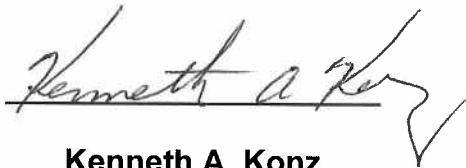


**CORPORATION FOR PUBLIC BROADCASTING
OFFICE OF INSPECTOR GENERAL**

**SPECIAL REVIEW OF
WESTERN NORTH CAROLINA
PUBLIC RADIO, INC.**

REPORT NO. ECR906-906

August 14, 2009

A handwritten signature in cursive script, reading "Kenneth A. Konz", is written over a horizontal line. The signature is positioned to the left of a large checkmark.

**Kenneth A. Konz
Inspector General**




Corporation
for Public
Broadcasting

Office of Inspector General

Date: August 14, 2009

To: Bruce Theriault, Senior Vice President, Radio
Mark Erstling, Senior Vice President, System Development & Media
Strategy
Kevin Martin, Vice President, Station Grants & TV Station Initiatives

From: 
Kenneth A. Konz, Inspector General

Subject: Special Review of Western North Carolina Public Radio, Inc.
Report No. ECR906-906

We initiated this review in response to a complaint of alleged violations by Western North Carolina Public Radio Inc., who operates WCQS-FM, of the terms and eligibility requirements for CPB grants, including the statutory provisions of the Communications Act of 1934, as amended (the Act). The complainant alleged that because WCQS did not have a Community Advisory Board (CAB) independent of WCQS management, the station did not comply with the Act, and therefore was not eligible to receive a Community Service Grant (CSG) from CPB.

The objectives of this limited scope special review were to determine whether WCQS complied with CPB requirements and the statutory provisions of the Act regarding:

- maintaining a functioning CAB;
- conducting open meetings; and
- having open financial records and EEO reports

This limited scope review was performed to advise CPB management of the results of our review. We performed our review in accordance with the President's Council of Integrity and Efficiency Inspection Standards. Our scope and methodology is discussed in Exhibit A.

Based on our limited review, we found that WCQS was not in full compliance with all of the requirements of the Act, 47 U.S.C. §396 for not having:

- adequate documentation of on-air advance notice of public meetings

- EEO employment information readily available for public inspection; and
- written procedures for compliance with the Act requirements.

In response to our draft report WCQS management recognized the need to maintain the CAB in accordance with the Act, improve the documentation for announcement of open meetings, ensure that EEO reporting information is shared with the public and provide the public with a better understanding of WCQS's policy and procedures for compliance with the Act's requirements. WCQS's response to the draft report is attached in Exhibit B.

This report presents the conclusions of the OIG. The findings and recommendations contained in this report do not necessarily represent CPB management's final position on these matters. Accordingly, this report contains recommendations the OIG believes would be appropriate to resolve these findings.

In accordance with CPB audit resolution procedures, CPB management is responsible for determining the corrective actions to be taken. Based on WCQS's response to the draft report, we consider recommendations 1, 2 and 3 resolved, but open until CPB evaluates the documentation submitted by WCQS of their evidence of compliance with meeting announcements and other corrective actions.

Final determinations on our recommendations will be made by CPB management. Accordingly, we are requesting that you provide us a written response to our findings and recommendations within 180 days of this final report. For corrective actions planned, but not completed by the response date, please provide specific milestone dates when planned corrective actions will be completed.

BACKGROUND

Western North Carolina Public Radio, Inc. operates WCQS-FM and its associated broadcast services as a community-based public radio network located in Asheville, North Carolina. WCQS offers programming from National Public Radio and Public Radio International, as well as, locally-hosted music and talk programs.

RESULTS OF REVIEW

In response to the alleged violations of CPB eligibility requirements, we determined that the station has established a functioning CAB that meets the Act and CPB requirements. The CAB is composed of members of the community who are reasonably representative of the diverse needs and interest of the community served by WCQS. The CAB is solely an advisory body to the Governing Board (Board), and is independent of the Board and, as a result the CAB does not have authority to exercise any control over the daily management or operation of the station. Finally, the composition of the CAB reflects its independent role and does not include members of

the station management or the Board in anything other than an ex officio or administrative capacity.

Although WCQS currently has a functioning CAB, we observed that WCQS did not always have an established CAB that complied with the Act and CPB requirements. The by-laws for the CAB were approved by the Governing Board on May 16, 2007. According to station officials, prior to this date the WCQS CAB had periods of inactivity due to resignations of its leadership. During these time periods WCQS officials continued to certify to CPB the station's compliance with the Act requirements. The CPB certifications are required as a condition to receiving the CPB CSG annual grants.

Also, based on our limited review, we found that WCQS generally complied with the requirements of the Act, 47 U.S.C. §396 for open meetings and financial information provided to CPB; however, additional actions should be taken to:

- document on-air advance notice of public meetings;
- maintain documentation of EEO statistical data provided to CPB for public review; and
- document procedures for compliance with the Act requirements.

Station officials generally agreed with our observations and have initiated actions to ensure that EEO information and its policies and practices for compliance with the Act requirements for public meetings, financial information, and EEO reports are available for public inspection. Concerning its documentation of announcements for open meetings, WCQS responded "it has been an ongoing WCQS procedure to announce the meetings of its Board including where and when these meetings will take place." Further, WCQS management provided some copies of its computer generated station logs that showed open time slots that included hand written notes identifying the Board or CAB meeting announcements. They also provided examples of the announcements made. While our review of the computer generated logs did not specifically identify the type, place and time of the public meetings, WCQS's response indicated that additional actions will be taken to better document its future public meeting announcements.

FINDINGS AND RECOMMENDATIONS

Communications Act Noncompliance

WCQS needs to strengthen procedures to fully comply with the Act. Specifically, WCQS had not established procedures for documenting the methods used to give reasonable on-air announcement of upcoming public meetings, maintaining documentation of employment information for public disclosure, and documentation of its processes for compliance with the Act. Our review found that WCQS had not:

- maintained adequate documentation to evidence posting of on-air notice to announce Board of Directors or CAB public meetings;
- made available for public inspection EEO employment information required by CPB; and
- developed implementing procedures to document its compliance with the Act.

Without adequate documentation of the implementing procedures the public was not provided the informational transparency envisioned under the Act and CPB's guidelines.

Better Documentation of On-Air Advance Notice of Public Meetings

WCQS was not in complete compliance with provisions of the Act and CPB's minimum requirements for open meetings. We could not verify that Board of Directors and CAB meetings were announced on-air at least one week in advance of the meeting. Also, we could not verify that the station made on-air announcements at least once during each calendar quarter that explained the station's open meeting policy and provided information about how the public could obtain information about the dates, times, and locations of upcoming meetings. WCQS management explained that meetings dates for the Board of Directors and CAB meetings were announced on-air. We could not verify what the on-air announcements said because WCQS did not maintain contemporaneous records of the actual announcements. In response to the draft report, the station provided logs of announcement dates and times. They also provided examples of the announcements.

Section 396(k)(4) of the Act (47 U.S.C. §396(k)(4)), prohibits the distribution of federally appropriated funds to the licensee of a public broadcasting station unless the governing body of the organization, any committees of such governing body, or any advisory body of any such organization holds open meetings preceded by reasonable notice to the public.

The minimum compliance for "reasonable notice" to the public as stated in CPB's explanation of the Act also requires stations to "Give reasonable notice to the public of the fact, time and place of an open meeting at least one week (7 days) in advance of the scheduled date" CPB's explanation of the Act also requires stations to provide three types of notice.

1. Notice placed in the "Legal Notices" or the radio and television schedules section of a local newspaper in general circulation in the station's coverage area; or, notice is available through a recorded announcement that is accessible on the station's phone system; or, notice is available through an announcement that is accessible on the station's web page.

