

**CORPORATION FOR PUBLIC BROADCASTING**

**OFFICE OF INSPECTOR GENERAL**

**EVALUATION OF KCTS 9 CASCADE PUBLIC MEDIA'S  
COMPLIANCE WITH COMMUNICATIONS ACT REQUIREMENTS,  
SEATTLE, WASHINGTON FOR THE PERIOD  
JULY 1, 2015 THROUGH MARCH 31, 2016**

**REPORT NO. ECT1605-1607**

**August 24, 2016**

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## Report in Brief

### Background

We initiated this evaluation in response to complaints received by the Office of Inspector General alleging that KCTS 9 did not fully comply with Corporation for Public Broadcasting (CPB) requirements.

Our objective was to determine KCTS 9's compliance with CPB's *Communication Act Certification Requirements for Community Service Grant Recipients*

(Certification Requirements):

a) open meetings (including closed meeting) provisions; b) open financial records; c) Community Advisory Board; d) Equal Employment Opportunity; and e) donor information requirements and political activities prohibitions.

Send all inquiries to our office at (202) 879-9669 or email [OIGemail@cpb.org](mailto:OIGemail@cpb.org) or visit [www.cpb.org/oig](http://www.cpb.org/oig)

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### *Evaluation of KCTS 9 Cascade Public Media's Compliance with Communications Act Requirements, Seattle, Washington for the Period July 1, 2015 through March 31, 2016*

#### What We Found

Based on our examination, we found:

During the period of our review KCTS 9 substantially complied with the Certification Requirements.

**We did not find evidence to support the complaints alleging non-compliance with CPB requirements.**

#### What We Recommend

We had no findings or recommendations.



Corporation  
for Public  
Broadcasting

Office of Inspector General

Date: August 24, 2016

To: Jackie J. Livesay, Vice President, Compliance  
Ted Krichels, Senior Vice President, System Development and Media Strategy

From: Mary Mitchelson, Inspector General 

Subject: Evaluation of KCTS 9 Cascade Public Media's Compliance with  
Communications Act Requirements, Seattle, Washington for the Period July 1,  
2015 through March 31, 2016, Report No. ECT1605-1607

We have completed an evaluation of KCTS 9 Cascade Public Media's compliance with Corporation for Public Broadcasting's (CPB) *Communications Act Certification Requirements for Community Service Grants* (Certification Requirements) dated May 2015. We found that KCTS 9 substantially complied with those requirements during the period of our review. Based upon our evaluation, we had no findings or recommendations to report to CPB about KCTS 9's current compliance with requirements.

Enclosed please find our final report, which includes KCTS 9's response as Exhibit B. Because we did not have any findings or recommendations, we consider this report resolved and close, and no further action is required by CPB.

We performed our evaluation in accordance with the *Quality Standards for Inspection and Evaluation* established by the Council of Inspectors General on Integrity and Efficiency. Our scope and methodology is discussed in Exhibit A. We will post this report to the Office of Inspector General's website as required by the Inspector General Act of 1978, as amended. Please refer any public inquiries about this report to our website or our office.

**TABLE OF CONTENTS**

Executive Summary ..... 1

Background ..... 1

Results of Review ..... 2

Exhibits

    A – Scope and Methodology..... 3

    B – Cascade Public Media’s Response to Evaluation..... 4

## **EXECUTIVE SUMMARY**

We initiated this evaluation in response to complaints received by the Office of Inspector General (OIG) alleging that KCTS 9 did not fully comply with Communications Act of 1934, 47 U.S.C. §§ 496 *et seq.* (Act) and Corporation for Public Broadcasting (CPB) requirements for open meetings and the independent operations of the Community Advisory Board (CAB). The objective of this review was to determine KCTS 9's compliance with CPB's *Communications Act Certification Requirements for Community Service Grant Recipients* (Certification Requirements) dated May 2015, specifically to determine compliance with: a) open meetings (including closed meeting provisions); b) open financial records; c) CAB; d) Equal Employment Opportunity (EEO); and e) donor information requirements and political activities prohibitions during the period from July 1, 2015 through March 31, 2016.

Our evaluation found that KCTS 9 substantially complied with the Certification Requirements and the statutory provisions of the Act during the period of our review. Based on our evaluation, we had no findings or recommendations.

We performed our evaluation in accordance with the *Quality Standards for Inspection and Evaluation* established by the Council of the Inspectors General on Integrity and Efficiency. Our scope and methodology is discussed in Exhibit A. We did not evaluate compliance with other requirements under with CPB's *2016 Television Community Service Grant, General Provisions and Eligibility Criteria* nor the reporting of financial information on the station's Annual Financial Report submitted to CPB.

## **BACKGROUND**

According to KCTS 9's website, the station first went on the air in 1954, broadcasting from the University of Washington. During the 1950's and 1960's, KCTS 9 primarily supplied classroom instructional programs used in Washington State's K-12 schools, plus National Educational Television programs. KCTS 9's audience among the general public was limited. In 1970, KCTS 9 affiliated with the newly created Public Broadcasting Service (PBS) and began offering enhanced programming for the general public, including British programming. In 1986, KCTS 9 moved to its Seattle Center location and in 1987 became independent of the University of Washington. KCTS 9 has operated Yakima's PBS station, KYVE, serving central Washington since 1994, and is also seen throughout southwestern British Columbia on local cable systems and across Canada on satellite and cable systems. KCTS 9 receives substantial financial support from its Canadian audiences as well as viewers in Washington State.

In December 2015, KCTS 9 merged newsrooms with Crosscut.com, a nonprofit daily news website and also acquired "What's Good 206," a website for millennials on local issues. In January 2016, KCTS 9 became Cascade Public Media, a multi-platform public media organization. The organization remains a nonprofit, community licensed, publicly supported organization committed to supporting social and civic engagement, arts and culture, education and family initiatives.

Over the last two years, OIG received several complaints about KCTS 9 compliance with Act requirements for open meetings, closed executive meetings, and independent operations of the CAB, as well as concerns about cancellation of community and local programming and staff turnover. We evaluated only the requirements addressed by the Act; we did not evaluate local programming decisions and staff turnover issues, because these issues are beyond CPB's jurisdiction.

## **RESULTS OF REVIEW**

We found that KCTS 9 was substantially compliant with the following Act requirements.

- Advance notice of meetings: Substantially all meetings of the Board of Directors, Board committees, and CAB were posted on the stations web site seven days in advance of the public meeting.
- Closed meeting documentation: Review of meeting agendas and minutes demonstrated that all meetings were closed for acceptable statutory reasons.
- Open financial records: The station posts its Audited Financial Statements on its website and the Annual Financial Report submitted to CPB is in a file available to the public upon request.
- CAB: The station has made good faith efforts to ensure that the CAB meets regularly, members regularly attend meetings, that the CAB is representative, and operates independently from the Board of Directors. The CAB has opportunities to provide advice and feedback to management and the Board; the CAB Chair attends all Board of Directors meetings and the Chair of the Board of Directors attends CAB meetings.
- EEO: The station has a copy of its CPB Station Activity Survey, Employment section report in a file available to the public upon request.
- Donor Information: The station has a Privacy Information page on its web site. It has procedures for restrictions on handling donor information. The station has a policy of periodically informing donors, via regular mail solicitations and its web page, so a donor can opt out of sharing his or her personal information.

Based on our evaluation, we have no findings or recommendations to report to CPB about KCTS 9's current compliance with requirements.

## Scope and Methodology

We performed an evaluation to determine KCTS 9's adherence to the requirements of the Communications Act and CPB Certification Requirements. We used the compliance criteria established by CPB in its *Communications Act Certification Requirements for Community Service Grant Recipients* dated May 2015, the guidance in effect during the period covered by our review. (CPB issued revised guidance in June 2016.)

We reviewed records and documents supporting the station's compliance with the Act requirements to: provide advance notice of public meetings and documented reasons for closed meetings under the statute, make financial and EEO information available to the public, and provide documents supporting compliance with donor lists and political activities prohibitions. Our procedures included interviewing station officials and members of its CAB.

We did not evaluate compliance with other requirements under CPB's *2016 Television Community Service Grant, General Provisions and Eligibility Criteria* nor the reporting of financial information on the station's Annual Financial Report submitted to CPB.

We performed onsite fieldwork at KCTS 9 on April 18 and 19, 2016 and additional fieldwork through July 20, 2016. Our evaluation was performed in accordance with the *Quality Standards for Inspection and Evaluation* issued by the Council of the Inspectors General on Integrity and Efficiency.

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**Robert I. Dunlop**  
President & CEO  
rdunlop@kcts9.org

August 16, 2016

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

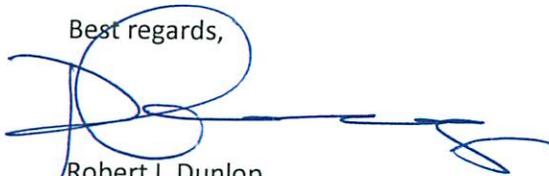
Dear Mr. Richardson,

Thank you for your letter of August 16, 2016 and your report on Cascade Public Media's compliance with the Communications Act Requirements for the Period July 1, 2015 Through March 31, 2016.

We are pleased that your findings support our compliance with the certification requirements and that no recommendations are forthcoming. We are committed to meeting the letter and spirit of these requirements at all times.

If you have any further questions or concerns, please do not hesitate to contact us.

Best regards,



Robert I. Dunlop  
President & CEO

cc:     Michell Pihl, Vice President of Finance & Administration, Cascade Public Media  
        Amy M. Jolley, Legal Affairs Manager, Cascade Public Media  
        Ted Krichels, Senior Vice President, System Development & Media Strategy, CPB  
        Jackie J. Livesay, Vice President, Compliance, CPB