



Corporation
for Public
Broadcasting

December 22, 2022

VIA ELECTRONIC MAIL

Mr. Kermit Poling
General Manager
KDAQ-FM
One University Place
Shreveport, LA 71115

Dear Mr. Poling,

RE: Evaluation of KDAQ-FM, Louisiana State University Board of Supervisors, Compliance with Selected Communications Act and Transparency Requirements (Report No. ECR2214-2214)

The evaluation referenced above concluded that KDAQ-FM (KDAQ) was compliant with six of seven select requirements in the Communications Act of 1932, 47 U.S.C. §396, et sec. (Communications Act), and in the General Provisions and Eligibility Criteria (General Provisions) governing the 2022 community service grant awarded it by the Corporation for Public Broadcasting (CPB).

The specific finding and CPB's determinations for KDAQ follow.

The Communications Act requires stations to make available to the public their annual financial and audit reports they are required to provide to CPB¹. CPB finds stations compliant if they post their most recent audited financial statement and annual financial report (AFR) on their website. The evaluation found that KDAQ had posted its most recent audited financial statement on its website but had not posted its most recent AFR, although it immediately did so when the issue was brought to its attention during the evaluation. Since the requirement in the Act, a federal statute, does not provide stations with a grace period for becoming compliant, CPB does not give stations 90 days to become compliant as KDAQ requests.

The report recommended that CPB require KDAQ to identify the controls it will adopt to avoid this error in the future. KDAQ explained² that it adjusted its procedures and will conduct a review at the end of July to ensure required financial reports are posted on its website. However, this approach will likely result in KDAQ being out of compliance for several months, as the document is due to CPB in November, and approval can vary, as it is dependent on several factors. Therefore, we request that KDAQ provide CPB with the controls it will implement.

¹ General Provisions, Section 2(C), Open Financial Records.

² September 25, 2022 letter from KDAQ in response to Draft OIG Report No. ECR2214-XXXX.

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General Manager
KDAQ-FM

CPB adopted the CSG Non-compliance Policy to encourage grantees to comply with the applicable provisions governing their CSG and the Communications Act. Failure to comply with a category in the Communications Act subjects the station to a penalty of \$5,000. In view of the prompt action KDAQ took to correct the issue, and the overall results of the report, we will assess a reduced penalty of \$2,500 for failure to comply with the open financial records requirements.

Action: KDAQ must provide CPB with documentation of its revised control procedures to ensure its most recent AFR is posted on the station website and the \$2,500 non-compliance penalty within 45 days of the date of this correspondence. Accordingly, please forward the documentation to the attention of the Director, Radio CSG Policy & Administration at: csg@CPB.org and a check payable to CPB, to the attention of Nick Stromann, Vice President, Controller, Corporation for Public Broadcasting, 401 Ninth Street N.W., Washington, D.C. 20004-2129.

If you wish CPB to consider additional information relating to this matter, please provide the same in writing within 30 days of the date of this letter. Otherwise, CPB will consider these determinations final, and KDAQ must comply with the actions set forth above. CPB reserves the right to take any other action it deems appropriate until these issues are resolved to CPB's satisfaction.

Kind regards,

Jackie J. Livesay

Jackie J. Livesay
Deputy General Counsel & Vice President, Compliance

CC: VIA ELECTRONIC MAIL

Shelby Keith, Interim Vice Chancellor of Business Affairs, Louisiana State University
Michael Levy, Executive Vice President & Chief Operating Officer, CPB
J. Westwood Smithers, Jr., Senior Vice President & General Counsel, CPB
William P. Tayman, Jr., Chief Financial Officer & Treasurer, CPB
Kimberly Howell, Inspector General, CPB
William J. Richardson, III, Senior Director & Deputy Inspector General, CPB
Kathy Merritt, Senior Vice President, Radio, Journalism & CSG Services, CPB
Katherine Arno, Vice President, Community Service Grants and Station Initiatives, CPB
Nick Stromann, Vice President, Controller, CPB
Andrew Charnik, Director, Radio CSG Policy & Administration, CPB
Forrest Lillibridge, Director, Grants Administration, CPB