

CORPORATION FOR PUBLIC BROADCASTING

OFFICE OF INSPECTOR GENERAL

**AUDIT OF SELECTED CPB GRANTS AWARDED TO THE
NATIONAL PUBLIC RADIO INC.
WASHINGTON, DC
FOR THE PERIOD APRIL 28, 2008 – SEPTEMBER 30, 2013**

AUDIT REPORT NO. APR1305-1402

March 24, 2014



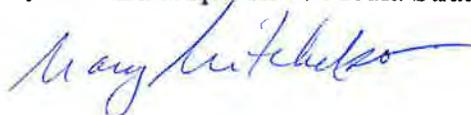
Corporation
for Public
Broadcasting

Office of Inspector General

Date: March 24, 2014

To: Jackie J. Livesay, Vice President, Compliance

Cc: Ted Krichels, Senior Vice President, System Development & Media Strategy

From: Mary Mitchelson, Inspector General 

Subject: Audit of Selected CPB Grants Awarded to National Public Radio, Inc., Washington, DC for the Period April 28, 2008 – September 30, 2013, Audit Report No. APR1305-1402

We have completed an audit of two grants the Corporation for Public Broadcasting (CPB) awarded to National Public Radio Inc. (NPR). The objectives of our audit were to examine the accompanying NPR financial grant reports (Exhibits B and C) as of September 30, 2013, to determine whether: 1) financial reports fairly present CPB grant revenues and expenditures; 2) costs were incurred in accordance with grant requirements; and 3) NPR complied with applicable provisions of the Communications Act (Act).

Based upon our audit we found that NPR:

- claimed duplicate payroll expenses of \$99,760¹ because of an error in recording payroll adjustments; and
- did not fully comply with open financial records requirements of the Act.

We recommended that NPR:

- file a corrected and certified project cost report increasing the available funds remaining to apply to future project costs;
- submit evidence of the journal entry adjustment to the Public Radio Satellite System (PRSS) project account correcting the \$99,760 overcharge;
- comply with the Act by making the financial reports it submits to CPB for the PRSS Upgrade and Network Operations Center (NOC) construction grants available to the public; and
- develop procedures explaining how financial reports can be obtained by the public.

¹ Tested expenditures of \$32.5 million of total costs reported of \$56.5 million.

We performed this audit based on the Office of Inspector General's (OIG) Annual Plan and in accordance with *Government Auditing Standards* for financial audits. Our Scope and Methodology is discussed in Exhibit D.

In response to the draft report NPR agreed with our findings and recommendations and initiated corrective action to increase the project account and submit evidence that the \$99,760 overcharge was corrected. NPR also agreed to make financial reports it submitted to CPB available to the public. NPR's proposed actions and procedures meet the intent of our recommendations and should correct the issues we reported. NPR's written response to the draft report is summarized after each finding and its complete response is included in Exhibit E.

This report presents the conclusions of the OIG and the findings reported do not necessarily represent CPB's final position on these issues. Accordingly, the report contains recommendations the OIG believes would be appropriate to resolve these findings. Final determinations on the reported findings will be made by CPB officials in accordance with established CPB audit resolution procedures.

Based on NPR's response we consider Recommendations 1 through 4 resolved but open pending CPB's acceptance of NPR's planned corrective actions

BACKGROUND

NPR records indicate that it is a Section 501(c)(3) not-for-profit corporation whose purposes are to produce, acquire, and distribute non-commercial educational programming primarily via the nation's public broadcasting stations. NPR represents its member public radio stations in matters of national interest, as well as assists and supports these stations in matters related to the Act.

NPR is the home of PRSS that was originally built in 1979 with funds provided by Congress through CPB. PRSS is a combined satellite and internet content distribution service that distributes public radio programming and related digital content. PRSS currently interconnects more than 400 public radio stations and hundreds of additional stations receive programming sent over satellite through local connections with downlink stations. NPR records indicate that PRSS' annual operations are self-supporting based on fees paid by both public and commercial clients.

PRSS is a cooperative enterprise. Interconnected stations own their own downlink equipment. The satellite transponder capacity, as well as the national operating system equipment is owned by the Public Radio Satellite Interconnection System Charitable Trust (Trust). The Interconnected Public Telecommunications Entities (PTE's), which are primarily public radio stations, designated NPR as their national entity for satellite interconnection purposes, and acting on their behalf, NPR's Distribution Division operates and manages the PRSS.

The Act, as amended, 47 U.S.C. Sections. 396(k)(10)(A), (D)(i), authorized establishment of the “Satellite Interconnection Fund” within the United States Treasury to be used exclusively for the capital costs of the replacement, refurbishment, or upgrading of the national public television and radio satellite interconnections systems and the associated maintenance of such systems. During fiscal years (FYs) 2008, 2009, and 2010 Congress appropriated a total of \$77.9 million to this fund for PRSS. CPB used these funds to award two grants to NPR. Grant number 11789 provides that NPR will be solely responsible for the planning, design, costing, negotiation, acquisition (by purchase or lease), and construction of the replacement PRSS in accordance with its own specifications in order to fulfill the needs of the Interconnected PTE’s. Amounts budgeted in this grant are as follows:

Grant Number 11789	
Budget Category	Amount Budgeted
Satellite Capacity and Insurance	\$47,400,000
Network Operations Center	11,900,000
Ground System Refurbishment	<u>13,600,000</u>
Total	<u>\$72,900,000</u>

The second grant (number 14308) that CPB awarded to NPR funded the PRSS share of the build-out of the new NPR Headquarters building. The infrastructure funded by this grant included the space, as well as the power and cooling, needed for the PRSS equipment (Tech Core) and NOC. The Tech Core is the data center that contains PRSS’ primary servers, as well as the distribution and receiving equipment. The NOC is the control center for the PRSS technical activities, including the operation and monitoring of all aspects of the public radio distribution system. All costs associated with PRSS’ pro-rata share of construction costs for the Tech Core and NOC also were included in this grant. Amounts budgeted in grant number 14308 are provided below:

Grant Number 14308	
Budget Category	Amount Budgeted
Tech Core and NOC	\$4,688,806
Roof Top Antenna	86,000
PRSS Building Infrastructure	228,000
Architectural, Engineering and Move Costs	<u>59,500</u>
Total	<u>\$5,042,306</u>

During our audit period, April 28, 2008 through September 30, 2013, CPB paid NPR a total of \$66,381,516 under grant number 11789 and \$5,104,042 under grant number 14308 per Exhibit A. Of this amount, \$61,736 was interest that accrued on the funds held by CPB before being paid to NPR. Both grant agreements provide that CPB shall receive the funds as appropriated by Congress and is responsible to credit to the project all of the interest earned on the funds it held prior to payment to NPR. Interim and final financial reports that NPR submitted to CPB for these grant agreements are presented in Exhibits B and C.

RESULTS OF REVIEW

We have audited the accompanying NPR financial reports of revenues and expenses (Exhibits B and C) for the two grants that CPB awarded to NPR. These reports are the responsibility of NPR management. Our responsibility is to express an opinion on these financial reports based on our audit.

We conducted our audit in accordance with *Government Auditing Standards* for financial audits and auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial reports are free of material misstatements. The accompanying NPR financial reports were prepared for the purpose of complying with the grant agreements between CPB and NPR and are not intended to be a complete presentation of NPR's revenues and expenses.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial reports to determine compliance with the grant agreement requirements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial reports. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Based upon our audit we found that NPR:

- claimed duplicate payroll expenses of \$99,760 because of an error in recording payroll adjustments; and
- did not fully comply with open financial records requirements of the Act.

In our opinion, except for the matters discussed above, the financial reports referred to above present fairly the results of NPR activities in conformity with CPB grant agreement terms for the period April 28, 2008 through September 30, 2013.

In accordance with *Government Auditing Standards*, we considered NPR's internal control over financial reporting and its compliance with provisions of law and grant agreement requirements. The purpose of the following explanations are to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion of the effectiveness of internal control over financial reporting or on compliance. Accordingly, this information is not suitable for any other purpose.

Internal Control over Financial Reporting

In planning and performing our audit of the financial reports submitted to CPB, we considered NPR's internal control over financial reporting to design audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial reports provided to CPB but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, we do not express an opinion on the effectiveness of NPR's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial reports will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency or a 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any internal control deficiencies that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether NPR's financial reports are free from material misstatements, we performed tests of its compliance with certain provision of law and grant agreement requirements, noncompliance with which could have a direct and material effect on the determination of financial report amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance with Act requirements to make financial records available to the public as described above.

FINDINGS AND RECOMMENDATIONS

PRSS Costs

NPR claimed duplicate payroll expenses of \$99,760 under grant number 11789 because of an error in recording payroll adjustments. For reporting purposes, we classified these costs as funds put to better use. The appropriated funds for this grant remain available to NPR for its use on the PRSS project until the funds are fully exhausted.

Section 1.2 of the grant agreement provides that grant funds should be applied to the allowable costs of the PRSS project, and Section 9.3 of this same agreement states that:

Misapplication of Project Funds In the event that, upon examination or audit of NPR's financial reports and records, CPB determines that monies distributed under this Agreement were expended by NPR in violation of 47 U.S.C. Section 396(k)(10)(D)(i). . . NPR shall reimburse the Project Account for all such wrongful expenditures

Our review of expenses totaling \$28,906,312 found that for three pay periods in FY 2010, NPR's payroll department input expenses for several cost centers without the reference codes needed to

correctly record payroll costs from employees' approved timesheets to various projects within several NPR departments. One of the affected departments was the Distribution Division. As a result, without the reference codes, the PRSS grant project was not charged for these payroll expenses.

Subsequently, NPR's payroll department discovered its error and made the needed corrections on September 27, 2010 through the payroll accounting system. Additionally, on September 30, 2010 the Distribution Division in conjunction with the accounting department posted a manual journal entry, in the amount of \$99,760, to correct the payroll error and charge the PRSS grant. As a result, the PRSS project account was inadvertently overcharged \$99,760.

Recommendations

We recommend CPB management require NPR to:

- 1) file a corrected and certified project cost report increasing the available funds remaining to apply to future project costs; and
- 2) submit evidence of the journal entry adjustment to the PRSS project account correcting the \$99,760 overcharge.

NPR Response

In its response NPR's agreed to correct the \$99,760 overcharge during the closing of its quarter ending March 31, 2014, by increasing the unspent balance of the contract through a journal entry. Prior to preparing and submitting the final quarter-end reports to CPB, NPR's Accounting team will print general ledgers showing expenses before and after the posting of the correcting journal entry, and will print a copy of the correcting journal entry. The general ledgers and journal entry will be provided to CPB so that CPB may perform a cross-walk of the change and validate that the credit was properly applied.

OIG Review and Comments

Based on NPR's response we consider Recommendations 1 and 2 resolved pending CPB's acceptance of NPR's proposed corrective actions.

Act Compliance

NPR needs to revise its procedures to fully comply with the open financial records requirements of the Act. Our review found that NPR was not in complete compliance with CPB requirements and provisions of the Act for making financial records available to the public. While NPR complied with the open meetings requirements of the Act and posted its annual financial statements on its website, other required financial information regarding CPB grants (e.g., PRSS quarterly and final financial reports) were not made available for public inspection.

Section III of the two agreements for the grants that CPB awarded to NPR for the PRSS Upgrade and NOC construction required that NPR comply with the Act, 47 U.S.C. Section 396(k)(4), (5), and (9). Section 396(k)(5) concerns maintaining financial information for public inspection, such as copies of annual financial reports and other information regarding finances submitted to CPB. The guidance CPB provides to grantees specifies how these records can be made available to the public. For example, these types of financial documents can be maintained in a public file for convenient reference or posted to the grantee's web site. Each grantee is to develop documentation indicating the types of records available, the mechanism by which the records are available, and any limitations placed on access by the grantee.

Section V of the PRSS and NOC agreements requires NPR to provide CPB detailed annual and quarterly reports of project expenses, revised project budgets and timelines, and progress reports. At the time of our review, NPR did not make the reports it submitted to CPB concerning project expenses available to the public by posting them to its web site, nor did it develop documentation informing the public how to obtain these reports. NPR needs to provide this additional information to the public to fully comply with the Act and to provide the informational transparency envisioned by CPB's guidelines.

Recommendations

We recommend that CPB officials require NPR to:

- 3) comply with the 47 U.S.C. Section 396(k)(5) of the Act by making the financial reports it submits to CPB for the PRSS Upgrade and NOC construction grants available to the public; and
- 4) develop procedures explaining how financial reports can be obtained by the public.

NPR Response

NPR's response stated that it is fully committed to complying with the open financial records requirements of the Act as required by the audited grant agreements. NPR will make the financial reports it submitted to CPB available to the public. NPR appreciated the reminder and the opportunity to clarify its compliance with these requirements. NPR was not aware of any denial of access to such reporting, but will remind relevant personnel of its compliance obligation. In addition, and for the sake of clarity, NPR will provide public access to the CPB financial reporting in the following fashion: at all NPR public access points, including NPR's headquarters location and its telephone and electronic points of contact, requests to provide a physical or electronic copy of the requested information will be addressed in a timely fashion. Copies of the requested information may be subject to reasonable redactions to protect against disclosure of confidential or otherwise sensitive information.

OIG Review and Comments

Based on NPR's response, we consider Recommendations 3 and 4 resolved pending CPB's acceptance of NPR's proposed corrective actions.

**Schedule of CPB Payments to NPR
April 2008 – September 30, 2013**

Payment Dates	PRSS Replacement Grant No. 11789	Network Operations Center Grant No. 14308
5/22/2008	\$4,608,064	
7/17/2008	469,998	
3/3/2009	2,010,000	
6/12/2009	777,500	
9/18/2009	642,500	
12/14/2009	2,827,500	
1/20/2010	2,797,500	
4/20/2010	25,000,000	
1/10/2011	1,500,000	
4/6/2011	17,000,000	
8/10/2011	1,050,801	
10/3/2011		\$854,689
10/18/2011	992,000	
1/31/2012	2,286,000	
3/29/2012		1,572,443
4/10/2012	2,050,000	
4/13/2012		1,450,099
7/13/2012		853,773
10/1/2012	1,734,000	373,038*
12/14/2012	635,653	
Totals	\$66,381,516	\$5,104,042

**Includes \$61,736 of interest earned on federal funds held by CPB.*

**PRSS REPLACEMENT Grant No.11789
Interim Financial Report Submitted to CPB
As of September 30, 2013
(In Thousands)**

	Approved Budget FY 08 – FY 18	Actual FY 08 – FY 13	Variance
<i>Revenue:</i>			
CPB Grant	\$72,900	\$66,382	(\$6,518)
<i>Expenses:</i>			
SATELLITE CAPACITY & INSURANCE	\$47,400	\$24,048	(\$23,352)
NETWORK OPERATIONS CENTER			
CD Architecture Upgrades	2,205	4,267	2,063
Station Upgrades	3,728	3,604	(123)
Producer Upgrades	1,966	2,551	585
Operation Support Systems	1,215	1,979	765
Business Continuity	2,787	2,576	(211)
Subtotal	\$11,900	\$14,978	\$3,078
GROUND SYSTEM REFURBISHMENT	\$13,600	\$12,404	(\$1,196)
Total Expenses	\$72,900	\$51,431	(\$21,469)

Footing differences due to rounding by NPR

**RELOCATION AND CONSTRUCTION OF NETWORK
OPERATIONS CENTER (NOC) Grant No.14308
Final Financial Report Submitted to CPB
As of June 30, 2013**

	Approved Budget*	Actual**	\$ Over (Under) Budget	% Over (Under) Budget
Revenue: CPB Grant	\$5,042,306	\$5,104,042		
Expenses:				
TECH CORE / NETWORK OPERATIONS CENTER				
Pro-rata Share of bldg. HVAC for Tech Core	\$2,088,806	\$2,234,472	\$145,666	7%
Pro-rata Share of bldg. power for Tech Core	890,000	1,012,661	122,661	14%
Pro-rata Share of bldg. UPS System for Tech Core	200,000	187,696	(12,304)	(6%)
Pro-rata Share of emergency backup generator for Tech Core	340,000	342,054	2,054	1%
Pro-rata Share of Tech Core Construction	780,000	777,221	(2,779)	0%
Construction of Distribution NOC.	260,000	264,817	4,817	2%
Furniture, Fixtures, and Equipment (FEE) for NOC	110,000	19,471	(90,529)	(82%)
Subtotal Tech Core/ Network Operations Center	\$4,668,806	\$4,838,392	\$169,586	4%
ROOF TOP ANTENNA				
Dunnage on roof to support satellite dishes	\$72,000	\$51,044	(\$20,956)	(29%)
Grating and Railing @ satellite dish platform	0	0	-	
Painting of dunnage, grating, and railings	0	0	-	
Stairs and rails up to raised platform for dishes	0	0	-	
Roof water proofing at dunnage and cable penetrations	4,000	3,624	(376)	(9%)
Walk paths on roof to antennas	10,000	9,853	(147)	(1%)
Frequency Interference/permits/zoning approval for dishes	0	0	-	
Subtotal Roof Top Antenna	\$86,000	\$64,521	(\$21,479)	(25%)
PRSS SPECIFIC BUILDING INFRASTRUCTURE				
Cable ways from NOC/tech core to roof dishes	\$3,000	\$0	(\$3,000)	(100%)
RF distribution of fiber and L-band, Audio wiring and routing	19,000	8,575	(10,425)	(55%)
PRSS racks	170,000	239,769	69,769	41%
CCTV camera for roof antenna installation with switcher	36,000	14,221	(21,779)	(60%)
Subtotal PRSS Specific Building Infrastructure	\$228,000	\$262,564	\$34,564	15%
Subtotal Construction Cost	\$4,982,806	\$5,165,477	\$182,671	4%

Exhibit C (Continued)

**RELOCATION AND CONSTRUCTION OF NETWORK OPERATIONS
CENTER (NOC) Grant No.14308
Final Financial Report Submitted to CPB
As of June 30, 2013**

	Approved Budget*	Actual**	\$ Over (Under) Budget	% Over (Under) Budget
ARCHITECTURAL/ENGINEERING/LEGAL/MOVE COSTS				
Design cost	\$40,300	\$75,280	\$34,980	87%
Legal cost	TBD	-	-	
Insurance	TBD	-	-	
Mover cost	16,000	3,401	(12,599)	(79%)
Move coordinator cost	3,200	3,836	636	20%
Subtotal Architectural/Engineering/Legal/Move Costs	\$59,500	\$82,517	\$23,017	39%
Totals	\$5,042,306	\$5,247,994	\$205,688	4%

* The grant agreement noted that the budgeted expenses are all costs estimates and will need to be validated once the complete scope is known and the items are purchased.

** Total grant payments limited to \$5,104,042 (\$5,042,306 + \$61,736 of interest).

SCOPE AND METHODOLOGY

We conducted our audit in accordance with *Government Auditing Standards* for financial audits to determine: the accuracy of costs reported to CPB; that grant funds were spent in accordance with CPB grant agreement terms; and that NPR complied with applicable provisions of the Act. We performed our audit field work during the period November 2013 through January 2014.

The scope of the audit included tests of the costs claimed by NPR on CPB grants numbers 11789 and 14308 during the period April 28, 2008 – September 30, 2013. Final and interim reports submitted to CPB through September 30, 2013 are provided in Exhibits B and C.

In conducting our audit, we reviewed CPB's grant files and discussed the award and administration of the grants with CPB officials from the Office of Business Affairs, Office of the Chief Financial Officer, and the Office of System Development and Media Strategy. At NPR, we discussed the agreements with management officials in the Accounting and Financial Division, the Distribution Division, as well as in the Office of Legal Counsel. We also reconciled the financial data maintained by NPR in its accounting records for each grant to the expenses it reported to CPB.

We tested the accuracy of grant expenditures that NPR claimed by performing financial reconciliations and comparisons to underlying accounting records and the audited financial statements to verify transactions recorded in the general ledger and reported to CPB on payment requests. We also evaluated compliance with the grant agreement terms, in part, by testing a judgmental sample of 78 expenditures claimed under both of the grants reviewed, valued at \$32,519,000, to supporting documentation maintained by NPR. During the period of our review, NPR claimed total expenses of \$56,534,828. The transactions tested included a variety of expenditure types such as, payroll, fringe benefits, space allocations, consultant and equipment acquisition contracts, as well as construction and satellite leasing costs. We also reviewed interest earned by NPR and CPB on the grant funds each held before being expended, the procurement policies and procedures NPR used to award contracts, and the documents NPR made available to the public to comply with the requirements of the Act.

We gained an understanding of the internal controls over the preparation of the grant financial reports, cash receipts, and payment authorizations to plan our substantive testing. Further, to obtain reasonable assurance that financial reports submitted to CPB were free of material misstatements, we performed tests of compliance with certain provisions of law and grant agreement requirements, when noncompliance could have a direct and material effect on the grant report amounts. To assist in our audit planning and assure ourselves that we could rely on the work performed by NPR's independent public accountant (IPA), we discussed and reviewed the IPA's internal control and fraud risk assessment working papers, as well as, its financial statement work.



Exhibit E

March 14, 2014

Mr. William J. Richardson III
Deputy Inspector General
Corporation for Public Broadcasting
401 Ninth Street, NW
Washington, DC 20004-2129

Re: Audit of Selected CPB Grants Awarded to National Public Radio, Inc., Washington, DC,
for the Period April 28, 2008 – September 30, 2013, Draft Audit Report No. APR1305-XXXX

Dear Mr. Richardson:

Thank you for your February 14, 2014, letter conveying the draft report of the results of the audit of select Corporation for Public Broadcasting (CPB) grants awarded to National Public Radio, Inc. (NPR).

Pursuant to your request, I am pleased to provide NPR's response to the findings and recommendations outlined in Draft Audit Report No. APR1305-XXXX.

Regarding the "PRSS Costs" finding, NPR appreciates the recommendation from CPB's Office of Inspector General (OIG) that NPR use the erroneous \$99,760 duplicate cost under grant number 11789 to apply to future project costs. NPR will correct the \$99,760 overcharge during the closing of its quarter ending March 31, 2014, by increasing the unspent balance of the contract through a journal entry. Prior to preparing and submitting the final quarter-end reports to CPB, NPR's Accounting team will print general ledgers showing expenses before and after the posting of the correcting journal entry, and will print a copy of the correcting journal entry. The general ledgers and journal entry will be provided to CPB so that CPB may perform a cross-walk of the change and validate that the credit was properly applied.

Regarding the "Act Compliance" finding, NPR is fully committed to complying with the open financial records requirements of the Communications Act as required by the audited grant agreements. NPR will make the financial reports it submitted to CPB available to the public. We appreciate the reminder from the OIG and the opportunity to clarify our compliance with these requirements. Fortunately, we are not aware of any denial of access to such reporting, but NPR will remind relevant personnel of NPR's compliance obligation. In addition, and for the sake of clarity, NPR will provide public access to the CPB financial reporting in the following fashion consistent with CPB policy: at all NPR public access points, including NPR's headquarters location and its telephone and electronic points of contact, requests to provide a physical or electronic copy of the requested information will be addressed in a timely fashion. Copies of the requested information may be subject to reasonable redactions to protect against disclosure of confidential or otherwise sensitive information.



Mr. William J. Richardson III
Corporation for Public Broadcasting
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Should you have any immediate comments, questions or wish to discuss NPR's response, please do not hesitate to contact me at 202.513.2948. If I am unavailable, you may contact either Mr. Joe Schifano, NPR's Director of the Business and Fiscal Affairs office in the Distribution Division at 202.513.2619 or Mr. Christian Curtin, NPR's Controller, at 202.513.2952.

In closing, please accept my compliments on the quality of your staff. The entire NPR team enjoyed working with Mr. Carl Jannetti and Ms. Debra Jacobson. Their professionalism was of the highest caliber.

Sincerely,

A handwritten signature in blue ink that reads "Deborah A. Cowan".

Deborah A. Cowan
Chief Financial Officer and Treasurer

cc: Mr. Paul Haaga, Acting President and Chief Executive Officer
Mr. Marty Garrison, Vice President for Technology Operations, Distribution and Broadcast Engineering
Mr. Joe Schifano, Director, Business and Fiscal Affairs, Distribution Division
Mr. Christian Curtin, Controller