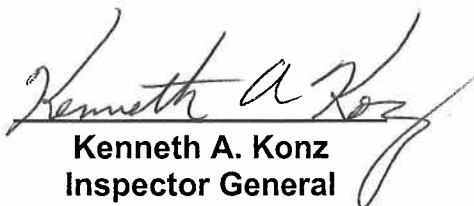


CORPORATION FOR PUBLIC BROADCASTING
OFFICE OF INSPECTOR GENERAL

**SPECIAL REVIEW
OF CPB'S OVERALL PROJECT MANAGEMENT,
PROCUREMENT AND GRANT OVERSIGHT PRACTICES
FOR THE
"AMERICA AT A CROSSROADS" SERIES**

REPORT NO. EPT707-910

September 30, 2009


**Kenneth A. Konz
Inspector General**

EXECUTIVE SUMMARY

We have completed a limited scope review of the “America at a Crossroads” (Crossroads) series. Our objective was to determine whether systemic improvements to CPB’s overall project management, procurement, and grant oversight practices could have minimized the impasse that occurred between the Public Broadcasting Service (PBS), the Greater Washington Educational Telecommunications Association, Inc. (WETA), and ABG Films, Inc. (ABG Films) over the acceptability of the film *Islam vs. Islamists: Voices from the Muslim Center (Islam vs. Islamists)* for distribution by PBS.

We initiated this review at the request of the CPB Board Chairperson and it was conducted in conjunction with a request from Members of Congress to answer specific questions related to the PBS decision not to accept the film *Islam vs. Islamists* for distribution. We have prepared responses to the questions asked by Members of Congress and those responses will be provided to them in a separate document.

We could not fully answer our objectives because CPB’s planning for the series, procurement decisions, and grant oversight practices were not adequately documented; and both PBS and WETA declined to cooperate with those aspects of our review that dealt with their processes used to evaluate and assist ABG Films to complete their film in accordance with PBS standards.¹ These scope limitations are discussed more fully in our **SCOPE AND METHODOLOGY** section, presented in Exhibit A.

Based on available documentation, we found that CPB’s planning for the overall series was not adequately documented. We did not find a plan that laid out an overall strategy for managing the series. We did not find any planning that addressed: 1) CPB’s roles and responsibilities in working with producers during the procurement process or in monitoring grantees’ performance after awards were made; 2) an identification of risks and control strategies; and 3) how CPB intended to achieve their espoused new standards for openness, transparency, and competition in completing the series.

Additionally, we found that CPB’s procurement decisions on the selection of Crossroads Research & Development (R&D) and final production grantees were not adequately documented to enable us to determine the basis for selection of the individual projects. Further, CPB’s Crossroads Entry Station (CES) Grant Agreement with WETA did not require the CES to document key performance actions taken when assisting Crossroads producers’ to meet PBS quality and editorial requirements. Finally, the CES agreement did not require that key series processes be documented to provide transparency to how the CES carried out its work to enable CPB to effectively monitor and oversee the CES’ performance, particularly when problems arose.

Further, we found that CPB’s actions in working with ABG Films during the procurement process and announcing *Islam vs. Islamists* as one of eight films to be included in the

¹ Both PBS and WETA cited the Public Broadcasting Act of 1967, which requires CPB to protect public broadcasting entities from “interference with, or control of, program content or other activities,” and raised concerns that this review would establish a precedent and result in similar investigations in the future.

series, may have given ABG Films a false sense of assurance that their film had already met PBS standards for distribution, and that CPB could intervene into the editorial decision processes to resolve their disputes with WETA/PBS. However, this was not the case because by statute CPB was prohibited from getting involved in program content decisions.

Alternatively, had CPB selected a CES and Coordinating Producer (CP) earlier in the Crossroads project, some of the quality and editorial issues identified in *Islam vs. Islamists* might have been addressed during the R&D phase and resolved during final production. Additionally, we identified systemic improvements CPB can make in the procurement of future productions, negotiating grant agreement requirements, and in designing CPB's grantee oversight practices to minimize similar situations from developing in future initiatives of this scale. These systemic improvements are addressed in two findings titled CPB's Solicitation and Award of Production Grants and the CES Grant and CPB's Oversight of CES Grantee's Performance.

While PBS did not distribute the *Islam vs. Islamists* as part of the series, CPB arranged with Oregon Public Broadcasting (OPB) to distribute the film to the public broadcasting community. OPB reported that a total of 354 local public broadcasting stations were scheduled to air the show in 119 markets (68 percent of U.S. households) with a potential audience of 75 million households.

In spite of the controversy over the *Islam vs. Islamists* program, the Crossroads series was the highest rated public affairs series on public television during the 2006-2007 season. Two films in the series won awards and CPB achieved their objective to bring new filmmakers to public broadcasting with a more diverse range of programming.

In response to the draft report, CPB officials generally disagreed with our findings on CPB's planning and role in the Crossroads series, the awarding of the CES grant, and CPB's oversight of the CES grantee. They generally agreed with our finding on CPB's solicitation and award of production grants. However, CPB did not specifically respond to our recommendations. CPB's response to the draft report is attached in Exhibit B. Based on management's response to the draft report, the report's six recommendations remain unresolved.

In accordance with CPB audit resolution procedures, CPB management is responsible for determining the corrective actions to be taken on the recommendations. By statute, CPB management is required to make a final decision the recommendations within 180 days of this final report.

BACKGROUND

The Crossroads series was a unique and innovative \$20.8 million initiative undertaken by CPB to competitively fund a series of films that explored the challenges confronting the world in the post September 11th era. The series was designed to encourage new filmmakers to public broadcasting and make films from diverse perspectives.

Under the Public Broadcasting Act of 1967, as amended, CPB has certain responsibilities regarding national programming. These responsibilities provide a framework to look at how the Crossroads series was planned and conducted. These responsibilities include:

- awarding grants for the production of high quality programs, from diverse sources with strict adherence to objectivity and balance in a series of programs of a controversial nature;
- evaluating, to the extent practical, a series of programs on the basis of comparative merit by a panel of outside experts;
- exercising prudent business judgment in awarding grants recommended by the panel;
- using CPB funds in a prudent and financially responsible manner; and
- not producing programs or influencing program content.

In public broadcasting the roles of CPB, local public broadcasting stations, and PBS are distinct and independent. CPB provides funds to independent producers and public telecommunication entities to produce or acquire national programming. Often independent producers will work with local public broadcasting stations (presenting stations) to prepare their films for acceptance by PBS or other public broadcasting distributors, as well as, promote their film. For the Crossroads series WETA's duties under the CES agreement were somewhat similar to that of a presenting station, with additional responsibilities to serve as executive producer for the overall series. PBS, as an independent non-profit organization, has sole responsibility to decide what films will bear the PBS logo (after determining the films meet PBS standards) and be distributed² to member stations for local broadcast. PBS member stations rely on PBS to ensure the integrity of the films that bear its logo. Each local public broadcasting station ultimately decides what programs would be aired and when they would be aired in their local communities.

The primary objective of the Crossroads series was to inform, enrich, and engage a national dialogue on the challenges and opportunities that America faced in the wake of the September 11th terrorist attacks and subsequent war on terror. Secondary objectives of the Crossroads initiative included, setting a new standard for openness, transparency, balance, and competition in soliciting, reviewing, and awarding CPB production grants.

The Crossroads series represented a new way of doing business at CPB. As a result, in the spring of 2004, CPB convened a series of meetings across the country to meet with producers and other interested parties to explain the initiative. These meetings included a substantive discussion by a panel of policy experts and opinion makers to stimulate thinking about key post September 11th issues and provide a backdrop for the

² PBS is not the sole distributor of television programming for public broadcasting. The American Public Television Service (APTS), National Educational Telecommunications Association (NETA), and the major local public broadcasting television producing stations all distribute programming to local public broadcasting stations through the public broadcasting interconnection system.

