least three potential candidates to consider for appointment to the Advisory Board. The 2017 NDAA provided that the U.S. President should appoint to the board one individual from each of these lists. The fifth member was the Secretary of State. The 2017 NDAA also describes retention of existing board members, terms of office, and compensation, among other topics.

[19]The BBG Board had the authority to "supervise" broadcasting activities, whereas the 2017 NDAA provided the CEO with the authority to "direct and supervise" broadcasting activities. 22 U.S.C. § 6204(a)(1) as amended by Pub. L. No. 114-328, § 1288(2)(A)(ii) (Dec. 23, 2016).

professional integrity of, broadcast activities within the broad foreign policy objectives of the United States;[20] and ensure that broadcast activities are conducted in accordance with specified statutory standards and principles, which require that they include news that is consistently reliable and authoritative, accurate, objective, and comprehensive, among other things.[21] The Advisory Board was required to provide certain advisory functions, including providing the CEO with counsel and recommendations for improving the effectiveness and efficiency of the agency and its programming, among other things.[22] See table 4 for a list of selected CEO authorities and Advisory Board functions as a result of IBA amendments in the 2017 NDAA.

[20]22 U.S.C. § 6204(a)(2).

[21]22 U.S.C. §§ 6204(a)(3), 6202(b)(1).

[22]22 U.S.C. § 6205(e)(1).

**Table 4: Selected Authorities of USAGM's CEO and Functions of the Advisory Board in the National Defense Authorization Act for Fiscal Year 2017**

| Chief Executive Officer (CEO) Authorities | Advisory Board's Functions |
|---|---|
| • Direct and supervise all broadcasting activities within the agency's purview<br>• Review and evaluate the mission and operation of, and assess the quality, effectiveness, and professional integrity of broadcast activities within the context of the broad foreign policy objectives of the United States<br>• Ensure broadcast activities are conducted in accordance with specified statutory standards and principles, including that they include news that is consistently reliable, authoritative, accurate, objective, and comprehensive<br>• Condition, if appropriate, any grant or cooperative agreement to RFE/RL, RFA, or the MBN, or any organization that is established through the consolidation of such entities, on authority to determine membership of their respective boards[a]<br>• Condition grants or cooperative agreements, if appropriate, on including the authority to name and replace the board[a] of any grantee authorized under the IBA, including with federal officials, to meet the purposes of the IBA<br>• May name officers and directors of any organization—such as VOA, OCB, RFE/RL, RFA, and MBN—authorized under the IBA, and who serve at the pleasure of the CEO | • Provide the CEO with counsel and recommendations for improving the effectiveness and efficiency of the agency and its programming<br>• Meet with the CEO at least twice annually and at additional meetings at the request of the CEO<br>• Report periodically or upon request to the specified congressional committees[b] regarding its counsel and recommendations for improving the effectiveness and efficiency of the agency and its programming<br>• Obtain information from the CEO, as needed, for the purposes of fulfilling the functions described above |

Legend: USAGM = U.S. Agency for Global Media; CEO = Chief Executive Officer; IBA = United States International Broadcasting Act of 1994, RFE/RL = Radio Free Europe/Radio Liberty; RFA = Radio Free Asia; MBN = Middle East Broadcasting Networks, Inc.; VOA = Voice of America; OCB = Office of Cuba Broadcasting

Source: GAO analysis of the amendments to the United States International Broadcasting Act of 1994 in the National Defense Authorization Act for Fiscal Year 2017, Pub. L. No. 114-328, § 1288 (Dec. 23, 2016). I GAO-22-104017

[a]Boards refers to the corporate boards of the nonfederal grantee networks. These boards generally manage the grantees' business and affairs according to the terms of the grantee organizations' bylaws.

[b]Committees refers to the Committee on Foreign Relations of the U.S. Senate and the Committee on Foreign Affairs of the U.S. House of Representatives.

The legislative changes in the 2017 NDAA also affected USAGM's organizational structure, as seen in figure 3. Prior to the 2017 NDAA, the Broadcasting Board of Governors (BBG) was both the name of the federal agency and the name of the governing board that headed the agency. The BBG (board) had oversight over the BBG (agency), which included the CEO, VOA, OCB, and International Broadcasting Bureau—an office responsible for consolidated administrative and management functions.[23] Following the 2017 NDAA, in December 2016, BBG's board

[23]According to USAGM officials, the BBG Board was also the corporate board for each grantee network. This was required by statute for RFE/RL (22 U.S.C. § 6207 as in effect from Apr. 30, 1994 to Dec. 22, 2016).

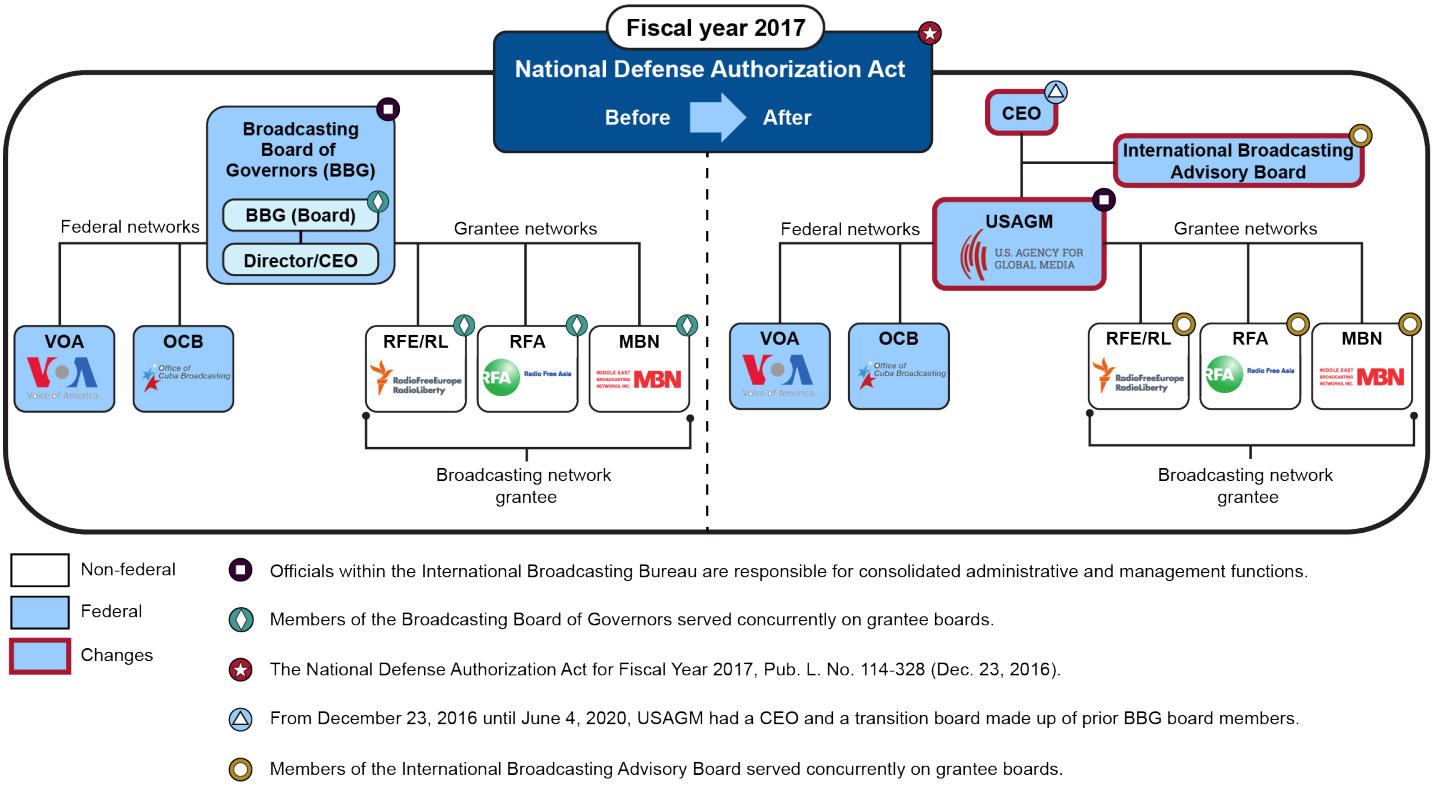
delegated all day-to-day operational authorities to the CEO and focused only on high-level strategy.

Five network heads, a previous CEO, and other senior USAGM officials told us they had concerns about some of the 2017 NDAA amendments. According to a Department of State Office of Inspector General (State/OIG) report, the amendments removed all but advisory authorities from future USAGM Advisory Boards, thereby eliminating an institutional check on the CEO's authority.[24] The Congressional Research Service referred to an institutional check of this nature—where the bipartisan board has the power to appoint and remove the CEO—as a "firewall" shielding U.S. international broadcasting from outside influence.[25]

[24]Department of State, Office of Inspector General, *Targeted Inspection of the Governance of the United States Agency for Global Media*, April 2019, ISP-IB-19-22.

[25]Congressional Research Service, *U.S. International Broadcasting: Background and Issues for Reform,* R43521, (Washington, D.C.: December 15, 2016).

**Figure 3: Comparison of Broadcasting Board of Governors and USAGM Organizational Structure before and after Passage of the National Defense Authorization Act for Fiscal Year 2017**




Source: GAO. | GAO-22-104017

On June 4, 2020, the first presidentially appointed CEO—Michael Pack—was confirmed by the U.S. Senate. Using the authority provided to his position under the 2017 NDAA, from June 2020 through January 2021, he

- dismissed all members of USAGM's transition and grantee boards;[26]
- appointed new members to serve on the grantee boards, who were largely political appointees from the Trump Administration;
- named himself chair of all of the grantee boards;
- dismissed the heads of all USAGM networks;[27] and

[26]From December 23, 2016 to June 4, 2020, USAGM had an Acting CEO and a transition board made up of prior BBG board members, according to USAGM officials. Grantee boards generally manage the grantees' business and affairs according to the terms of the organizations' bylaws.

[27]The VOA Director resigned before being dismissed.

- appointed new heads of all USAGM networks.

## The 2021 NDAA Amended the CEO's Authority and the Advisory Board's Structure, Composition, and Functions, but Some Network Officials Still Have Concerns

**CEO's authorities and Advisory Board's functions.** As seen in table 5, the 2021 NDAA further amended the IBA by changing some of the CEO's authorities and the Advisory Board's functions.[28] It also made changes to the composition of the Advisory Board. For example, it made the Advisory Board an independent establishment of the executive branch, with seven rather than five board members, six of whom (not including the Secretary of State) are required to be appointed with the advice and consent of the Senate, and with the requirement that no more than three be affiliated with the same political party.

**Table 5: Selected Amendments to the Authorities of USAGM's CEO and Functions of the Advisory Board in the National Defense Authorization Act for Fiscal Year 2021**

| Changes to the Chief Executive Officer's (CEO) authorities | Changes to the Advisory Board's functions |
|---|---|
| • Removed the CEO's authority to name and replace the board of any grantee with federal officials as a condition of their grants and cooperative agreements<br>• Prevented the CEO from awarding a grant to a grantee network unless its incorporation documents require that its corporate leadership and Board of Directors are selected in accordance with the IBA<br>• Prohibited the CEO from serving on any of the corporate boards of any grantee network | • Added that the heads of USAGM's federal and nonfederal entities (VOA, OCB, RFE/RL, RFA, MBN, and OTF, as well as any other grantee authorized under the IBA) may only be appointed or removed by a majority vote of the Advisory Board<br>• Added that the Advisory Board may unilaterally remove the head of any network or grantee, following consultation with the CEO, if five or more members so decide<br>• Added that the Advisory Board shall advise the CEO to ensure that the CEO fully respects the professional integrity and editorial independence of USAGM broadcasters, networks, and grantees |

Legend: USAGM = U.S. Agency for Global Media; CEO = Chief Executive Officer; IBA = United States International Broadcasting Act of 1994; VOA = Voice of America; and OCB = Office of Cuba Broadcasting RFE/RL = Radio Free Europe/Radio Liberty; RFA = Radio Free Asia; MBN = Middle East Broadcasting Networks, Inc.; OTF = Open Technology Fund

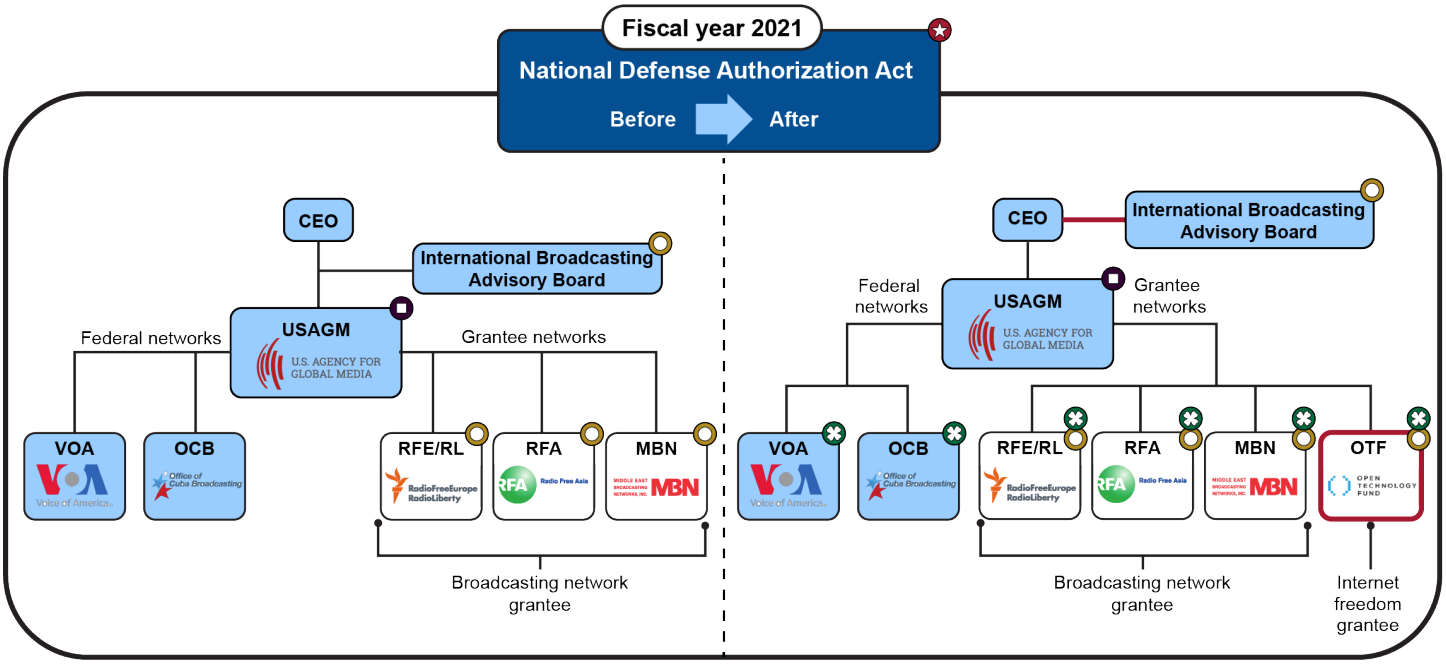
Source: GAO analysis of the amendments to the IBA in the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021, Pub. L. No. 116-283, § 1299Q (Jan. 1, 2021). I GAO-22-104017

**New organizational structure.** The 2021 NDAA also changed USAGM's organizational structure by codifying the agency's grantor-grantee relationship with the Open Technology Fund (OTF), as seen in figure 4. The legislation specifies that OTF is subject to the same oversight and governance by USAGM as other grantees of the agency. In addition, the

[28]Pub. L. No. 116-283, § 1299Q (Jan. 1, 2021).

act requires OTF to include in its annual report, among other things, (1) an assessment of the current state of global internet freedom, and (2) a description of the technology projects supported by OTF and the impact of those projects in the prior year.[29]

**Figure 4: USAGM's Organizational Structure before and after Passage of the National Defense Authorization Act for Fiscal Year 2021**




Source: GAO. | GAO-22-104017

The Consolidated Appropriations Act, 2021, delayed the effective date of the 2021 NDAA provisions affecting USAGM until 90 days after enactment of the appropriations act.[30] With no Advisory Board in place

[29]Sec. 309A(g)(1)(A)-(B) of the United States International Broadcasting Act of 1994, as added by sec. 1299P(b) of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021.

[30]Pub. L. No. 116-260 § 1301(a), 134 Stat. 1182, 2158 (Dec. 27, 2020).

during the delayed implementation of the statutory changes in the 2021 NDAA, in January 2021, the first presidentially appointed CEO stepped down and a new Acting CEO, selected by the Biden administration, removed and replaced most of the network heads and grantee board members appointed by the former CEO with officials who had served prior to his confirmation.[31]

**Concerns about independence of grantee boards.** While several USAGM and network officials acknowledged that it is too soon to determine the full effect of the legislative changes to the IBA, various grantee network presidents and senior USAGM leadership continue to have concerns about the CEO's authority to remove and replace members of the grantee boards and the effect this may have on the boards' independence.

Various grantee network presidents and senior USAGM officials voiced concerns about the CEO's authority to select members of grantee corporate boards and the lack of independence that may result. The IBA specifies that members of grantee boards appointed by the CEO shall have requisite expertise in journalism, technology, broadcasting, or diplomacy, or appropriate language or cultural understanding relevant to the grantee's mission.[32] The IBA also specifies the qualifications for members of the Advisory Board, stating that the President shall appoint U.S. citizens who are not regular, full-time federal employees, and "who are distinguished in the fields of public diplomacy, mass communications, print, broadcast or digital media, or foreign affairs."[33] However, the IBA does not specify that bipartisanship is required within grantee boards as it does for the members of the Advisory Board. Network officials asserted that the IBA does not sufficiently insulate the grantee corporate boards from politics to ensure their independence, in that the CEO, who is a political appointee, has the power to name and replace members of grantee boards.[34]

[31]On January 20, 2021, Mr. Pack stepped down as CEO and the new administration assigned Ms. Kelu Chao, VOA's previous Program Director, as the acting interim CEO of USAGM. In a January 2021 press release announcing USAGM's leadership replacements for grantees, Acting CEO Chao stated that she has great faith in these leaders in ensuring the highest standards of independent, objective, and professional journalism.

[32]22 U.S.C. § 6204(c)(3).

[33]22 U.S.C. § 6205(c)(2).

[34]22 U.S.C. § 6209(d). See also 22 U.S.C. § 6204(a)(21).

Three heads of USAGM grantee networks told us that the previous CEO replaced members of their boards with political appointees from one political party and voiced concerns that a future CEO could take similar actions. According to a senior USAGM official, the CEO's authority to select members of grantee boards potentially allows the CEO to misuse his power over grantees' operations. It may also result in selecting grantee board members who are aligned only with the CEO's point of view and who may not provide constructive criticism to the CEO or adequately represent the views of the grantees. Federal internal control standards state that, among other things, an oversight body provides constructive criticism to management, and, where appropriate, makes oversight decisions so that the entity achieves its objectives in alignment with the entity's integrity and ethical values.[35]

The IBA gives the USAGM Advisory Board the responsibility to approve the appointment or removal of network heads with a majority vote, but the law does not provide the Advisory Board with any authority regarding the selection or removal of members of grantee boards. USAGM officials suggested that one approach to addressing their concerns is to provide the Advisory Board with the responsibility to approve the CEO's selection of grantee board members (similar to the Advisory Board's responsibility with regard to the appointment and removal of network heads). Another potential approach, noted the officials, is to allow grantees to self-select the members of their boards.[36] While most heads of grantee networks told us they prefer independent, self-replenishing grantee boards, a senior USAGM official stated that he prefers giving the Advisory Board oversight authority so that USAGM can maintain consistency and cooperation across all grantee networks.

Provisions in the IBA and its legislative history indicate the importance to Congress that USAGM's leadership respect the professional independence and integrity of its broadcasting services and grantees.[37] In

[35]GAO-14-704G [2.03]. In the context of this report, the oversight body is the grantee board, management is the CEO, and the entity is the grantee organization.

[36]USAGM leadership is working with grantee networks to select subject matter experts to join their boards, according to USAGM officials.

[37]22 U.S.C. § 6204(a)(21) requires that the CEO and Secretary of State respect the professional independence and integrity of the Agency, its broadcasting services, and the grantees of the Agency. In addition, in the conference report accompanying the IBA, the committee of conference noted that it was "also mindful of the need for journalists and broadcasters to maintain their professional independence in order to produce factual, unbiased and balanced work products." H.R. Conf. Rep. No. 103-482, at 202 (1994).

previous years, grantee boards served as one of the oversight bodies that helped to support that goal, according to network officials. The current provision in the IBA granting the CEO authority to appoint members of the grantees' corporate boards takes away that additional layer of oversight, one network official told us. Determining a process for the appointment or removal of members of USAGM's grantee boards that include some involvement of the bipartisan Advisory Board may help ensure the professional independence and integrity of USAGM's grantees.

## Officials Said Some Actions Taken by USAGM's Previous Leadership Did Not Align with USAGM's Firewall, the Parameters of Which Are Not Specifically Defined in Legislation

According to officials, some actions taken by USAGM's previous leadership did not align with USAGM's firewall principles, as described in USAGM's 2020 regulation *Firewall and Highest Standards of Professional Journalism*[38] and incorporated into policy and guidance documents of the broadcasting networks funded and overseen by USAGM. Current USAGM leadership has emphasized editorial independence and taken steps to strengthen the firewall. However, the parameters of USAGM's firewall as they relate to networks' editorial independence are not specifically laid out in legislation. According to various USAGM and network leaders, this lack of specificity continues to present a vulnerability that can hinder their ability to effectively fulfill their mission.

### Some Actions Taken by USAGM's Previous Leadership Did Not Align with USAGM's Firewall Principles, According to Officials

According to various senior network and USAGM officials, USAGM's previous leadership violated the firewall principles when it (1) repealed the agency's firewall regulation, (2) investigated and disciplined journalists for alleged violations of editorial standards or conflicts of interest, (3) transferred or terminated two positions critical to editorial independence, and (4) attempted to participate in network meetings

[38]85 Fed. Reg. 36150 (June 15, 2020), repealed by 85 Fed. Reg. 79427 (Dec. 10, 2020). This rule was in effect from June 11, 2020 until October 26, 2020.

leading up to the 2020 U.S. presidential election. The majority of these actions were directed toward VOA, but other networks' officials said they had a negative effect on their own newsroom operations. Previous USAGM leadership did not respond to our multiple requests to discuss these actions.

## The Previous CEO Repealed USAGM's Firewall Regulation

On October 26, 2020, the previous CEO repealed USAGM's firewall regulation, entitled "*Firewall and the Highest Standards of Professional Journalism*." The regulation, which took effect 1 week after the previous CEO's Senate confirmation, was established to "clarify the practical meaning and impact of the statutory firewall contained within the United States International Broadcasting Act of 1994, as amended." According to the regulation, the firewall was violated, among other things, "when any person within the Executive Branch or a Network, but outside the newsroom, attempts to direct, pressure, coerce, threaten, interfere with, or otherwise impermissibly influence any of the USAGM networks, including their leadership, officers, employees, or staff, in the performance of their journalistic and broadcasting duties and activities."

In a statement issued by the previous CEO explaining the rationale for repealing the regulation, he wrote that the firewall regulation created a barrier between USAGM and the broadcasters it oversees and prohibited the CEO from engaging in congressionally mandated oversight and management, among other shortcomings. According to the previous CEO, the regulation made it difficult for him to perform his statutory duties, including to "direct and supervise all broadcasting activities"; "review and evaluate the mission and operation of, and…assess the quality, effectiveness, and professional integrity of, all such activities within the context of the broad foreign policy objectives of the United States"; and "ensure that United States international broadcasting is conducted in accordance with the [highest] standards and principles."

Furthermore, the former CEO wrote that the rule threatened constitutional values because the Constitution gives the President broad latitude in directing the foreign policy of the United States. He added that the President's representatives in furthering U.S. foreign policy interests, including USAGM and its CEO, must be able to ensure that the agency fulfills the "broad foreign policy objectives" of the United States established by the President, as required of USAGM by statute. Lastly, the former CEO said that the rule made the agency difficult to manage, adding that no agency run by a CEO has any kind of "firewall" between

himself and the rest of his agency and that an organization cannot be successful if senior management is limited in overseeing and managing personnel.

Senior network officials told us that their staff expressed concern when the CEO repealed the firewall regulation, prompting them to issue statements to staff to try to address these concerns. These statements emphasized that despite the regulation's repeal, the firewall concept is still enshrined in U.S. law under the United States International Broadcasting Act of 1994.[39]

The repeal of the firewall regulation was also controversial outside of USAGM, resulting in criticism from journalistic organizations (e.g., The Committee to Protect Journalists and The Reporters Committee for Freedom of the Press) and several members of Congress.

After USAGM's repeal of the firewall regulation, Congress passed legislation that referred to the statutory provisions that USAGM officials view as the basis for the firewall and the networks' independence, among other things. Specifically, the Consolidated Appropriations Act, 2021, stipulated that funds appropriated to USAGM for fiscal year 2021 shall be made available in accordance with the principles and standards set forth in 22 U.S.C. §§ 6202(a)[40] and (b)[41] as well as 6204(b).[42] Further, the Joint

[39]In our discussions, network officials indicated that this statutory basis for the firewall is found in 22 U.S.C. § 6204(b), which reads: "The Secretary of State and the Chief Executive Officer, in carrying out their functions, shall respect the professional independence and integrity of the Agency, its broadcasting services, and the grantees of the Agency."

[40]22 U.S.C. § 6202(a)(2) requires that U.S. international broadcasting be conducted in accordance with the highest professional standards of broadcast journalism, among other requirements under subsection (a). This is one of the provisions that USAGM officials indicate serves as the statutory basis for the editorial independence of USAGM's networks.

[41]22 U.S.C. § 6202(b)(1) requires that U.S. international broadcasting include news that is consistently reliable, authoritative, accurate, objective, and comprehensive, among other requirements under subsection (b). This is one of the provisions that USAGM officials indicate serves as the statutory basis for the editorial independence of USAGM's networks.

[42]As mentioned earlier, 22 U.S.C. § 6204(b) states that "the Secretary of State and the Chief Executive Officer, in carrying out their functions, shall respect the professional independence and integrity of the Agency, its broadcasting services, and the grantees of the Agency." This is one of the provisions that USAGM officials indicate serves as the statutory basis for the editorial independence of USAGM's networks.

Explanatory Statement accompanying the act stipulated that "[t]he application of this requirement shall be done in a manner that is, at a minimum, consistent with the statutory firewall, journalistic independence and best practices, and the highest standards of professional journalism set forth in any applicable regulation during fiscal year 2020."[43]

Several other similar provisions concerning the firewall regulation were proposed in bills or amendments to bills put forward in the 116th Congress, but did not become law. These include, among others, requiring that funds "be made available in accordance with the statutory firewall and highest standards of professional journalism described in part 531 of title 22, Code of Federal Regulations, as in effect on June 11, 2020" and providing that "[n]otwithstanding any other provision of law, the United States Agency for Global Media may not revise part 531 of title 22, Code of Federal Regulations, which took effect on June 11, 2020, without explicit authorization by an Act of Congress."[44]

## Previous USAGM Leadership Investigated and Disciplined Journalists for Alleged Violations of Journalistic Standards or Conflicts of Interest

According to VOA officials, previous USAGM leadership did not respect the firewall when they investigated or disciplined journalists for alleged violations of journalistic standards. USAGM's *Procedures for Violations of Principles, Standards, or Journalistic Code of Ethics* assigns investigative and disciplinary responsibility for most editorial lapses to the networks, rather than to USAGM.[45] However, according to network officials, USAGM prevented VOA from carrying out its own internal investigations. In addition, network leaders said that USAGM's investigations likely caused some journalists to self-censor their news content out of fear of retaliation.

[43]Joint explanatory statement, 166 Cong. Rec. H8311 at H8783 (Dec. 21, 2020), accompanying the Consolidated Appropriations Act, 2021, Pub. L. No. 116-260 (Dec. 27, 2020).

[44]H.R. 7608 at 21 (July 13, 2020); 166 Cong. Rec. 127, S4273 (July 20, 2020) (proposed amendment SA 2442 by Mr. Menendez).

[45]The guidance, which was adopted by USAGM before Mr. Pack became CEO, lays out a phased approach for response, depending on the severity of the editorial violation in question. Only for a widespread pattern of violations over a significant period is USAGM to be directly involved. In such cases, the guidance calls for USAGM to launch a review of a random sample of relevant language service programming.

Several USAGM investigations into, or disciplinary actions taken against, VOA journalists undermined VOA's editorial independence and violated the firewall, according to VOA officials. For example,

**U.S. Agency for Global Media's Guidance on Conflicts of Interest**

USAGM's previous CEO issued guidance on conflicts of interest, including several examples of situations that constitute a conflict of interest and require journalists to recuse themselves from covering a story. These examples include expressing personal views on political topics in personal social media accounts or situations where a journalist is personally affected by a potential governmental action. For example, the guidance states that journalists who "like" a comment or political cartoon on Facebook that aggressively attacks or disparages the U.S. President must recuse themselves from covering the President. Another example describes how journalists working in the United States on a J-1 visa must recuse themselves from any story involving J-1 visas.

Source: GAO. I GAO-22-104017

- When VOA's Urdu language service produced a video that previous USAGM leadership alleged favored one U.S. presidential candidate over another, VOA began an internal investigation. However, VOA officials told us that USAGM political appointees took over the investigation, which resulted in the termination or suspension of several VOA staff. As of February 2021, some of them were appealing their terminations, according to a VOA official. VOA officials did not view this incident as sufficiently serious or widespread to warrant USAGM's involvement, objected to USAGM leading the investigation, and explained to USAGM that VOA had an established process for investigating potential editorial lapses. A senior VOA official added that USAGM's decision to prevent VOA from conducting its own independent investigation of the circumstances involved in the posting of the video adversely affected VOA's editorial processes and weakened the network's ability to address problems with content in the future.
- After a White House correspondent's social media account was alleged to show bias against U.S. President Donald Trump, USAGM initiated an investigation into the correspondent's social media activity to find evidence of bias or conflicts of interest.[46] USAGM political appointees prepared a report on the journalist's social media activity that they deemed problematic and pressured VOA to take administrative or disciplinary action against the journalist, according to a senior VOA official. Senior VOA officials refused USAGM's demands to demote the correspondent, stating that it was an internal matter and that VOA had taken steps to address the situation, including reminding the journalist of VOA's policies on bias and independence.
- USAGM also investigated the Director of VOA's Persian service for various allegations of fraud, waste, and abuse and prepared a report summarizing the investigation. According to the then acting VOA director, USAGM subsequently put pressure on VOA officials to terminate her employment. The Acting VOA Director resisted this pressure, telling USAGM that VOA was left out of the process in violation of the firewall and that the investigation was inconsistent with existing procedures. He added that the sources of the allegations were "dubious," there was the appearance of a lack of transparency,

[46]In October 2020, the previous USAGM CEO communicated guidance on conflicts of interest to the broadcasting networks, focusing on journalists' use of personal social media platforms. The guidance stated that it is a conflict of interest for journalists to participate personally and substantially in reporting on an issue in which they have a personal interest or have publically expressed a political opinion.

and the investigation's findings did not offer clear and convincing evidence to support charges of fraud and waste. He added that it appeared the CEO's office had already made a decision to terminate the journalist and the investigation was being used to support a preexisting decision. The previous USAGM CEO replaced the acting VOA Director several weeks later. VOA ultimately placed the Director of the Persian service on administrative leave and took action to remove her from her position. In February 2021, new VOA leadership rescinded the proposal for termination and reinstated the official.

## Previous USAGM Leadership Transferred or Terminated Staff in Positions Critical to Editorial Independence

Shortly after taking office, the previous USAGM leadership transferred or terminated certain network staff whose positions were focused on upholding journalistic standards and protecting the editorial independence of the networks, according to USAGM and network officials. For example, the previous USAGM leadership transferred the VOA standards editor to a position within USAGM without consulting VOA leadership or notifying the individual's supervisor. During this detail, which lasted for approximately 4 months, the official in question said he did not have any assigned duties or functions. The official told us that this action was an example of USAGM interfering with VOA staffing priorities and therefore a violation of the firewall. VOA leadership made several requests to USAGM to either fill the standards editor position with another individual or transfer him back, but USAGM leadership ignored these requests, according to VOA officials. Consequently, officials told us that there was no single person that VOA staff could turn to with daily questions about journalistic ethics and best practices and that many of the lapses in editorial standards investigated by USAGM could be directly attributed to the vacancy. In addition, because OCB did not have its own standards editor, the VOA standards editor often answered OCB's questions about standards and best practices. An OCB official noted that questions arose during his absence. The absence of the standards editor was a significant loss during coverage of the 2020 U.S. presidential election, according to officials. When his detail ended on October 14, 2020, he returned to his previous position at VOA.

A senior USAGM official also told us that personnel actions taken against RFA's former Executive Editor were a clear violation of the firewall. Shortly after assuming his position, the previous USAGM CEO replaced all network heads, including the RFA President, who remained at RFA as the network's Executive Editor. However, according to the senior USAGM

official, RFA's Acting President subsequently terminated her as Executive Editor under pressure from the former USAGM CEO, which he believed was a violation of the firewall.

### Previous USAGM Leadership Attempted to Participate in VOA Planning Meetings on the U.S. Presidential Election

According to senior VOA officials, a political appointee working in the USAGM CEO's office requested to participate in VOA editorial meetings ahead of the 2020 U.S. Presidential election. Senior VOA officials declined the request, saying the official's participation might be perceived as an effort to influence VOA coverage and would be a firewall violation. The USAGM CEO's office subsequently dropped the matter.

## Current USAGM Leadership Has Taken Steps to Strengthen the Firewall, but the Parameters of the Firewall Are Not Specifically Defined in Legislation and Officials Have Further Concerns

### Current USAGM Leadership Has Taken Steps to Strengthen the Firewall

USAGM's current leadership team has taken various steps to strengthen the firewall.

- USAGM's management team communicated its commitment to strengthening the firewall and protecting networks' editorial independence. In her January 2021 welcome message to staff, the new USAGM Acting CEO wrote that her highest priority would be to "reaffirm the firewall, the highest standards of professionalism, the sacred editorial independence, and the journalistic integrity of the USAGM networks." The Acting CEO also told us that one of her first priorities was to regain the trust of USAGM's and the networks' workforce with regard to journalistic integrity and editorial independence. She pledged to staff that she would do everything possible to ensure that the firewall is respected.
- Since April 2021, USAGM leadership has tried to strengthen the firewall by taking the following steps:

- organizing a town hall meeting for all VOA staff to focus on strengthening the firewall;[47]
- resuming mandatory firewall training for staff, which focuses on what constitutes a firewall violation, who is protected by the firewall, and how to report any potential firewall violation; and
- updating and communicating to all staff two agency processes that, according to the leadership, uphold and advance the firewall and emphasize networks' journalistic independence: (1) the agency's program review process[48] and (2) the *Procedures for Violations of Principles, Standards, or Journalistic Code of Ethics*.[49]
- Currently, USAGM and VOA officials are in the process of revising the firewall regulation and plan to republish it in the Federal Register, with a goal of strengthening some of the language, according to senior USAGM and VOA officials. A VOA official involved in the effort said that one potential revision concerns USAGM's oversight over its networks, which they characterized as overly broad and open to interpretation. However, a senior USAGM official said that any new regulation would remain vulnerable to future repeal by new agency leadership. To mitigate the potential for a future repeal, USAGM could add language to the regulation that requires a notice and public comment period for any modification to or repeal of the regulation, according to a senior USAGM official. He also stated that USAGM may want to clarify in the regulation that the CEO's authority to "direct and supervise" the networks does not extend to controlling content or

[47]In this meeting, a senior USAGM official said that new USAGM leadership would work to strengthen the agency's rules and regulations on the firewall based on lessons learned from the previous leadership team.

[48]According to USAGM, program reviews are evaluations of the quality of a selection of programming of the networks' language services based on both internal and external feedback. In full compliance with the firewall, the review aims to provide network leadership and USAGM an independent evaluation of the work of each language service, according to USAGM.

[49]We found that USAGM did not widely communicate these procedures across the agency until more than one year after the policy was adopted and some senior officials in critical editorial positions were not aware of them. In response to our inquiries on this policy, USAGM officials entered the procedures into the agency's policy manual and communicated the policy to all networks.

decisions that would undermine the journalistic independence or integrity of the networks.

## The Parameters of the Firewall Are Not Defined in Legislation

According to USAGM, the firewall is essential to ensuring the credibility and therefore the effectiveness of the journalism provided by the broadcasting networks. USAGM has emphasized the importance of the firewall to the credibility of its networks, distinguishing its journalism from propagandist state media in other countries. However, according to USAGM, while the basis for the firewall resides in the IBA,[50] the firewall is only defined in the agency's Broadcasting Administrative Manual and training modules, which agency leadership can interpret and implement differently.

Indeed, as noted earlier, USAGM leadership's interpretation and implementation of the agency's firewall principles have varied significantly over the past year, reflecting fundamental differences in the understanding of its meaning. Further, as previously discussed, senior network officials told us that actions taken by the previous USAGM leadership did not align with the firewall principles. These varying interpretations may stem from the fact that the parameters of the firewall, including what is and is not permissible with regard to network independence, are not defined in legislation.

Moreover, USAGM's authorizing legislation does not specifically mention the term "firewall," and the legal provision often cited by USAGM and the networks as enshrining the firewall states only that "the Secretary of State and the Chief Executive Officer, in carrying out their functions, shall respect the professional independence and integrity of the Agency, its broadcasting services and the grantees of the Agency." As previously noted, it is important to Congress that USAGM's leadership respect the professional independence and integrity of its broadcasting services and grantees. However, the IBA lacks detail about what actions are appropriate or inappropriate in order to ensure this, increasing the risk that Congress' intended objective may not be met. Since the parameters of the firewall are not defined in legislation, any USAGM CEO has the ability to interpret the current language regarding respecting editorial independence, and could repeal or modify any firewall regulation codified by the agency. By considering legislation to define the parameters of the

[50]According to USAGM, the statutory basis for the firewall is found in the IBA in 22 U.S.C. § 6204(b) and 22 U.S.C. §§ 6202(a)(5) and (b)(1).

firewall, Congress could help ensure that the Secretary of State and the CEO respect the professional independence and integrity of the agency, its broadcasting services, and its grantees.

## Additional Concerns Raised by Officials May Warrant Further Review

Although USAGM and network officials noted their support for defining the parameters of the firewall in the IBA, senior USAGM leadership also expressed some concerns about the governing structure of the agency. These concerns were brought to our attention at the end of our review, preventing us from fully investigating these issues and considering the potential impacts of their proposed solutions. However, these concerns may warrant further review. Senior USAGM leadership raised concerns about certain language within the CEO's statutory authorities and its potential negative effects on the firewall and mission of the agency. Specifically, according to these officials, a CEO who is interested in influencing the journalistic content of USAGM networks may still able to do so because the CEO is a political appointee, has sole authority to control the resources of USAGM's federal broadcasting networks, and was given explicit authority to "direct and supervise" all broadcasting activities. These officials point to recent actions by the former CEO as evidence of the negative effect that this can have on the agency's ability to carry out its mission credibly and effectively.

USAGM leadership stated that having a bipartisan board as the head of the agency served as a critical part of the barrier against political interference that has now been lost, noting that in the past, no partisan individual could shape the direction and editorial content of the agency. However, following concerns expressed by the BBG, as well as the State/OIG, both of which suggested the creation of a CEO to run day-to-day operations, the 2017 NDAA shifted governing authority from a bi-partisan board to a CEO. Later, the 2021 NDAA revised the authorities of USAGM's Advisory Board to allow the board to have input into certain CEO decisions. However, according to senior USAGM leadership, there continues to be a risk of future firewall violations because the CEO continues to have full control over VOA and OCB's administrative and support functions and can limit support or resources provided to their broadcasting studios in order to influence their editorial content.

The 2017 NDAA also gave the CEO the authority to "direct" all broadcasting activities conducted pursuant to the IBA. According to USAGM's senior leadership, the addition of the word "direct" to the CEO's

authority over broadcasting activities was a substantial change from the "supervise" authority that the BBG board had most recently possessed, providing the CEO with much greater authority. These officials noted that while the phrase "direct and supervise" was included in the authority provided to the BBG board under the original IBA of 1994, the word "direct" was removed in 1998. According to the officials, the CEO's authority to *"direct and supervise all network broadcasting activities"* is in conflict with another provision in law requiring the CEO to "respect the professional independence and integrity of the Agency, its broadcasting services, and the grantees of the Agency." According to the Acting CEO, this authority, in the wrong hands, can result in inappropriate interference in editorial decisions and network operations. For example, she explained that a partisan CEO could direct all USAGM broadcasting networks to publish biased content.[51]

In 2013, the State/OIG indicated that the BBG board was dysfunctional and expressed the belief that the dysfunction stemmed from a flawed legislative structure and acute internal dissension. The State/OIG recommended creating a full-time CEO to manage day-to-day operations, as outlined in the BBG's fiscal year 2012–2016 Strategic Plan. In that plan the BBG indicated that the board would attend to broad strategic issues, maintain the firewall to protect the independence and integrity of the agency's journalism, and attend to oversight of the BBG mission. The plan called for the creation of a CEO, selected by the board and subject to the board's supervision, who would manage the agency's day-to-day affairs. According to USAGM leadership, the Corporation for Public Broadcasting and the U.S. Postal Service are examples of agencies that have governance structures of this type, where there is an official who manages day-to-day operations and who is selected by, and reports to, the board.[52] The officials said that these are among the potential models that could be used at USAGM to mitigate the risks they raised about the CEO's authorities. Since these concerns and suggestions were raised at the end of our review, we were unable to conduct an in-depth analysis of these alternative governance structures. Such an in-depth analysis would require that we, among other things, analyze alternative governance

[51]Relatedly, in defending USAGM against a lawsuit filed by senior USAGM staff who had been placed on administrative leave, the Department of Justice pointed to this "direct and supervise" language to argue that the former CEO had the express authority to undertake the actions complained of. The agency also argued that "Section 6204(b) provides no meaningful standard by which this Court or any other court might judge compliance."

[52]While not an agency, the Corporation for Public Broadcasting is a private, nonprofit corporation created pursuant to legislation.

structures in legislation, including an evaluation of the pros and cons of such governance structures for USAGM. This assessment would require conducting audit work at other agencies, such as those mentioned by USAGM officials, to better understand the relationships between their boards and their leaderships, and the similarities and differences between those entities and USAGM. Nonetheless, the additional concerns raised by USAGM leadership may warrant further study in the future.

## Some of USAGM's Actions Hindered its Oversight of Networks' Operations and Have Not Corrected a Long-standing Deficiency, but Leadership is Taking Corrective Actions

According to various USAGM and network officials, some of USAGM's past management actions hindered its oversight of networks' operations, but its leadership has taken corrective actions to address them. For example, USAGM's leadership ended a hiring freeze that resulted in at least 75 unfilled positions at VOA and released fiscal year 2020 internet freedom funds that USAGM had ceased providing under the previous leadership. Financial statement audits reported a long-standing significant deficiency in USAGM's grants monitoring, and its actions have not corrected this deficiency. However, USAGM has a plan aimed at correcting audit deficiencies by hiring a contractor to implement grant oversight improvements.

### USAGM's Recent Actions Adversely Affected Its Oversight of Networks' Operations, but Current Leadership Has Taken Corrective Actions

#### Hiring Freeze Prevented Federal Networks from Filling Positions, but Current Leadership Ended the Freeze and Started Recruiting

In June 2020, USAGM announced a hiring and spending freeze across USAGM and all of its networks, which resulted in issues with unfilled positions, news production, and overall staff morale. Specifically, the freeze applied to the following actions: (1) obligations for new contracts or extensions of any contract; (2) all personnel actions relating to hiring or promotion, and excluding retirements; and (3) all technical migrations. The duration and effect of this freeze varied between the federal networks

and grantees. For the federal networks—VOA and OCB—USAGM did not officially lift the freeze until 9 months later, in February 2021, whereas USAGM lifted the freeze for the grantee networks after 17 days.[53] As a result, the freeze's effect was more pronounced on the federal networks than on the grantee networks.

The freeze prevented VOA and OCB from filling both routine and critical positions. In October 2020, VOA sent an assessment of the freeze's operational effects to the office of USAGM's CEO. In that assessment, VOA found that the ongoing hiring freeze had halted at least 75 personnel actions for VOA. Further, it found that the freeze, together with other workforce challenges, had had an adverse effect on VOA's ability to successfully handle daily content production challenges, which intensified during the Coronavirus Disease 2019 (COVID-19) pandemic. It also stated that these workforce challenges would have long-term consequences by lowering morale and diminishing VOA's brand and reputation. VOA's leadership reported fearing that the hiring freeze would hinder VOA's ability to recruit top professionals and journalists in the future. USAGM's 2020 annual risk assessment had already identified recruitment as a potential workforce risk.[54]

A significant effect of the hiring freeze on OCB was the loss of a candidate whom OCB had already selected to fill a critical position. In a complaint sent to the State/OIG, a senior USAGM official noted that the hiring freeze undermined USAGM's commitment—to relevant congressional oversight committees—to hire a new external editorial standards editor to help ensure that OCB's content met the highest professional standards of journalism, as required by statute.[55] This development was of particular relevance given that OCB had already selected and offered the position to an individual who had accepted the offer, according to the official. However, because of the spending and

[53]One senior network official said that USAGM did not have the authority to impose this freeze on the grantees and as such, his grantee network did not impose the freeze.

[54]USAGM's Office of Risk Management defined workforce risk as the risk that the organization fails to recruit qualified employees to ensure optimal staffing levels in a balanced workforce environment and support the organization's strategy.

[55]In recent years, OCB has faced allegations that it has failed to abide by the highest professional standards of broadcast journalism. In 2019, the USAGM CEO ordered a multifaceted review of OCB content, operations, and personnel. As part of this review, a panel of independent experts examined an extensive sample of OCB content to identify and address any patterns of unethical, unprofessional, biased, or substandard journalism. To address some of the concerns raised in this review, OCB planned to hire a standards and best practices editor.

hiring freeze, this individual could not start work. An OCB official noted that this kind of position requires considerable expertise and it is not easy to find a well-qualified candidate. As of August 2021, OCB had not filled this vacancy.

To mitigate the effects of the hiring and spending freeze, in February 2021, USAGM's new management team officially ended the freeze for the federal networks and began recruiting to fill vacancies, including the OCB editorial standards editor position.

## Revised J-1 Visa Review Process Led to Fewer Journalists, but Current Leadership Has Resumed Visa Processing

During the former CEO's tenure, USAGM changed its process and approach for reviewing J-1 visa applications and extensions, which led to a significant loss of staff with specialized skills and knowledge at VOA, according to senior VOA officials. J-1 visas are a category of non-immigrant entry permits for individuals who are approved to participate in work-and study-based exchange visitor programs.[56] According to a statement by the previous CEO, "J-1 visas applications and renewals were being approved with little, if any, discernment." He acted to address this concern "through the creation of a review process that would support USAGM's mission and safeguard the security of the agency, its employees, and U.S. national security." A USAGM spokesperson told members of the press that this process would be a comprehensive, case-by-case assessment of individual J-1 visa holders. However, according to USAGM officials, under this new review process USAGM issued only one formal response (a denial) and declined to act on any of the other J-1 visas up for renewal, resulting in those individuals losing their work permits and employment with VOA. USAGM leadership did not explain why it allowed the visas to expire, according to VOA officials.[57] Allowing the visas to expire was a controversial action, resulting in protests by several journalistic organizations (e.g., the National Press Club, PEN

[56]According to USAGM guidance, the agency only hires foreign nationals when it cannot find American candidates with the expertise and language skills required to do the work. VOA uses J-1 visas to recruit journalists with in-depth knowledge of foreign media markets and highly specialized language skills that are rare among U.S. citizens.

[57]According to public statements, USAGM's former leadership team wanted to address a long-standing problem with USAGM's security clearance process for J-1 visa holders. However, despite multiple requests, we were unable to meet with USAGM's former leadership team regarding the reasons for denying approval of specific J-1 visa processing.

America, and Reporters Committee for Freedom of the Press); members of Congress; and VOA officials, among others.[58]

According to a senior VOA official, the revised J-1 visa review process led to the loss of at least 20 international journalists and other staff with regional, language, and cultural expertise at VOA. This loss, according to VOA, combined with the hiring freeze, negatively affected VOA service divisions in ways that included a reduction in programming. VOA also stated in its assessment that the lack of J-1 visa renewals would result in a large economic cost for the agency overall. In many cases, full-time employees with J-1 visas would have to relocate to their home country and would therefore be entitled to a generous relocation stipend, according to a VOA assessment. VOA officials stated that these actions could damage the network's reputation, possibly hindering future recruitment efforts.[59]

According to USAGM and VOA officials, since January 2021, USAGM's new management team has delegated J-1 visa approval authority to the Acting Director of VOA, who resumed approving visa renewals the next month. By March 2021, VOA had approved 23 J-1 visa applications for processing and was working to rehire around 15 staff whose previous visa renewals were denied by USAGM, according to a senior VOA official.

## Leadership Replacements Resulted in a Lawsuit and Lowered Morale; Congress Has Amended the CEO's Appointment Authorities

In June 2020, the heads of all the federal and grantee networks either resigned or were terminated by the previous CEO. He also appointed new members to serve on all of the grantee boards and appointed himself as

[58]In August 2020, 14 VOA journalists sent a letter to VOA's Acting Director protesting the CEO's actions regarding J-1 visas, which they said had harmed the agency's mission and endangered its reporters. Shortly afterwards, another 27 journalists signed the letter, according to VOA's Acting Director.

[59]Members of Congress and others expressed concern for the safety of journalists returning to countries with repressive governments where they might face persecution or harassment because of their work at VOA.

Chair.[60] According to several officials at the networks, leadership replacements increased uncertainty and lowered the morale of network staff.

OTF filed a suit challenging USAGM's attempt to replace OTF's leadership and the members of its board, which asserted that USAGM's CEO lacked the authority to undertake such actions with respect to OTF. In addition, according to the Office of Special Counsel (OSC), senior USAGM officials filed a whistleblower complaint with the OSC alleging that certain actions taken by the CEO constituted gross mismanagement and abuse of authority, among other things. These actions involved dismissing the bipartisan board members that governed the USAGM-funded networks, replacing those board members with largely political appointees, and designating himself as Chair.[61]

In a legal action filed in D.C. Superior Court, the D.C. Attorney General's Office argued that USAGM's removal of the OTF board was contrary to D.C. nonprofit law and OTF's bylaws. In October 2020, the court ruled that USAGM's replacement of OTF's board of directors was not authorized and any actions taken by the new board were invalid. It stated that only the original corporate board members were valid.

Since January 2021, USAGM's new management team has replaced the heads of the grantee networks and the grantee boards members that the previous CEO had appointed. As previously mentioned, after the 2021

[60]The 2017 NDAA granted the CEO the power to replace or appoint the members of the grantee corporate boards. 22 U.S.C. § 6209(d). However, subsequent to the CEO's replacement of the grantee boards and self-appointment as chair of those boards, the 2021 NDAA prohibits the CEO and any full-time employee of any federal agency from serving on the corporate boards of the grantees. 22 U.S.C. § 6204(c)(2)(A)-(B).

[61]In 2020, whistleblowers brought a number of allegations of wrongdoing at USAGM to the attention of the Office of Special Counsel (OSC), some of which were referred to State/OIG for further investigation. Based on OSC's referrals, mandates, and other requests, State/OIG officials told us that they currently have ongoing and planned reviews of USAGM's editorial standards and compliance with the firewall, procurement of legal services, financial statements, compliance with the Payment Integrity Information Act, implementation of the DATA Act, and information technology security. In addition, according to USAGM officials, USAGM hired three independent experts to conduct a review of numerous allegations made against the agency's previous management covering the period of June 2020 through January 2021. USAGM officials told us that the review will encompass several allegations that the OSC has mandated that USAGM investigate, as well as issues of interest to congressional committees of jurisdiction. In accordance with OSC's expectations, the USAGM review team has communicated with OSC, State/OIG, and GAO that this effort will be informed by State/OIG and GAO findings.

NDAA amendments took effect, a majority of USAGM's Advisory Board must approve any future decisions to appoint or remove network heads, and five or more members of the Advisory Board may remove a network head—providing a potential check on the CEO's power to act unilaterally in this regard. Additionally, a provision in the 2021 NDAA explicitly prohibits the CEO or any full-time federal employee of a federal agency from serving on the grantee corporate boards.

## Shifts in Internet Freedom Funds Halted Some Projects, but Current Leaders Resumed Funding

In fiscal year 2020, USAGM stopped providing Internet Freedom program funding to OTF, resulting in OTF halting various projects and initiatives.[62] The decision to cease or delay funding effectively prohibited OTF from carrying out its mission, according to OTF officials. USAGM's Internet Freedom program supports global internet freedom for the expansion of unrestricted access to information on the internet. In furtherance of its mission, USAGM has been supporting internet freedom projects since 2012 through the Office of Internet Freedom (formerly the Internet Anti-Censorship Division) and OTF. Initially founded in 2012 as a program at RFA, OTF established itself as its own independent nonprofit grantee in September 2019.

In fiscal year 2020, USAGM planned to fund OTF through two separate sources, according to USAGM's Internet Freedom fiscal year 2020 Spend Plan. First, USAGM was to provide OTF with nearly $20 million from USAGM's congressionally appropriated internet freedom funds. USAGM retained about $11 million of this funding after distributing the rest to OTF during the first 3 quarters of fiscal year 2020, according to OTF documents and officials.[63] Second, according to OTF, USAGM agreed to grant OTF an additional estimated $9.7 million in fiscal year 2019 funding that the agency had previously awarded to support OTF's internet

[62]These funds were appropriated to USAGM in fiscal year 2020 for internet freedom programs and remain available for obligation until expended.

[63]USAGM obligated funding to OTF on a quarterly basis. OTF expected USAGM to obligate its fourth quarter funding on July 1, 2020, according to OTF.

freedom work, but had remained under the control of RFA, OTF's former parent organization.[64]

When the previous CEO began his tenure in June 2020, the execution of the remaining fiscal years 2019 and 2020 funding did not occur as planned. USAGM sent OTF a new version of its fourth-quarter grant agreement that reduced the disbursement of internet freedom funds from $11 million to $1.6 million. According to OTF, when they protested this reduction in funding, USAGM's Chief Financial Officer (CFO) informed them that the agency had decided that the grants could only be disbursed on a monthly basis and that the $1.6 million disbursement was intended to cover OTF's July expenses only. According to OTF, USAGM's CFO stated that any additional funds not yet disbursed for the fourth quarter would be disbursed via subsequent amendments to the grant agreement. However, USAGM did not provide OTF with the $1.6 million in funding until August 19, according to OTF. In addition, under USAGM's previous leadership the transfer of OTF's second source of planned funding from RFA was never initiated. USAGM expressed concern in public statements that OTF might not be using funds for internet freedom efforts; however, OTF strongly disputed this accusation.

By the end of July 2020, lack of funds forced OTF to halt 49 out of its 60 ongoing projects. OTF officials told us that they worked to find other like-minded partners who could step in and continue funding these projects. While all the projects were able to resume with these new funding sources, the projects themselves were adversely affected during the time it took to secure that funding. For example, some projects lost staff or contractors, trainings did not occur, critical audits went undone, and deployments of new tools or updates were delayed. According to senior OTF officials, in addition to the halted projects, there were significant windows of opportunity that OTF missed because of the lack of funding from USAGM. These included instances of crisis in places like Myanmar and Hong Kong, where OTF would have had new tools ready to deploy if its funding had remained in place.

After the previous CEO's departure, USAGM's new leadership took steps to normalize funding for OTF. In January 2021, USAGM released the remainder of the fiscal year 2020 internet freedom funds to OTF. In

[64]In June 2020, an outside auditor estimated that RFA had still held a total of $9.8 million in both obligated and unobligated OTF funds. After forming an independent organization, OTF had to separate its finances from those of RFA.

addition, in July 2021, auditors conducted another review of the remaining OTF funding that was being held by RFA. Once the review was complete, RFA returned about $6.8 million in unobligated funds to USAGM.[65] According to USAGM's CFO, in September 2021, USAGM disbursed those funds to OTF as planned in early fiscal year 2020.

## USAGM's Oversight over the Internet Freedom Program Has Been Inconsistent, but Current Leadership Has Clarified Oversight Roles

USAGM's previous leadership team made changes to USAGM's Office of Internet Freedom's (OIF) oversight role and responsibilities over OTF and its Internet Freedom projects. These changes focused on a "revival" of OIF but lacked sufficient detail and communication to describe and define the new role and responsibilities of this office, thereby making oversight of OTF and its role under USAGM unclear.

Prior to the former CEO's tenure, the CEO's office held overall oversight responsibility of OTF, while OIF held programmatic oversight responsibilities and USAGM's budget officer oversaw OTF's budget and finances. To ensure that USAGM had full visibility over OTF's operations and the ability to provide appropriate oversight, OTF provided USAGM with an annual spend plan, monthly programmatic and financial reports, and other reviews and reports upon request. OTF and OIF officials said they were in regular contact prior to the former CEO's tenure and were working collaboratively on a number of initiatives for 2020.

In August 2020, the former CEO announced the "revival" of OIF, which he said had begun directly funding contracts for the deployment of secure and effective anti-censorship technologies.[66] However, according to USAGM and OTF officials, aside from that announcement, there was no communication from USAGM leadership internally or externally about the new role of the "revived" office. In his announcement of this revival, the former CEO appeared to be referencing a prior model under which both OIF and OTF provided funding to support internet freedom projects. However, in fiscal year 2020, OTF became the primary provider of funding for internet freedom projects, while OIF focused on oversight of

[65]Auditors' reviews determined that RFA still had about $6.8 million in unobligated funds, which was the amount returned to USAGM. The June 2020 audit of these funds estimated the amount to be $9.8 million in unobligated and obligated funds.

[66] USAGM press release, *CEO Pack revives USAGM's Office of Internet Freedom; agency funds internet firewall circumvention technologies* (Aug. 18, 2020).

OTF.[67] USAGM announced that as part of the former CEO's revival, OIF awarded three contracts to vendors for internet freedom projects that would have typically been funded by OTF. These contracts included a vendor that, according to a senior OTF official, had previously lost funding because they did not meet security standards.[68]

In response to our inquiries, USAGM officials did not provide any clear motivation or strategic vision for the decision to revive OIF, or a clear description of what the revival entailed. Examples of the lack of clarity include the following:

- USAGM leadership did not clearly outline or describe any anticipated changes in OIF's role or responsibilities.
- USAGM leadership did not communicate internally or externally about OIF's new role, according to USAGM and OTF officials.[69]
- USAGM reassigned the Director of OIF as part of the revival and named a new Acting Director of OIF. However, the Acting Director could not tell us what the new role of OIF was or would become.
- In December 2020, after the announcement of the revival of the OIF, USAGM's previous leadership issued a notice of proposed debarment to OTF. If debarred, OTF could have been prevented from receiving federal funds.[70]
- USAGM's Internet Freedom Program Governance and Framework guidance, which outlines roles and responsibilities, among other

[67]Before OTF split off from RFA as a separate entity in 2019, the role of OIF had included directly funding internet freedom projects. USAGM typically divided internet freedom funding between OIF and OTF: OIF's role was to support more mature tools for use by its networks, journalists, and audiences, while OTF's was to provide support for more emerging and nascent technologies. Prior to OTF's spinoff, USAGM said that the division of labor between OIF and OTF was a bureaucratic artifact rather than the result of a strategic vision purposefully designed for maximizing the effect of its legislative mandate.

[68]According to a senior OTF official, one contract that the newly revived OIF awarded was to a vendor that, although previously awarded contracts by USAGM, had lost its funding from USAGM in October 2017. The official said that this vendor lost funding because it failed to obtain independent verification of its usage and security metrics while under contract. This vendor had not cooperated with a security code audit in the last 3 to 4 years while under contract with USAGM, according to the same official.

[69]A senior USAGM official did tell us that their understanding was that one of the priorities of the CEO's office was to fund tools that were closed source as well as open source.

[70]USAGM's prior leadership cited a lack of adequate authorization from Congress to form OTF and claimed that OTF had materially breached its grant agreement as the rationale for the proposed debarment. Debarments usually last for a period of up to 3 years.

things, has not been revised since 2015 and still does not reflect the new structure and relationship between USAGM and OTF.

Since USAGM's new leadership took office in January 2021, senior USAGM and OTF officials have told us that USAGM has taken several actions to address the challenges of managing the Internet Freedom program. These actions included returning OIF to its previous role (which does not include directly funding internet freedom projects) and bringing back its prior Director. Communication between OTF and USAGM, which had been confined to only one approved point of contact under the former CEO, was reopened under new leadership, according to OTF officials. These officials also said that communications have vastly improved and that there are now biweekly management meetings with USAGM counterparts as well as monthly one-on-one meetings between OTF and USAGM's Acting CEO and Deputy. In addition, after reviewing the issue, USAGM's Acting CEO had a number of concerns about the previous CEO's motivations and basis for proposing debarment and formally rescinded those proceedings in March 2021. USAGM and OTF also have plans now to update and revise their Internet Freedom guidance and OTF's grant agreement.

## USAGM's Actions Have Not Corrected a Longstanding Significant Deficiency in Grant Monitoring, but Leaders Plan to Take Corrective Actions

### Financial Statement Auditors Reported a Longstanding Significant Deficiency in USAGM's Grants Monitoring and Substantial Noncompliance with Federal Grant Regulations

For fiscal years 2016 through 2020, auditors reported that USAGM's financial statements presented fairly, in all material respects, the agency's financial position, its net cost of operations, changes in net position, and budgetary resources in accordance with generally accepted U.S.

accounting principles.[71] Nonetheless, the auditors reported a significant deficiency in internal controls over financial reporting in grantee monitoring,[72] in each of the past 5 fiscal years.[73] USAGM has four grantees that it funds through annual grant agreements: RFE/RL, RFA, MBN, and OTF. According to the independent audit reports, over the last 5 years, these grantees received approximately one-third of USAGM's total funding, which ranged from about $270 million to $292 million. USAGM must manage and administer the grants in a manner that, among other things, ensures that associated programs are implemented in full accordance with the Constitution, federal law, and public policy requirements.[74] In each fiscal year from 2016 to 2020, the independent audits also reported USAGM to be in substantial noncompliance with related federal grant regulations, namely OMB's Uniform Guidance, because of concerns about USAGM's implementation of grantee monitoring controls.[75] Subpart F of the Uniform Guidance sets forth standards for obtaining consistency and uniformity among federal agencies for the audit of non-federal entities expending federal awards, including single audits.[76]

[71]USAGM's financial statements consist of the consolidated balance sheet, the related consolidated statements of net cost and changes in net position; the combined statement of budgetary resources, and related financial statement notes, as of the end of each fiscal year. In addition, auditors issued reports on their consideration of USAGM's internal control over financial reporting and on their tests of USAGM's compliance with certain provisions of laws, regulations, contracts, and grant agreements for each fiscal year. Kearney & Company audited USAGM's financial statements in fiscal years 2016, 2017, 2018 and 2020, and Williams Adley & Company audited USAGM's financial statements in fiscal year 2019.

[72]A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance, according to the auditor.

[73]The auditors have identified weaknesses in internal controls over financial reporting for grantee monitoring in each fiscal year since 2013.

[74]2 CFR 200.300(a), Statutory and national policy requirements.

[75]OMB's *Uniform Guidance* (2 C.F.R. § 200) are federal regulations that OMB stated would improve the integrity of the financial management and operation of federal programs and strengthen accountability for federal dollars. *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 78 Fed. Reg. 78590 (Dec. 26, 2013), codified at 2 C.F.R. § 200, subpt. F.

[76]The Single Audit Act of 1984, as amended, mandates that federal agencies assume oversight responsibility for the funds that they award to nonfederal entities. 31 U.S.C. §§ 7502(f), 7504(a).

As seen in table 6, for the past 5 fiscal years, independent auditors tested up to 15 grant monitoring control activities and found that USAGM did not implement 40 percent or more of the selected control activities in each fiscal year.[77]

**Table 6: Results of USAGM's Grant Monitoring Control Activities Tested by the Independent Auditors in Fiscal Years 2016-2020**

| na | na | na | Grant monitoring control activities | | |
|---|---|---|---|---|---|
| **Fiscal year** | **Audit report number** | **Grantee** | **Implemented** | **Did not implement** | **Total** |
| 2020 | AUD-FM-IB-21-10 | RFE/RL, RFA, MBN | 8 | 7 | **15** |
| 2020 | AUD-FM-IB-21-10 | OTF[a] | 4 | 10 | **14[b]** |
| 2019 | AUD-FM-IB-20-06 | RFE/RL, RFA, MBN | 8 | 7 | **15** |
| 2018 | AUD-FM-IB-19-06 | RFE/RL, RFA, MBN | 9 | 6 | **15** |
| 2017 | AUD-FM-IB-18-10 | RFE/RL, RFA, MBN | 9 | 6 | **15** |
| 2016 | AUD-FM-IB-17-14 | RFE/RL, RFA, MBN | 5 | 9 | **14** |

Legend: USAGM = U.S. Agency for Global Media; RFE/RL = Radio Free Europe/Radio Liberty; RFA = Radio Free Asia; MBN = Middle East Broadcasting Networks, Inc.; OTF = Open Technology Fund

Source: GAO summary of Kearney & Company and Williams Adley & Company audit report's grant monitoring of USAGM and the Department of State's Office of Inspector General, fiscal years 2016 through 2020. I GAO-22-104017

[a]OTF was established as a grantee in fiscal year 2019 and was not included in USAGM's audit until fiscal year 2020.

[b]One of the 15 control activities selected for testing—approval of prior year carryforward funds—was not applicable because OTF did not have carryforward funds at the beginning of fiscal year 2020.

The following provides an example of the grant monitoring control activities that USAGM did not implement in fiscal year 2019 for RFE/RL, RFA, and MBN:

1. Review the grantee's stated amount of cash currently on hand to determine if excess cash is being held by the grantee.
2. Monitor and oversee the grantee's drawdowns and execution of grant funds during the grant's period of performance to ensure the grantee is using grant funds at appropriate times.

[77]These control activities varied each year. According to GAO's *Standards for Internal Control in the Federal Government*, control activities are actions management establishes through policies and procedures to achieve objectives and respond to risks (GAO-14-704G). USAGM's *Standard Operating Procedures for Monitoring Grants* defines internal control as a process, implemented by a non-federal entity, designed to provide reasonable assurance regarding the achievement of objectives in the following categories: (1) effectiveness and efficiency of operations, (2) reliability of reporting for internal and external use, and (3) compliance with applicable laws and regulations.

3. Perform risk assessments and monitoring that includes assessing the grantee's compliance with the terms and conditions of the grant agreement.
4. Monitor grantee's use of financial plans and funding requests through the monthly reconciliation process.
5. Conduct site visits to each grantee headquarters site (domestic/overseas) and one bureau once per fiscal year, unless there are findings that merit additional follow-up.
6. Perform salary comparability studies annually, or more frequently as directed by the USAGM CEO or CFO.
7. Monitor equipment purchased by grantees to ensure federally funded equipment is not used by unauthorized parties and does not contribute to misappropriated revenue.[78]

As a result of concerns about USAGM's implementation of its control activities, the auditors concluded that because USAGM continued to lack effective grantee oversight, there is an increased risk of waste, fraud, and abuse of federal funds. For example, without effective implementation of control activities such as monitoring cost allowability, USAGM may not detect inappropriate spending of taxpayer funds by grantees.

## USAGM's Oversight Actions Have Not Corrected Its Long-standing Significant Deficiency in Grant Monitoring

USAGM has taken some oversight actions designed to address the agency's significant deficiency in grants monitoring over the years, yet it has not corrected this significant deficiency. To aid improving the grant monitoring process, USAGM drafted a grantee handbook in fiscal year 2016. In fiscal year 2018, USAGM formally approved and issued the handbook as the *Standard Operating Procedures for Monitoring Grants (Standard Operating Procedures),* which presented information and procedures to assist USAGM and its grantees during the lifecycle of a grant.[79] By February 2019, USAGM had updated the handbook's monitoring and reporting sections to include a quality control review program requiring reviews of grantee cost allowability and site visits to

[78]AUD-FM-IB-20-06.

[79]The procedures explain processes for grants oversight and provide information and guidance on the policy and procedures that USAGM uses to monitor all stages of the lifecycle of USAGM's grants. According to the procedures, the agency seeks to ensure the proper expenditure of funds in support of grant programs and activities for which USAGM has entered into grant agreements, among other things.

evaluate grantee network compliance with the terms of grant agreements, among other control activities, according to the audit.

Nevertheless, the actions that USAGM has taken have not corrected the significant deficiency in grant monitoring. According to the CFO, the agency has experienced many challenges in closing outstanding audit findings. According to the fiscal years 2016 and 2017 audit reports, USAGM did not initiate certain oversight activities until the draft *Standard Operating Procedures* was fully approved and finalized in late fiscal year 2018.[80] The fiscal year 2019 audit report stated that USAGM's implementation of critical monitoring activities detailed in the updated *Standard Operating Procedures* continued to be delayed because of changes in USAGM's leadership team and a lack of staff resources. The fiscal year 2020 audit report stated that according to USAGM (1) personnel and resource limitations prevented USAGM officials from implementing key monitoring activities and that (2) to address these limitations, USAGM planned to engage contractor support to perform grant-monitoring activities but had not issued a contract because of funding constraints. According to the CFO, USAGM drafted the performance requirements to award a contract for a subject matter expert, but in August 2020, previous leadership reallocated this funding for other priorities.

In June 2021, the CFO acknowledged that it needed to implement cost allowability reviews, desk reviews, on-site reviews and visits, and a closeout program, and further update the *Standard Operating Procedures*.[81] The auditors reported that because USAGM is the primary funding source for the grantees, an organized and documented approach to oversight is needed to demonstrate accountability and mitigate risk.

[80]According to the CFO, in fiscal year 2018, USAGM established an annual training program to help ensure that budget analysts completed required annual training hours in grants oversight. According to the CFO, although the COVID-19 pandemic affected the analysts' ability to complete annual training requirements, by the end of July 2021, all budget analysts had completed their core training certificate program.

[81]According to the CFO, as of June 2021, USAGM needs to make a number of updates to the *Standard Operating Procedures for Monitoring Grants*, many of which rely on USAGM updating its grant agreements. USAGM's fiscal year 2021 grant agreements all require nonfederal entities to acknowledge the audit requirements set forth in accordance with 2 C.F.R. § 200 Subpart F. The CFO told us that USAGM plans to update all grant agreements.

## USAGM Has a Plan for Correcting Audit Deficiencies and Improving Grant Oversight

The Acting CEO stated in February 2021 that USAGM had renewed its support for hiring a contractor to implement grant oversight improvements. Initial steps include finalizing the contractor's performance work requirements and requesting congressional approval for the transfer of funds, according to senior USAGM officials. In September 2021, USAGM issued a 1-year task order to begin working with a team of subject matter experts on assessing opportunities for improvement. The performance work statement for this task order includes some of the unimplemented oversight activities, such as a cost-allowability review and a closeout program. The grant monitoring program will include training and technical assistance to the current staff through timelines, documented business processes, (improved) standard operating procedures, administrative procedures, and templates for maintaining the program in future years, according to the performance work statement.

With regard to further improving USAGM's grant oversight, the current CFO told us that he anticipates several updates to the *Standard Operating Procedures* to ensure to ensure they comply with all applicable federal laws and regulations. During the course of our review, however, we found that the procedures do not include some of the steps we had identified to assist federal agencies in their responsibilities to reasonably ensure compliance with federal grant regulations.[82] The CFO acknowledged that these steps are missing from the procedures and agreed to include some of them in the next update.

# Conclusions

USAGM has faced various management and oversight challenges in the last few years, and Congress has recently passed amendments to its authorizing legislation, the IBA. While some USAGM and network officials acknowledged that it is too soon to determine the full effect of these recent amendments to the IBA, several grantee network leaders remain concerned about the CEO's authority to select members of grantee

[82]These three steps include (1) identifying award recipients that should have submitted single audit reports, (2) determining whether the single audit reports were submitted within the required time frames, and (3) taking action to obtain the single audit reports when award recipients did not submit the reports within the required time frames. See GAO, *Single Audits: Improvements Needed in Selected Agencies' Oversight of Federal Awards,* GAO-17-159 (Washington, D.C.: Feb. 16, 2017).

boards. This authority may allow the CEO to select grantee board members who are aligned only with the CEO's point of view and who may therefore not provide constructive criticism to the CEO or adequately represent the views of the grantees. Determining how to appoint or remove members of USAGM's grantee boards in a way that includes the bipartisan Advisory Board's involvement may help Congress achieve its intended goal of ensuring that USAGM's leadership respects the professional independence and integrity of USAGM's broadcasting services and grantee networks. In addition, existing legislation does not define the parameters of USAGM's firewall, such as what is and is not permissible with regard to networks' editorial independence. Changes in USAGM leadership have led to significantly different approaches to interpreting and implementing the agency's firewall principles, along with concerns from network officials that the agency has undermined its networks' editorial independence. By considering legislation to define the parameters of what is and is not permissible under the firewall, Congress could help ensure the professional independence and integrity of USAGM's broadcast networks and grantees. After a number of management actions hindered USAGM's oversight of its networks' operations, new leaders are now taking corrective actions, such as ending the hiring freeze and releasing internet freedom funding. USAGM also has a plan aimed at correcting 5 years of audit deficiencies by hiring a contractor to implement grant oversight improvements.

# Matters for Congressional Consideration

We are making the following two matters for congressional consideration:

Congress should consider amending the United States International Broadcasting Act of 1994's provisions regarding the appointment or removal of members of USAGM's grantee boards, such as by providing the International Broadcasting Advisory Board a role in the process. (Matter for Consideration 1)

Congress should consider legislation to define the parameters of USAGM's firewall, such as by describing what is and is not permissible with regard to network editorial independence. (Matter for Consideration 2)

# Agency Comments

We provided a draft of this report to USAGM for review and comment. In written comments provided by USAGM (reproduced in app. III), USAGM supported our two matters for congressional consideration. USAGM also provided technical comments, which we incorporated as appropriate. It emphasized the atypicality of its mission as a federal government agency that intends to carry out functions of a professional news organization, reporting the news of the United States and the world to foreign audiences. USAGM also noted that its mission requires the editorial independence of its networks and journalists, and that it looks forward to working with Congressional stakeholders to fully address the complex interrelated issues associated with this need. Finally, USAGM recognized the importance of strong grants management and appreciated that we acknowledged its corrective action plans, such as updates to its grants management policies, procedures, and implementation.

We are sending copies of this report to the appropriate congressional committees, the CEO of USAGM, and other interested parties. In addition, the report is available at no charge on the GAO website at https://www.gao.gov.

If you or your staff have any questions about this report, please contact me at (202) 512-4409 or lovel@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix IV.

Latesha Love
Director, International Affairs and Trade

# Appendix I: Objectives, Scope, and Methodology

This report examines: 1) how statutory amendments in the 2017 and 2021 National Defense Authorization Acts (2017 NDAA and 2021 NDAA) affected the U.S. Agency for Global Media's (USAGM) governing authority and organizational structure, (2) the extent to which USAGM's management actions aligned with its policies and procedures on protecting the editorial independence of its broadcasting networks, and (3) the extent to which USAGM has taken actions to help ensure oversight of network operations and accountability of its grantees

To examine changes in USAGM's governing authority and organizational structure resulting from amendments to the United States International Broadcasting Act of 1994 (IBA)[1] in the 2017 NDAA[2] and the 2021 NDAA,[3] we reviewed the prior governing authority and organizational structure, as well as the amendments made by these acts, examined agency documentation on the related roles and authorities of USAGM's Chief Executive Officer (CEO), International Broadcasting Advisory Board, and grantee boards, and interviewed USAGM officials from the Offices of Internet Freedom, Management Services, Policy and Research, and Technology Services and Innovation. We also interviewed the leadership of all six networks as well as members of the former Broadcasting Board of Governors who served on the USAGM transition board during the early phases of our audit. We limited our scope to USAGM's organizational structure prior to and after the fiscal years 2017 and 2021 NDAAs.

To analyze the extent to which USAGM's management actions aligned with its policies and procedures on protecting the editorial independence of its broadcasting networks, we examined a 2020 USAGM regulation on

[1]Pub. L. No. 103–236, title III, 108 Stat. 432 (Apr. 30, 1994).

[2]The National Defense Authorization Act for Fiscal Year 2017, Pub. L. No. 114-328, § 1288, 130 Stat. 2548-54 (Dec. 23, 2016).

[3]The William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021, Pub. L. No. 116-283, § 1299Q, 134 Stat. 3388, 4020-27 (Jan. 1, 2021).

editorial independence,[4] as well as policies, procedures, and guidance on the same topic. We also interviewed officials from USAGM and the broadcasting networks on the implementation of those policies.

To assess the extent to which USAGM has taken actions to help ensure oversight of network operations and accountability of its grantee, we examined various management actions that affected network operations, including its workforce, and actions taken by the Office of the Chief Financial Officer to improve accountability of grantees in the past 5 years. We reviewed various documents related to USAGM oversight over the networks such as grant agreements, USAGM's fiscal year 2020 Internet Freedom spending plan, congressional budget justifications, and federal grants oversight regulations. We interviewed USAGM and network officials and reviewed related documents, about management decisions that were taking place during the period of our audit. We reviewed and analyzed independent audit reports of USAGM's financial statements that were issued in fiscal years 2016 through 2020. Kearney & Company audited USAGM's financial statements in fiscal years 2016, 2017, 2018 and 2020, while Williams Adley & Company audited USAGM's financial statements in fiscal year 2019. We also reviewed USAGM's policies and procedures designed to assist with oversight of operations and accountability, such as USAGM's *Broadcasting Administrative Manual*, *Internet Freedom Program Governance Guide*, and *Internet Freedom Program Framework.* We also reviewed USAGM's *Standard Operating Procedures for Monitoring Grants* and compared the procedures to four key steps we identified in a 2017 report to assist federal agencies in their responsibilities to reasonably ensure compliance with federal grant regulations.[5] These include the requirement that award recipients submit timely single audit reports under the Office of Management and Budget's *Uniform Guidance*.[6] For all three objectives, we interviewed USAGM senior management officials, including the new Acting CEO, who was

[4]*Firewall and Highest Standards of Professional Journalism*, 85 Fed. Reg. 36150 (June 15, 2020), repealed by 85 Fed. Reg. 79427 (Dec. 10, 2020). This rule was in effect from June 11, 2020 until October 26, 2020.

[5]GAO-17-159

[6]Office of Management and Budget, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (*Uniform Guidance*), codified at 2 C.F.R. § 200, Subpart F.

appointed in January 2021, and the six heads of USAGM's federal and grantee networks.[7]

We conducted this performance audit from December 2019 to October 2021 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

[7]In 2020, we made numerous requests to meet with the previous CEO and his senior advisors, but all of our requests were declined.

# Appendix II: USAGM Timeline of Events

The timeline of U.S. government international broadcasting has spanned almost 80 years and USAGM has experienced many changes in the last decade, as seen in table 7.

**Table 7: Selected History of U.S. Government International Broadcasting Events, Fiscal Years 1942–2021**

| Fiscal year | Event |
|---|---|
| **1942** | The Voice of America (VOA) begins broadcasting during the Second World War to combat enemy propaganda with accurate and unbiased news and information. |
| **1948** | The United States Information and Educational Exchange Act of 1948, commonly referred to as the Smith-Mundt Act, authorized the Secretary of State to "provide for the preparation, and dissemination abroad of information about the United States, its people, and policies..." |
| **1950** | Radio Free Europe/Radio Liberty went on the air with a broadcast to Czechoslovakia. |
| **1953** | President Eisenhower established the United States Information Agency (USIA), under Executive Order 10477 and the President's Reorganization Plan No. 8 of 1953. The VOA, established in 1942, became the single largest element of USIA. |
| **1973** | The Board for International Broadcasting Act of 1973 established the Board for International Broadcasting to oversee and provide grants to Radio Free Europe and Radio Liberty. |
| **1976** | President Ford signed into law the Voice of America Charter. |
| **1985** | The Office of Cuba Broadcasting, authorized to be established in 1983 by the Radio Broadcasting to Cuba Act, began Radio Marti broadcasts. |
| **1990** | USIA established the Bureau of Broadcasting to consolidate its three broadcasting services—VOA, the WORLDNET Television and Film Service, and Radio and TV Marti—under one umbrella organization supported by an Office of Engineering and Technical Operations. |
| **1994** | The United States International Broadcasting Act of 1994 (IBA) abolished the Board for International Broadcasting and established the Broadcasting Board of Governors (BBG) within USIA. |
| **1996** | Radio Free Asia, founded under the provisions of the IBA, began programming in Mandarin. |
| **1998** | The Foreign Affairs Reform and Restructuring Act of 1998 abolished USIA and divided its duties between the Department of State and BBG, which became a separate agency in 1999. |
| **2004** | The Middle East Broadcasting Networks, established in 2003, began broadcasts with Alhurra Television and Radio Sawa. |
| **2011** | USAGM released its 2012–2016 Strategic Plan, recommending organizational reforms including the creation of a Chief Executive Officer (CEO) position and assessing the feasibility of merging the grantee organizations. |
| **2012** | Radio Free Asia (RFA) established the Open Technology Fund (OTF), a program committed to advancing global internet freedom. |
| **2015** | USAGM created a CEO position. BBG's board delegated to the CEO most of its authority to manage day-to-day operations of the agency and its networks. |
| **2016**[a] | The National Defense Authorization Act for Fiscal Year 2017 amended the IBA, establishing the position of CEO as the agency head and an International Broadcasting Advisory Board. |
| **2018** | BBG changed its name to the U.S. Agency for Global Media (USAGM) |
| **2019** | OTF restructured itself from a program within RFA to an independent, non-profit organization with its own Board of Directors. |
| **2020** | The U.S. Senate confirmed the first Presidentially appointed CEO to USAGM. |
| **2021** | The William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021 amended the IBA by revising some of the CEO's and International Broadcasting Advisory Board's authorities. |

Source: GAO and the Department of State's Office of Inspector General analysis of selected historical events affecting USAGM. I GAO-22-104017

[a]According to USAGM officials, between the time the 2017 NDAA was passed and the first presidentially-appointed CEO was confirmed by the Senate, the Board's role became more like that of an oversight or strategic board. From December 2016 until June 2020, USAGM had a strategic board and a CEO with all authorities, according to officials.

# Appendix III: Comments from the U.S. Agency for Global Media

U.S. AGENCY FOR GLOBAL MEDIA

330 Independence Avenue SW | Washington, DC 20237 | usagm.gov

October 5, 2021

Ms. Latesha Love
Director, International Affairs and Trade
U.S. Government Accountability Office

Dear Ms. Love:

Thank you for the opportunity to respond to the U.S. Government Accountability Office's (GAO) draft report titled *U.S. Agency for Global Media – Additional Actions Needed to Improve Oversight of Broadcast Networks*.

USAGM commends the GAO team for their diligence and thoughtfulness in working to create a detailed report on a set of complex topics. We welcomed efforts to investigate the risks to the independence of the agency that resulted from the National Defense Authorization Act for FY 2017 and FY 2021 amendments to our authorizing legislation, and that still remain under our current statutory structure.

As our legislative history makes clear, the mission of the agency is "hardly … a typical government function," but rather one that is intended to carry out functions of a professional news organization – where the employees of the "broadcasters are journalists, reporting the news of the United States and the world to foreign audiences." As the GAO report recognizes, this necessarily requires the editorial independence of our networks and journalists, which in turn rests on the ability of the agency and its broadcasters to be sufficiently insulated from outside or political interference.

USAGM concurs with the two matters for Congressional consideration that GAO included in its report. We agree that Congress should consider amendments to the United States International Broadcasting Act of 1994, as amended, that would further strengthen the firewall (which is central to the credibility and mission of USAGM networks) and address the risk of unchecked actions by a future CEO. We further agree that Congress should consider the process for selecting and removing USAGM grantee board members as well as requiring grantee boards to be bipartisan (or nonpartisan) and minimizing possible future overlapping membership between the International Broadcasting Advisory Board and the grantee boards. Such considerations could further ensure the professional independence and integrity of USAGM's boards.

U.S. AGENCY FOR GLOBAL MEDIA

These are complex interrelated issues, and we look forward to working with our Congressional stakeholders to fully address them.

USAGM recognizes the importance of strong grants management. The agency has been or is in the process of updating policies and procedures and their implementation in order to address the points indicated by GAO. USAGM appreciates that GAO acknowledged the agency's planned corrective actions in the report. The agency recently has awarded the previously planned contract and has begun working with the team of subject matter experts on assessing opportunities for improvement.

We greatly appreciate the highly professional work and dedication of GAO staff during this engagement. Should you have any additional questions, please do not hesitate to contact me or any member of my team.

Sincerely,

Kelu Chao
Acting Chief Executive Officer

2

# Accessible Text for Appendix III: Comments from the U.S. Agency for Global Media

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Sincerely,

Kelu Chao
Acting Chief Executive Officer

# Appendix IV: GAO Contact and Staff Acknowledgments

## GAO Contact

Latesha Love, (202) 512-4409 or lovel@gao.gov

## Staff Acknowledgments

In addition to the contact named above, Godwin Agbara (Assistant Director), Julia Ann Roberts (Analyst-in-Charge), Shirley Min, Brian Tremblay, Paul Sturm, Douglas Luo, Debbie Chung, Chris Keblitis, Phyllis Anderson, Justin Fisher, John Hussey, Grace Lui, Mary Moutsos, and Alex Welsh made key contributions to this report.

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